

Item 5

Update on adult social care

Purpose of report

For information and discussion.

Summary

In July 2012 the Government published a white paper on the future of adult social care and support. Alongside the white paper the Government published a 'Progress report on funding' (its response to the recommendations of the Dilnot Commission on fairer care funding) and a draft care and support bill.

Securing the future of care and support is one of the LGA's top priorities for the coming year. This update report therefore provides the Task Group with an overview of the Government's headline proposals for reform of adult social care.

Recommendation

Members are asked to note the key messages as outlined in the update.

Action

Officers to progress work in light of Members' comments.

Contact officer: Piali Das Gupta / Matthew Hibberd
Position: Senior Advisers
Phone no: 020 7664 3041 / 0207 664 3160
E-mail: Piali.dasgupta@local.gov.uk matthew.hibberd@local.gov.uk

Item 5

Update on adult social care

Background

1. The Coalition's 'Programme for Government' highlighted in May 2010 the: "urgency of reforming the system of social care to provide much more control to individuals and their carers, and to ease the cost burden that they and their families face". Two commissions played a key role in taking the debate forward. The Law Commission conducted a detailed inquiry on how to simplify adult social care law and the Commission on Funding of Care and Support, chaired by the economist Andrew Dilnot, made a number of recommendations on how to achieve an affordable and sustainable funding system for care and support for all adults. Both commissions reported in summer 2011.
2. The Dilnot Commission called for a cap, suggested at £35,000, for an individual's lifetime contribution towards their social care costs, after which they would be eligible for full state support. The Commission also recommended an increase in the means test threshold above which people should pay full care costs, from £23,250 to £100,000.
3. The Law Commission recommended a single, clear, modern statute that would pave the way for a coherent social care system by putting individuals' wellbeing at the heart of a new set of statutory principles. Under the Commission's proposals users and carers would have clear legal rights to care and support services and councils would have clear and concise rules to govern when they must provide services.
4. Following the reports of the aforementioned commissions the Government ran an engagement exercise to discuss what the priorities for reform should be. The exercise ran from September – December 2011 and was based around a number of areas (such as prevention and integration) that were identified as having the greatest potential to improve the care system.
5. In July 2012 the Government published its white paper on reform, 'Caring for our future: reforming care and support'. At the same time, the Government also published a draft care and support bill and a progress report on funding (its response to the Dilnot recommendations).
6. Alongside the debate about system reform, the debate about system funding has continued to run. For councils, the stakes in resolving the future funding question are high. Adult social care is the largest area of local government spending once the Dedicated Schools Grant is taken out of the equation, forming up to 50 per cent of the budgets of upper tier authorities. In 2011-12, total net spending in this area was £14.9 billion. On the whole, councils gave budgets for adult social care a degree of relative protection last year. With the squeeze on funding set to continue for at least two, if not four, years, it will be very difficult for them to shield a service that absorbs such a large portion of their spending from greater reductions in future, especially since it is also subject to mounting demand. Councils have over the last few years progressively reduced the availability of free care by tightening eligibility.

Item 5

The LGA position

7. The LGA has been heavily involved in debates about reform of care and support during the last two years months, working closely with both the Dilnot and Law Commissions to share the sector's views and influence the final recommendations. We have also been heavily engaged with Parliamentarians and stakeholders, giving a range of evidence and briefings. Our views feature prominently in recent Health Select Committee reports on Public Expenditure and Social Care, and much of the evidence of the LGA is endorsed by the Committee. We have joined forces with other stakeholders including Age UK, the Association of Directors of Adult Social Services (ADASS) and the Care and Support Alliance.
8. The LGA set out its expectations for social care reform in the March publication, 'Ripe for reform – the sector agrees, now the public expects: a guide to the care and support white paper'. We proposed three tests for the white paper, as set out below:
 - 8.1. Test one: does the white paper set out proposals for a reformed system that is likely to achieve our aims of :
 - 8.1.1. Improving the individual's experience through a simpler system that enhances choice and control, fosters quality services, supports the needs of an expanding workforce, and promotes integrated responses
 - 8.1.2. Providing stability, predictability and transparency and encouraging the long-term view
 - 8.1.3. Providing sufficient funding that is appropriately directed to meet demographic pressures and incentivise prevention
 - 8.1.4. Using the totality of local resources through a focus on wellbeing, quality of life, integrated services, and support for carers
 - 8.2. Test two: does the white paper set out a timetable for reform that recognises the urgency of the challenge and commits to immediate action where possible?
 - 8.3. Test three: does the white paper articulate a clear role for local government in a reformed system and recognise the importance of a local approach to care and support?

The Government's proposals for reform

9. There are two central themes to the **white paper**: first, changing the focus of care and support toward the promotion of wellbeing and independence through prevention and early intervention (and away from a system characterised by crisis response); and second, improving people's experience of care by improving quality, developing services that are responsive to individuals' different needs, and giving people choice and control via their own budgets and care plans.

Item 5

10. The detail of the white paper is set out around five “I statements” that articulate what the Government’s vision would mean for a service user or their family/carer. The statements are as follows:
 - 10.1. I am supported to maintain my independence for as long as possible.
 - How better community support, including housing, can help people stay active and independent.
 - 10.2. I understand how care and support works, and what my entitlements and responsibilities are.
 - Developing a clearer system to aid people’s navigation through it and make clearer the options available to them.
 - 10.3. I am happy with the quality of my care and support.
 - Meeting the individual’s expectations of receiving quality services that are responsive to those individuals’ specific needs.
 - 10.4. I know that the person giving me care and support will treat me with dignity and respect.
 - Ensuring a skilled and responsive workforce that is sensitive to individuals’ needs.
 - 10.5. I am in control of my care and support.
 - Making sure that individuals are in charge of their budget and services fit around their unique needs.
11. The **draft care and support bill** addresses the Law Commission’s recommendations for a simpler system. It aims to:
 - 11.1. Modernise care and support law so that the system is built around the individual.
 - 11.2. Clarify entitlements so people are better aware of what is on offer and are able to plan for their future.
 - 11.3. Support the broader needs of local communities by improving access to information and promoting prevention.
 - 11.4. Simplify the care and support system.
 - 11.5. Consolidate existing legislation into a single, clear statute.
12. Specific proposals include:
 - 12.1. A national minimum eligibility threshold
 - 12.2. A portable entitlement should individuals move from one council area to another, with councils required to maintain services until a reassessment is completed
 - 12.3. Extending the right to an assessment to more carers and giving carers a clear entitlement to support for their own wellbeing
 - 12.4. A legal entitlement to a personal budget
 - 12.5. Clarity on Ordinary Residence

Item 5

13. The progress report on funding accepts the following proposals of the Dilnot Commission:
- 13.1. Financial protection through a cap on costs
 - 13.2. Extended means test
 - 13.3. National minimum eligibility criteria
 - 13.4. Deferred payments available to all, with a consultation on how interest is levied by councils

Summary of financial announcements

- 14. £100 million in 2013/14 and £200 million in 2014/15 to be transferred from NHS to councils to help better integrate care and support.
- 15. £200 million capital spread over five years for specialist housing schemes.
- 16. Start up funding of £32.5 million from 2014/15 to develop local online information services.
- 17. Investment by NHS in end of life care pilots to be increased from £1.8 million to £3.6 million.

Reaction to the Government's reform proposals

- 18. Based on our three tests set out above our initial reaction to the Government's proposals is as follows:

Test one

- 19. The announcements meet many of our expectations. The LGA has previously set out a vision based on community and individual assets to support 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.
- 20. We also 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. All of these issues are now contained within the White Paper.

Test two

- 21. 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. 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.

Item 5

22. 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.
23. 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.
24. 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.
25. 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.
26. 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

27. 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.
28. 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 meet the needs of people and communities.