

Adult Social Care: the Government's Green Paper and the LGA Fair Care Campaign

Summary

1. In the 2007 Pre-Budget Report and Comprehensive Spending Review the Government committed to a 'radical rethink' on long-term care, including a Green Paper on how to best fund adult social care and support in the future. The Government's 'big debate' on the future of adult social care was launched on Monday 12 May 2008 and concluded on 28 November 2008. A Green Paper on the future of care and support is expected Spring 2009.
2. Last year the LGA also focused on adult social care, making the issue one of the association's six 'Putting People First' priorities. Although not one of the LGA's campaigns this year, work on the future of adult social care continues at pace. The annual LGA/ADASS adult social services expenditure survey is part of this ongoing work and a final report of the survey's findings is currently being cleared. This year's survey included a specific section on the impact of the recession on adult social services.

Recommendations

Board Members are asked to note the update and provide comments to the questions posed.

Actions required

As determined by the Board.

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Care, support and independence: the Government's engagement process

1. The Department of Health is now undertaking a systematic analysis of all the engagement responses, which will feed in to the Green Paper. We expect this to be published in June. We therefore propose a slighter longer item at the July Board to examine the content of the Green Paper and discuss what our work programme should be for the next year in response to it.
2. We understand that the Green Paper will focus on how the care and support system will be delivered in the future as well as a fairer funding settlement for adult social care and support.
3. Defining local government's role in delivery will be central to the LGA's response to the Green Paper.

LGA current activity

4. Since the last Board meeting we have received the final draft of the LGA/ADASS adult social services expenditure survey. This annual survey is an authoritative source of evidence on total social care spend, and has become a high-profile and trusted piece of research. Last year it was covered in the national and specialist media, and was used by other organisations including Age Concern, CSCI, the Audit Commission, and numerous councils.
5. The survey covers a number of areas relating to adult social care expenditure including:
 - Budgeted and actual expenditure
 - Fair Access to Care bandings
 - Fee levels
 - Cost pressures and net unit costs
 - The impact of demographic change
 - Efficiencies
6. This year's survey asked specific questions on the impact of the economic slowdown on adult social care, and how the sector is responding to mitigate the impacts of the recession.
7. We expect to publish the full results of the survey in the week commencing 27 April.

Responding to the recession

8. The LGA is heavily involved in supporting councils to combat the impacts of the recession. The LGA Group is helping councils to learn from each other through best practice publications, and is actively promoting the work that councils are doing to help their residents by getting positive stories in the media. A recent example on the squeeze on care homes is attached, which was covered widely in the media.
9. The LGA is also lobbying decision makers in the main political parties to adopt policies that will help free up councils to do more to help individuals and local communities affected by the recession.

Social care is playing its part

10. The LGA/ADASS budget survey demonstrates that the economic slowdown is having an impact in a number of areas of adult social care including:
 - Reduced income from social care charges
 - Greater demand for welfare advice, mental health, and drug and alcohol services
 - Reduced supply of services as independent sector care homes and agency providers of social care staff close
11. In the face of these challenges the adult social care sector is responding to mitigate the full impact of the recession. The following table sets out how some councils are responding to particular impacts:

Recession impact	Mitigating action
More demand for welfare advice services	Contribution of £500k to support voluntary sector organisations identified corporately, with £200k allocated to support organisations providing advice
Income reduced as people default on social care charges, or as CRAG charging is levied on fewer people	Review of income collection driven by demographic changes, increasing debt and the slowdown in the economy. Ongoing discussions to strengthen advice services with CAB
More demand for welfare advice services	Expanded welfare advice services for 2009/10
Supply of services reduced as independent sector care homes close	Working closely with residential sector providers to improve their cash flow and ease bureaucracy
More demand for welfare advice services	Planned 'credit crunch seminar' with key local statutory, voluntary and business sectors to assess impact of the credit crunch, examine

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	initiatives already in place and consider other plans that may be required
Supply of services reduced as independent sector care homes close	Payment procedures reviewed to ensure balance between regular income for providers and avoidance of excessive adjustments for changes in circumstances that would occur over a longer period
Supply of services reduced as independent sector care homes close	Working closely with the Registered Care Providers Association to help identify homes in difficulty at an early stage
Supply of services reduced as independent sector care homes close	Undertaking a PPP project to build a new OPMH nursing home due to open in December 2009. Working with existing provider to reprovide a closing home. Completed procurement exercise to secure a framework of five stable providers for domiciliary care
More demand for welfare advice and mental health services	Both Mental Health and Welfare Rights have submitted bids to the WNF to fund specialist advice services. One will be aimed at clients who are long-term unemployed and will aim to retrain individuals and help them back into work. Another will be aimed at helping individuals who are in danger of having their homes repossessed, by providing advice for liaising with banks over mortgage arrears.
More demand for welfare advice services	The council has created 'FirstPoint' – a new advice centre, and is working with partners to provide seamless advice on debt, money, benefits, jobs, training and affordable housing supply

Questions for the Board

- Is the Board aware of other activity that adult social services departments are taking to mitigate the impact of the recession?
- What further action does the Board believe adult social services departments can take to mitigate the impact of the recession?
- Are there procedural or legal barriers to doing more?

Accessing housing equity: Deferred Payment

12. A recent Freedom of Information request by the Conservative party has highlighted the disparity in the use of Deferred Payment powers by councils as a means for individuals to finance their residential care needs. Nearly 50% of

councils responding to the FOI inquiry made no new Deferred Payment in 2007/08.

13. Deferred Payment is effectively a council loan, secured by a legal charge on an individual's property, to help fund their residential care. Under the scheme the sale of an individual's home is put off during their lifetime, with the council covering the individual's costs. No interest is charged whilst the individual remains in residential care. The money is then recouped by the council once the individual's home is sold following their death.
14. As we expect the Green Paper to set out a series of options for funding care and support in the future we anticipate one proposal being rules to help more people defer their care home fees.
15. In collaboration with the Resolution Foundation we are therefore planning to run an 'Expert Group' session with representatives from the third sector and councils to explore issues including:
 - Why the current Deferred Payment system is not working well
 - Whether there needs to be some redesign in light of the recession and the slowing of the housing market
16. In addition to looking at the Deferred Payment model we will also consider the potential for developing a new product to help people defer their fees, and the initial costs required to pump prime it.

Questions for the Board

- What is the Board's view of the Deferred Payment scheme?
- What experience and learning can the Board share on the strengths and weaknesses of Deferred Payment?

Additional research

17. In addition to the LGA/ADASS budget survey work we have also commissioned some more detailed qualitative research to explore the impact of the downturn in a small number of local authorities.
18. The research will look at the effects of the downturn on:
 - Providers of adult social care and support
 - Individuals
 - Councils (direct and indirect impact)
19. Four local authority areas will be studied and the research will be undertaken through telephone interviews with adult social care Lead Members, managers

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and providers and an online survey hosted on the councils' websites. Analysis of emerging literature and interviews with a small number of provider organisations will also be carried out.

20. A report based on the research findings will be available in time for the LGA Annual Conference.

Implications for Wales

None.

Financial/resource implications

None.

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ANNEX: Press release of 9 April

The following went out on 8 April under embargo and was covered in the Daily Mail of 9 April:

Release: Immediate, Thursday April 9th

Contact: Sarah Cordey, LGA Media Office, 020 7664 3333

TOWN HALLS CUSHION IMPACT OF CARE HOME CLOSURES

The recession is being blamed for the closure of some independently run care homes in nearly 1 in 7 local authority areas, council leaders warned today. Town halls across the country are acting to try to prevent a shortage of residential places for older or disabled people.

A Local Government Association survey of council social services staff found almost 15 per cent of authorities have already seen closures put extra pressure on the supply of places. More than three quarters of councils expect to feel the impact of further closures in the future.

Councils are introducing initiatives to speed up payments and keep bureaucracy to a minimum, with the aim of easing some of the economic pressures on care home operators. At least one authority has embarked on a public private partnership (PPP) project to build a new home.

Among the authorities taking steps to address the problems affecting care homes are:

- POOLE where a policy of fortnightly payment to providers is in place, one week in arrears and one in advance, to provide as much financial stability as possible.
- SOUTHAMPTON where a new care home built as part of a PPP scheme is due to open in December, offering 40 state funded beds and a day centre.
- SOMERSET where the council works with the Registered Care Providers Association (RCPA) to help identify homes in difficulty at an early stage. Block contracts are used to give operators as consistent an income as possible, and an extra premium payment is available to homes offering the highest standards of care.

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Cllr Margaret Eaton, Chairman of the LGA, said:

“The impact of the recession is being felt up and down the country - by everyone from hard-pressed families to struggling businesses. Steps to help care homes stay open are among the many examples of things councils are doing to protect their residents from the downturn as much as possible.

“People who live in care homes are some of the most vulnerable in the country. Any warning signs that there could be problems providing places where they can be properly cared for need to be identified in good time, which councils are clearly doing.

“Town halls are taking decisive action. By co-operating with private operators and taking the lead on providing alternative care, councils are ensuring people living in many residential homes will be spared upheaval and worry. Councils are taking on the challenge of delivering the best they possibly can despite these tricky financial times.”

The country’s ageing population has been putting the services which care for older people under increased strain. The number of over 65s is predicted to increase by around three million to 11.4 million people by 2025. There will also be a massive increase in over 85s, a third of whom are expected to develop dementia.

The LGA has called for the care of our ageing population to be among the top three priorities for all political parties, and has proposed key recommendations to improve the care of older people and ease the burden on the taxpayer.

Cllr David Rogers, Chair of the LGA’s Community Wellbeing Board, said:

“Everyone needs to be involved in the debate about how we provide the vital services which vulnerable people deserve and councils want to provide, particularly during these tough financial times.

“The recession has brought forward some of the very difficult issues which we all have to confront, about how we best care for more and more elderly people, and how we pay for it. Councils are happy to stretch themselves in these exceptional circumstances to help care home providers stay in business, but their pockets are not bottomless.”

ENDS

Notes to editors

Questions about the impact of the economic slowdown were asked as part of the annual survey of adult social services expenditure, which will be published in full later in the spring. Councils were asked whether they had seen the supply of services reduced as independent sector care homes close. 14.7% said they had already experienced it, 76.5% anticipate it and 8.8% answered yes to both.

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The LGA's recommendations for the reform of social care include:

- To invest in preventative services to keep people healthy and independent for as long as possible.
- To co-ordinate all local spending on older and disabled people to get better value for money.
- To minimise wasteful bureaucracy by introducing a single assessment of what people need.