

Adult Social Care White Paper and Funding Update – LGA Response

Purpose of report

For information and discussion.

Summary

This report provides the Board with the LGA's response to the White Paper on Social Care and the Funding Update issued with it, in order to inform the discussion at the Board.

Speaker biographies for the Minister for Care, Paul Burstow MP, Rt Hon the Lord Warner and Sandie Keene are attached at **Appendix 2a**.

The LGA 'On the Day briefing' is attached as **Appendix 2b**, and provides further commentary and a more detailed breakdown of the contents of the White Paper.

Recommendations

Members of the Board are asked to:

1. Note the key messages as outlined in the report to inform the discussion at the Board on the White Paper
2. Provide their assessment of the White Paper and its associated documents using the three tests outlined in *Ripe for reform: a guide to the Care and Support White Paper*

Action

As directed by Members.

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Background

1. The Government published the White Paper, *Caring for our future: reforming care and support* on 11 July. It is accompanied by a draft Care and Support Bill and a suite of other documents including a progress report on its response to the Dilnot Commission, summary of the *Caring for our future* engagement exercise, and response to the Health Select Committee's reports on these matters.
2. The Care and Support Bill which will provide enabling legislation for these reforms was also published for pre-legislative scrutiny. The Bill will be formally introduced in the third session of Parliament in 2013.
3. The headline features of the White Paper, particularly with regards to those that impact on local government, are outlined in the attached 'On the Day' briefing.

LGA key messages

4. The LGA is disappointed the White Paper does not address the reality of the funding pressures councils face. The small pockets of additional funding are welcome but an essential precondition of serious progress must be an honest appraisal of what a modern social care system costs and how it is to be funded.
5. The White Paper provides a good platform for a reformed social care system. It builds on the sector-wide consensus about the recommendations of the Law Commission and the Dilnot Commission. There is plenty for councils to work on with Government through the draft Care and Support Bill.
6. However, the funding statement takes us no further forward in how a modern, stable and predictable social care system can be properly resourced. We fear that on this timetable service users and carers could face at least a further 5 years of uncertainty and hardship.
7. The LGA welcomes the Government's commitment to adopt the principles of the Dilnot Commission that an individual's lifetime contribution should be capped. We endorsed his view that such a system had to be universal to work and suggest the proposed consultation on voluntary opting in or out may not be workable.

'Ripe for Reform' – assessing the White Paper

8. The LGA set out its vision for what it would like to see in the White Paper in its publication *Ripe for reform: a guide to the Care and Support White Paper*. This outlined the measures that can be used to judge it and a means for gauging its impact.

9. Community Well-being Board members may wish to submit their own scores on the White Paper using the Ripe for reform methodology via the LGA website: www.local.gov.uk/social-care-campaign

Test One

10. As detailed in the attached On the Day briefing, the announcements meet many of the expectations as set out in 'Test One'. The LGA had set out a vision based on community and individual assets and support to users and carers to make good decisions about their future care needs. This needed to be based on clear, national and portable entitlement to services, coupled with individuals having the flexibility to design support to meet their needs in their local context.

11. We wanted an emphasis on prevention, a more integrated approach to how housing and health contribute to good care, and on developing local markets and ensuring continuity of care provision. We also stressed the need to recruit, train and support an expanding workforce. The LGA has long supported putting Adult Safeguarding Boards and requirements to cooperate on a statutory basis. All of these are now contained within the White Paper.

Test Two

12. Our second test looked at whether the white paper set out a timetable for reform that recognises the urgency of the challenge and committed to immediate action where possible.

13. The LGA recently outlined the resource pressures facing Councils in its recent report 'Funding outlook for councils, from 2010/11 to 2019/20' and in particular how significant social care funding reform is to the way local services across councils will be provided in the future.

14. The Department of Health have issued a draft Bill with a view to completing its passage by Autumn 2014. Most changes requiring legislation will be implemented from April 2015 at the earliest.

15. The Government has not committed to a new funding model at this stage. All the key funding decisions on implementing Dilnot reforms and addressing the true costs of a reformed care system are postponed until the next Comprehensive Spending Review. It is likely that these will be assessed in the context of measures to stimulate growth and other public spending pressures.

16. The Dilnot proposals under consideration are mainly focused on older people. The Commission recommended care and support for adults should be free and unless this wider issue is addressed, these groups will be disproportionately affected by councils' need to ration services in response to funding shortfalls.

17. The Government has made much of the benefits of extending deferred payments. However, the ADASS budget survey 2012 showed that councils have already made deferred payments to around 8,500 people to a total value of £197m (an average of £23,000). The implication of this level of debt in an already overstretched system needs urgent attention.

18. The White Paper therefore falls a long way short of the second test of confidence that the White Paper will lead to action in responding to the current crisis in social care funding.

Test Three

19. Our third test was that the reforms articulated a clear role for local government, that appropriate links were made with Health and Wellbeing Boards and that clearly defined relationships for councils with key partners were established.

20. There are clear new duties proposed that are intended to promote cooperation but the LGA will be keen to ensure that social care and health reform are not developed separately and that the focus remains on developing integrated care and support and health responses that meets the needs of people and communities.

Summary of progress report on funding

21. The separate progress report on funding accepts the following principles of the Dilnot Commission:

- 21.1. Financial protection through a cap on costs
- 21.2. Extended means test
- 21.3. National minimum eligibility criteria
- 21.4. Deferred payments available to all, with a consultation on how interest is levied by councils

22. As part of considerations that will take place as part of the next Comprehensive Spending review, the Government wants to explore further options they believe are consistent with the Dilnot report but at a lower cost - namely:

23. Level of the cap (say at £75,000 rather than £35,000). The Government has no firm view on the level.

24. Choice about whether to have financial protection through voluntary opt-in or opt-out schemes to give protection in return for specified payments.

25. A working group will be set up with the financial and insurance sector to consider the requirements of a new system, tax implications and how to help people plan.

26. The White Paper does refer to the LGA's Efficiency Programme, as previously

outlined at the Board, which is currently supporting forty four councils with a range of themes.

Summary of financial announcements

27. The Government also announced additional funding to support implementation:

- 27.1. £100m in 2013/14 and £200m in 2014/15 to be transferred from NHS to councils under Section 256 with similar conditions to previous transfer. 10% likely to be for reform implementation costs;
- 27.2. £200m capital spread over 5 years for specialist housing schemes;
- 27.3. Start up funding of £32.5m from 2014/15 to develop local online information services;
- 27.4. Investment by NHS in end of life care pilots to be doubled from £1.8m to £3.6m.

Further next steps

- 28. The Care and Support Bill is now open to consultation and pre-legislative scrutiny.
- 29. Comments on the draft Bill can be posted on-line until 19 October 2012.
- 30. A Care and Support Transformation Board and Care and Support Implementation Board will oversee the reforms; with membership of the proposed Boards will be confirmed shortly. A number of working groups will study the detailed implications of the White Paper and the Bill between now and 2015. The LGA expects to be represented and to play its part in the working groups proposed to work through the details of implementation.
- 31. The LGA will provide further briefings at key stages of the legislative process and, as noted, will continue to lobby Government on funding through the *Show us you care* campaign.