



**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE:**  
**10 JUNE 2014**

**COST EFFECTIVE CARE POLICY FOR ADULT SOCIAL CARE**

**REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES**

**Purpose of Report**

1. The purpose of this report is to invite members of the Adults and Communities Overview and Scrutiny Committee to comment on the draft Cost Effective Care policy for Adult Social Care, which has been developed to deliver the required savings in line with the Medium Term Financial Strategy (MTFS) 2014/15–2017/18, as part of a 12 week public consultation process.
2. The draft Cost Effective Care policy for Adult Social Care, attached as Appendix A, sets out how the amount paid to individuals in their personal budgets is to be limited to the most cost effective care option.

**Policy Framework and Previous Decisions**

3. The Council's duty to complete assessments of need is set out in a number of key pieces of legislation, notably the NHS and Community Care Act 1990; National Assistance Act 1948; Chronically Sick and Disabled Person's Act 1970 and the Carers and Disabled Children Act 2000.
4. The duty to arrange/provide services for people with eligible needs is set out in "Prioritising need in the context of Putting People First: A whole system approach to eligibility for social care" Department of Health Guidance on Eligibility Criteria for Adult Social Care, England 2010. This sets out a framework that Councils are required to use for allocating social care resources in a fair, transparent and consistent way. Councils are entitled to take account of their available resources when setting their eligibility criteria and may have regard to their resources when assessing needs and choosing between different ways of meeting those needs. The draft Cost Effective Care policy has been developed within this legislative context.
5. On the 1 April 2014, the Cabinet noted the draft Cost Effective Care policy for use by the Adults and Communities Department and approved a 12 week period of public consultation on the policy, with a view to a further report summarising the outcome of the consultation and the associated review of the Resource Allocation System (RAS), being presented to the Cabinet in autumn 2014.
6. It is necessary to consider the implementation of the draft Cost Effective Care policy in order to contribute towards the delivery of £500k savings set out in the MTFS

2014-2018. The relevant budget line is S33: Limiting service user choice to the most cost effective option.

7. Adult Social Care is experiencing an increase in demand for services as a result of demographic change. Faced with this increased level of demand and budget reductions, it is necessary to consider introducing a policy that establishes a reasonable cost approach so that the needs of as many eligible service users as possible can be met within the budget available. A number of other authorities are considering a similar approach, for example Worcestershire and Nottinghamshire County Councils and Birmingham City Council.
8. It is also important to have a draft Cost Effective Care policy in place in readiness for the implementation of the Care Bill from April 2015. It will be relevant for a number of provisions included in the Bill, notably the new national eligibility criteria and the funding reforms. The new eligibility criteria may result in more people becoming eligible. The funding reforms, due to be implemented in April 2016, include the 'cap' on lifetime care costs funded by individuals and will result in a significant increase in people requiring an assessment.

### **Background**

9. Leicestershire is facing an increasing level of demand for social care services, largely due to demographic factors, such as an ageing population and increasing numbers of disabled children surviving into adulthood, which have resulted in rising levels of social care needs. In the current financial climate, it is important to have in place a policy that establishes how the needs of all people who are eligible for adult social care and support are to be met within the financial resources available to the Council. The policy needs to reflect a balance between resources, preferences and different ways of meeting assessed needs.
10. The Council uses a RAS, to determine the amount of money that will be paid as a personal budget to meet an individual's assessed eligible needs. The RAS converts the eligible needs into a monetary value, which then forms the basis for support planning. The RAS was originally introduced in 2011 and is due to be reviewed during 2014 to ensure that it is transparent, consistent and sufficiently accurate to generate a reasonable and cost effective calculation. The review of the RAS will support the aims of the draft Cost Effective Care policy.
11. The Council also needs to look ahead and prepare for the implementation of the Care Bill from April 2015. The Bill emphasises the importance of preventing or delaying the development of needs for care and support and the importance of reducing needs that already exist. It introduces a new national eligibility threshold for adults who need care and support and includes eligibility criteria for carers. The new threshold is expected to be set at a level equivalent to the current level used in Leicestershire, critical and substantial, but the final regulations have yet to be released.
12. The funding reforms that will be introduced in April 2016 will revise the financial thresholds for eligibility for local authority funding and introduce a 'cap' on the lifetime care costs paid by individuals. The Council will be expected to create independent personal budgets for self-funders that will set out the amount that can accumulate towards their care cap. Initial estimates suggest that there will be an increase of between 7,000 to 8,000 people who will approach the Council for an assessment and

the creation of an independent personal budget. The draft Cost Effective Care policy will set out a framework for agreeing a reasonable and cost effective amount for care costs that will accrue towards the care cap.

13. The draft Cost Effective Care policy would need to include consideration of the Council's Public Sector Equality Duty and be compliant with the Human Rights Act 1998. This is particularly important in a policy of this nature, which has the potential for adverse impact on people with protected characteristics, so the policy needs to be demonstrably fair, equitable and transparent.
14. Other local authorities have introduced similar policies, such as Worcestershire County Council's 'Usual Maximum Expenditure policy'. Worcestershire County Council has defended its policy successfully at judicial review and its example has some useful learning points for the development of Leicestershire's policy. Nottinghamshire County Council has recently completed a public consultation on their "Proposed policy for the Use of Resources in Adult Social Care". Similar proposals are included in Birmingham City Council's "Social care for Adults in Birmingham - A Fair Deal in Times of Austerity" and also in Walsall's "Vision for Social care in Walsall".
15. The draft Cost Effective Care policy would also assist the Council to ensure that it has sufficient availability of care services to meet people's care and support needs. The rising level of demand for social care puts increased pressure on the supply of social care provision. The policy aims to move away from more expensive care provision where there is an alternative lower cost option. This is expected to release some care capacity and will help to ensure there is enough care for everyone who needs it.

### **Proposals and/or Options**

16. The main elements that are included in the draft Cost Effective Care policy are set out below:
  - The policy will apply to all adults who use social care services arranged by the Council or who may need such services in the future. This includes older people, adults with learning disabilities, physical disabilities, mental health needs and people with a visual or hearing impairment;
  - People will be encouraged to find solutions to their care needs from within their family, local community and themselves. The Council will then look to enhance this informal support or to meet the gap where there is no other source of support;
  - There is an emphasis on advice and information, early intervention, prevention and reablement services as well as equipment, adaptations and assistive technology that will prevent or delay the development of longer term care and support needs;
  - The policy sets out how personal budgets will be calculated to meet outcomes in the most cost effective way for the Council. Residential care placements will be treated in a similar way; the Council will expect to provide residential accommodation that does not exceed the usual cost that it expects to pay;

- People will be able to choose a more expensive care option if they or a third party can fund the additional amount needed;
- The Council will encourage people to receive their personal budget as a cash payment so that they can manage their own money, resources and care wherever they can and as a result have increased choice and control;
- The policy will be applied to existing service users at the time of their next review. If the review identifies that the assessed needs can be met through a lower cost support package, we would expect to reduce the provision accordingly.
- The Council will always give reasonable consideration in circumstances where there is a compelling reason for a higher cost care package to be provided, for example, if there are particular cultural needs that require more specialist provision.
- An exceptions process will be in place, whereby a senior manager will consider the circumstances of individual cases and decide if a higher cost care package can be agreed;
- The policy sets out a process whereby people can request a review of the decision that has been made about their personal budget funding and also their right to make a complaint.

17. The full version of the draft Cost Effective Care policy is attached to this report as Appendix A.

### **Consultations**

18. A 90 day public consultation on the principles of the draft Cost Effective Care policy will commence on 22 May 2014 and remain open until 20 August 2014. The consultation will follow the guidance set out in the Council's consultation principles, namely ensuring that it reaches relevant sections of the community in appropriate formats and is open and transparent in the use of information. The consultation will be informed by the findings of the Equalities and Human Rights Impact Assessment (EHRIA) screening, and the results included and considered in the final EHRIA report.
19. A consultation questionnaire will be sent to a sample of current service users, carers and potential future service users in transition from the Children and Young People's Service. The sample group will be representative of the major service user groups: learning disability, mental health, physical disability and carers and also representative of age, ethnicity and gender. The questionnaire will be available to the general public on the Council's website at: [http://www.leics.gov.uk/sc\\_research.htm](http://www.leics.gov.uk/sc_research.htm).
20. Partner agencies, including voluntary organisations, service providers and NHS organisations will also be invited to contribute their views to the consultation, together with Leicestershire Healthwatch.
21. Two public consultation meetings will take place in July, where people will be able to find out more about the proposed policy, ask questions and contribute their views to

the consultation. The meetings are being held jointly with Communities in Partnership.

### **Resources Implications**

22. The MTF5 sets out efficiency savings and service reductions for the Adult Social Care budget of £4.8m in 2014/15, rising to £20.8m in 2017/18.
23. Limiting service user choice to the most cost effective option (S33) is listed as a service reduction expected to contribute £500k in savings from 2014/15.
24. The Director of Corporate Resources and the County Solicitor have been consulted on the contents of this report.

### **Timetable for Decisions (including Scrutiny)**

25. The 12 week consultation commenced on 22 May 2014 and will end on 20 August 2014. A further report summarising the outcome of the consultation and the associated review of the RAS, will be presented to the Cabinet in autumn 2014

### **Conclusions**

26. The Council is facing an increasing level of demand for social care services, largely as a result of an ageing population and more younger people living with complex needs, whilst at the same time there is less money available to meet these needs. The draft Cost Effective Care policy has been created to establish how the limited resources available to the Adults and Communities Department are to be targeted at providing care that is cost effective, provides good value for money and meets statutory duties.
27. The Adults and Communities Department wishes to undertake a public consultation on the proposals contained in the draft policy so that the views of people who may be affected by it can be considered and used to inform the Cabinet in the final stages of the decision-making process.

### **Background Papers**

- Report to Cabinet: 1 April 2014 – Cost Effective Care Policy for Adult Social Care [http://politics.leics.gov.uk/Published/C00000135/M00003989/AI00037765/\\$9CostEffectiveCarePolicyForAdultSocialCare.docA.ps.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003989/AI00037765/$9CostEffectiveCarePolicyForAdultSocialCare.docA.ps.pdf)
- Prioritising need in the context of Putting People First: A whole system approach to eligibility for social care’ – Department of Health Guidance on Eligibility Criteria for Adult Social Care, England 2010 - [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_113154](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_113154)

### **Circulation under the Local Issues Alert Procedure**

28. The Cabinet report dated the 1 April 2014 was circulated to all Members of the County Council via the Members’ News in Brief.

### **Officer to Contact**

Mick Connell, Director of Adults and Communities  
Adults and Communities Department

Telephone: (0116) 305 7454  
Email: [mick.connell@leics.gov.uk](mailto:mick.connell@leics.gov.uk)

### **List of Appendices**

Appendix A – Draft Cost Effective Care Policy for Adult Social Care 2014  
Appendix B – Equality and Human Rights Impact Assessment (EHRIA)

### **Relevant Impact Assessments**

#### Equal Opportunities Implications

##### Equality

29. Councils have statutory duties to have due regard for the need to promote equality as part of the Public Sector Equality Duty and also to be compliant with the Human Rights Act 1998.
30. An EHRIA has been completed and is attached as Appendix B to this report for it to be considered as part of the decision making process. Further impact assessments will be completed dependant on the issues arising from the proposed consultation.

##### Safeguarding Adults

30. The Safeguarding Adults Policy includes a clear statement of every person's right to live a life free from abuse and neglect. In Leicestershire we have a policy and procedures that ensure relevant agencies and services work together to prevent abuse and to help and support adults with community care needs who may have been the victim of abuse.
31. The group of people identified as coming under the Safeguarding Adults Policy are:
  - People aged 18 and over;
  - Those who may be experiencing abuse or neglect;
  - Those who are or may be in need of community care services.
32. The support to individuals within the Safeguarding Adults Policy and procedures is available as outlined above, regardless of the level of care and support being provided.

##### Carers

33. The draft Cost Effective Care policy does not include the support that the Council provides to informal carers. However, carers may be affected by decisions made under the policy that affect the person they care for. Carers will be included in the consultation sample and groups that represent carers will also be invited to contribute.