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Update on Social Care Reform

Adult Social Care Cabinet Committee, 28 September 2022



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The meeting is asked to:

Note and consider the content of the presentation and related report including:

1. Fair Cost of Care and Market Sustainability Plan
2. Care cap and extension of the means test
3. Section 18(3) of the Care Act–New Self Funders right
4. National assurance framework
5. Financial implications
6. Adult Social Care Reform Funding

It is important to be clear about what is meant by 'social care reform'. The 10-year national programme includes the following key changes:

1. Reform of Adult Social Care charging with the introduction of a cap on personal care cost and extended means-test
2. Fair cost of care and market sustainability reforms
3. Implementation of Section 18(3) of the Care Act which gives self-funders a right to ask a local authority to arrange their care
4. New national assurance framework under which the Care Quality Commission (CQC) inspects local authorities and the Integrated Care Systems (Integrated Care Board and Integrated Care Partnership)
5. Professional development plan for the social care workforce
6. More supported housing and reform of the Disabled Facilities Grant
7. Integration of health and social care (vis-à-vis the Integration White Paper)
8. Accelerate the digitisation of social care
9. Innovative Models of Care Programme - new ways of delivering care in the community
10. Change in services to support unpaid carers

We are focusing initially on four elements of the government policy commitments within the Social Care Reform programme.

1

Fair Cost of Care

- This is to ensure that local authorities are paying providers in a sustainable way and not paying less than it costs to provide the care.
- This work will give understanding to the full and fair costs of care in Kent in residential, nursing for aged 65+ and home care ages 18+.

2

Care Cap and Extension of the Means Test

- The new Care Cap of £86,000 will go live from October 2023, and only after this date will you begin counting towards your cap.
- Only money spent on a person's personal care will count towards the cap.
- New means test capital limits move from £14,250 - £20,000 to £23,250 to £100,000.
- Once a person reaches the care cap, the local authority will take on the cost of the personal care element of the care and support.
- Changes to the means test and introduction of care cap could both have significant impacts on Kent Adult Social Care resources and funds.

3

Section 18(3) of the Care Act—self funders have a right to ask a local authority to arrange their care

- The potential proportion of self-funders in Kent (in care homes and in the community who remain self-funders following the extended means test) will impact Kent Adult Social Care and market sustainability in Kent.

4

Care Quality Commission inspection readiness

- From April 2023 the CQC will begin a two-year comprehensive assessment programme across all the Local Authorities in England.

01. Fair Cost of Care and Market Sustainability Plan

- On 7 September 2021 government set out the plan for Adult Social Care Reform in England. A part of this is the **Fair Cost of Care** exercise and **Market Sustainability Plan** to ensure that local authorities are paying for social care services in a sustainable way and are not paying less than the cost of providing care.
- The Council has a duty under Section 5 of the Care Act 2014 to promote the **efficient and effective operation of a market** in services for meeting care and support needs. This includes people who pay for their own care.
- The Fair Cost of Care exercise scope was limited to providers that deliver **18+ care and support in the home** (CSiH) and **65+** care in residential and nursing **care homes**.
- The exercise required providers to complete a Local Government Association (LGA) approved **cost model** in order to identify the **median, lower quartile** and **upper quartile** costs of care. (Weekly for care homes and hourly for CSiH)
- The Market Sustainability plan shall be no more than 5 pages and must make reference to the Fair Cost of Care exercise outputs and answer **three key questions** on current **market sustainability, future market** changes, and how **sustainability issues** will be addressed.

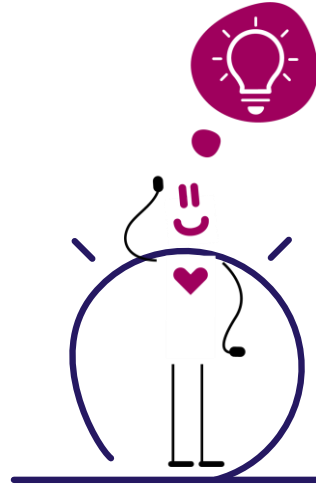
02. Care Cap and Extension of the Means Test

Reaching the £86,000 cap, an example

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Meet **Yusef**. Yusef is in his late 70's and lives on his own.



Currently Yusef would spend **£293,000** on his care from his assets and his income, and as a result only has **£35,000** left in assets. This does not include any additional income from state benefits such as Attendance Allowance, which he may be entitled to.

Yusef recently downsized to a property worth **£180,000**. As a result, he has **£70,000** in savings. Yusef develops dementia and moves into residential care where he lives for 8 years. The care home costs **£700** per week.

Under the new system, Yusef hits the **£86,000** cap after 3 years and 5 months. He no longer needs to contribute for his personal care from either his assets or his income. Beyond this, he will only have to contribute towards daily living costs. He is now left with **£152,000**.

Over his whole care journey, Yusef spends £118,000 less than under the current system

New capital thresholds, an example

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Meet pensioners **Mary and her husband Bob.**



Currently if they both stayed in residential care for 2 years, Mary and Bob would have spent around £105,000 towards their care. They wouldn't have got any state support until they individually reached the UCL of £23,250, which would be based on half of their shared assets. They would be left with around £43,000 in assets between them.

Together, they own a home worth £90,000 and have joint savings of £10,000. They have a joint weekly income from pensions of £470. Due to a decline in health both Bob and Mary need to enter residential care.

Under the **new system**, once they enter a care home, they become eligible for some state support due to each of their £50,000 share of their wealth being below the new £100,000 UCL. Under the new system, they spend £68,000 in total for their care from their income and assets.

Over their combined care journeys, Mary and Bob save £37,000 from their assets and their income in the new system.

- The operational analysis of the impact on Kent carried out by the County Council Network (CCN) projected that:
 - Estimated additional care assessments of 4,600 per year will arise
 - 182 additional workers will be required to manage demand from the reform
 - An estimated increase of 4,190 financial assessments will be required to be completed each year
 - 32 additional financial assessment officers will be required to manage demand from the reform



Kent County Council (KCC) is at an advanced stage to understand the additional demand and early indications predict significantly increased numbers for Kent than those projected by CCN. The ongoing modelling work will also factor in, to the best of our knowledge, the impact of the extension of the means-test which will bring more people who will rely on publicly funded support.

1. Key Implications

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System Changes & Care Account



Additional Resource



Appeals Process



Commissioning



Policy & Practice Changes



Debt Burden



Staff Training & Education



Communication



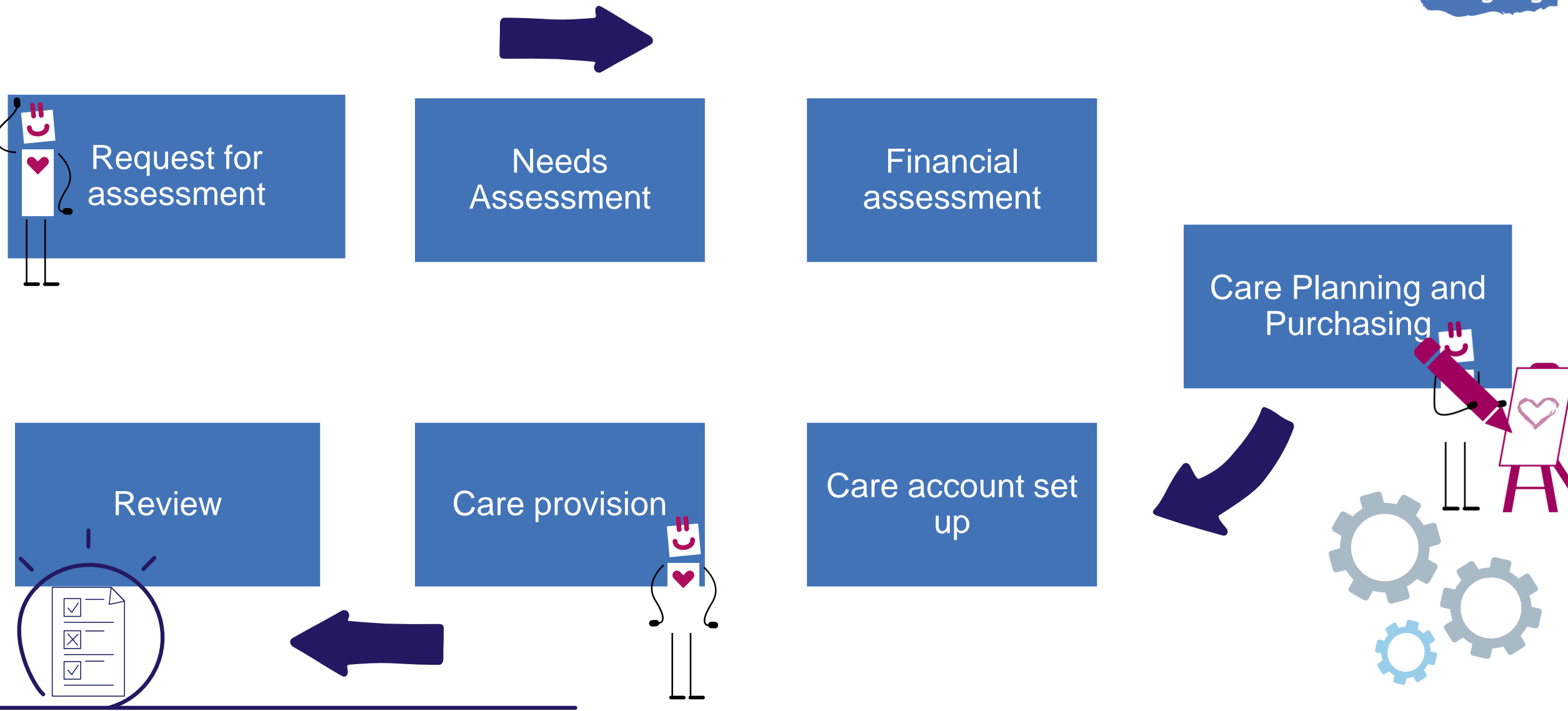
Funding Concerns

03.

Section 18(3) of the Care Act–New Self Funders right

User Journey of a self-funder with no prior ASC contact

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04. National Assurance Framework

Overview

- From April 2023 we have an opportunity to showcase the Adult social care strategy and our ambition to be “The best we can be”, through the CQC assurance process.
- We need to be able to tell our story through the voice of the people we support, our staff and our partners both within Kent County Council, our health partnership and the wider community.
- South East Region of the Directors of Adult Social Services has set up Peer Review Groups.
- Progress to date has focused on completing the **regional self-assessment tool**. Which provides us with a key source of evidence of achievements in improving outcomes for people who use adult social care services
- We need to effectively demonstrate how successful we are in meeting our adult social care duties and listening to the people we support.

Quality Assurance Framework

A robust Quality Assurance Framework setting out clear practice standards and responsibilities to ensure we are delivering a consistently high-quality service. Measures will be meaningful and useful so we can understand when things are working well and when we need to improve.

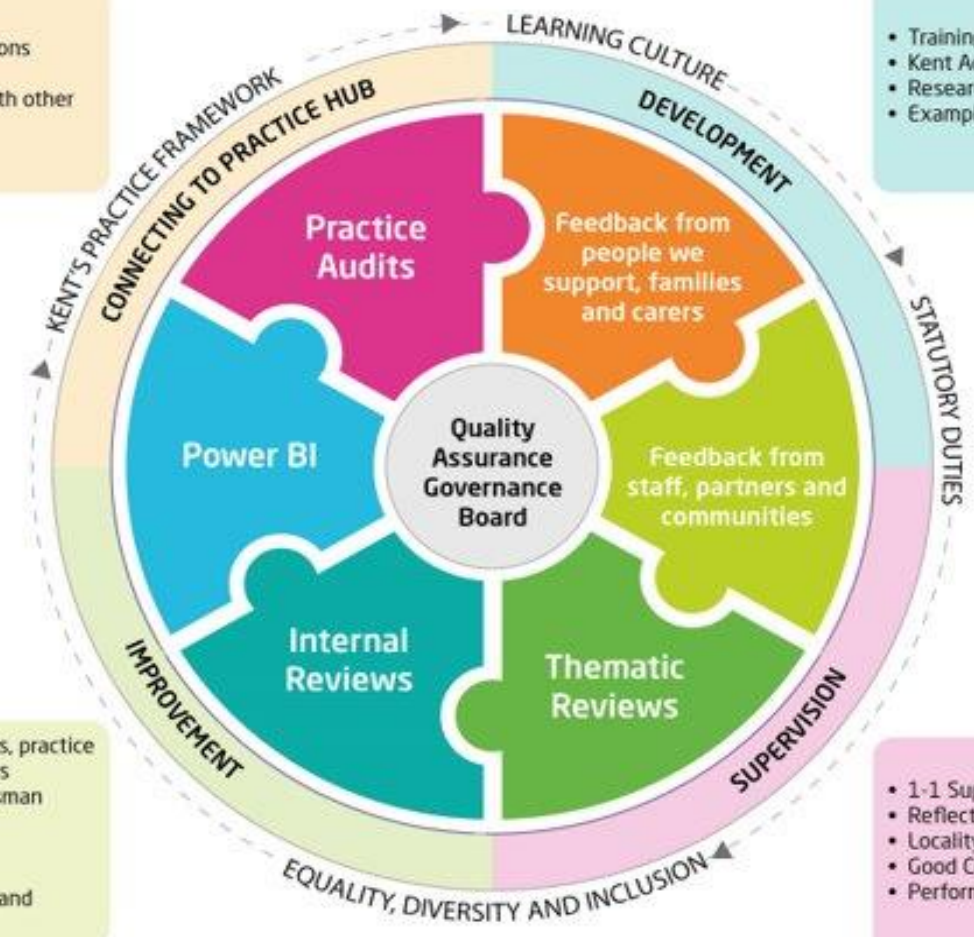
-  Focus groups have been held with Supervisors and Managers
-  A new Quality Assurance Tool is scheduled to be developed over summer
-  Outputs will feed into the Quality Assurance Board, which will be held quarterly

- Practice Postcards
- Bespoke Locality Sessions
- Research activity
- Share good practice with other local authorities

- Improvement of policies, practice guidance and processes
- Responding to Ombudsman (LGSCO)
- Mock inspection
- Measures that Matter (understanding impact and success criteria)

- Training and CPD
- Kent Academy
- Research in Practice
- Examples of good practice

- 1-1 Supervision
- Reflective Learning Sessions
- Locality Partnership Discussions
- Good Conversations
- Performance improvement



05. Financial Implications

- In 2022 to 2023, £162 million was allocated to local authorities through the Market Sustainability and Fair Cost of Care Fund. KCC was allocated £4.6m for the Fair Cost of Care and £98k for the Implementation Support Funding which have been factored into the 2022-2023 budget.
- Local authorities are expected to use at least 75% of allocated funding in 2022 to 2023 to increase fee rates paid to providers in scope, where necessary, and beyond pressures funded by the Local Government Finance Settlement 2022 to 2023. Up to 25% of allocated funding in 2022 to 2023 can be used to fund implementation activities associated with meeting the fund purpose.
- Further tranches of an additional £600m through the Market Sustainability and Fair Cost of Care Fund are anticipated in 2023-24 and 2024-25. The government intend to review allocations for 2023-24 and 2024-25.
- The Market Sustainability and Fair Cost of Care Fund will amount to £1.36 billion (out of the £3.6 billion to deliver the charging reform programme).
- As a condition of receiving future funding, local authorities will need to evidence the work they are doing to prepare their markets and outcomes of the Cost of Care exercise and submit to the Department of Health and Social Care (DHSC) by 14 October 2022.

06. Adult Social Care Reform Funding

- The government launched a consultation which closed on 23 September 2022, on introducing a new Adult Social Care Charging Framework from October 2023. The consultation was on proposals for distributing funding to support the first year of delivery of Adult Social Care Charging Reform in 2023 to 2024. There were proposals on the distribution funding for needs and financial assessments, the extension to the means-test and the cap on personal care costs.
- KCC used the opportunity to make its voice heard through its response to the consultation. Our main concerns were centred on the funding formulae used to allocate the available resources between individual authorities and the quantum of the funding to be made available for the reform
- Most of the options either allocate resources based on population adjusted for relative needs or a more simple approach based purely on population. However, the relative needs are based on a presumption of building on the existing formula (which has been in place for many years and has been criticised for being out of date/not fit for purpose) to reflect the new responsibilities.
- The largest estimated costs are for the changes to the means test and the implementation/additional assessments

07. Closing



Comments and Feedback

