



Report: The Care Act Implications and the Blueprint for Adult Social Care, June 2014

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1. Implications of the Act

The new Care Act is the most transformational piece of legislation to affect delivery of care and support (Appendix 1 provides an overview of the key provisions within the Act). It introduces a host of new requirements which fundamentally transform how social care services are delivered and comes into effect in two parts:

- **April 2015:** introduction of all elements of the Care Act excluding the cap on care costs and new means-tested asset threshold.
- **April 2016:** introduction of a cap on care costs that people will have to meet their eligible needs and changes to the means tested asset threshold.

Buckinghamshire County Council (BCC) recognises that given current and projected service pressures, the Care Act requirements create an even greater risk to the organisation's ability to effectively deliver social care services. This is will be further exacerbated if the reforms are inadequately funded by Central Government.

The following points summarise the significance of the Care Act for the local authority:

1. It is non-negotiable; there is a legal requirement for us to adhere to it.
2. It affects every area of social care commissioning and delivery and as such, represents an unprecedented change agenda over a tight timescale.
3. It is not just about adult social care as it reaches into every corner of local authority delivery, for example the 'front door' contact centre, children's services, procurement and the exchequer will all be impacted by Care Act requirements.
4. This represents one of the biggest financial risks for the local authority if it is not fully funded, exacerbating an already challenging financial position.
5. This represents the biggest change agenda Adult Social Care has. To prepare for it properly is in excess of our 'business as usual' resource.

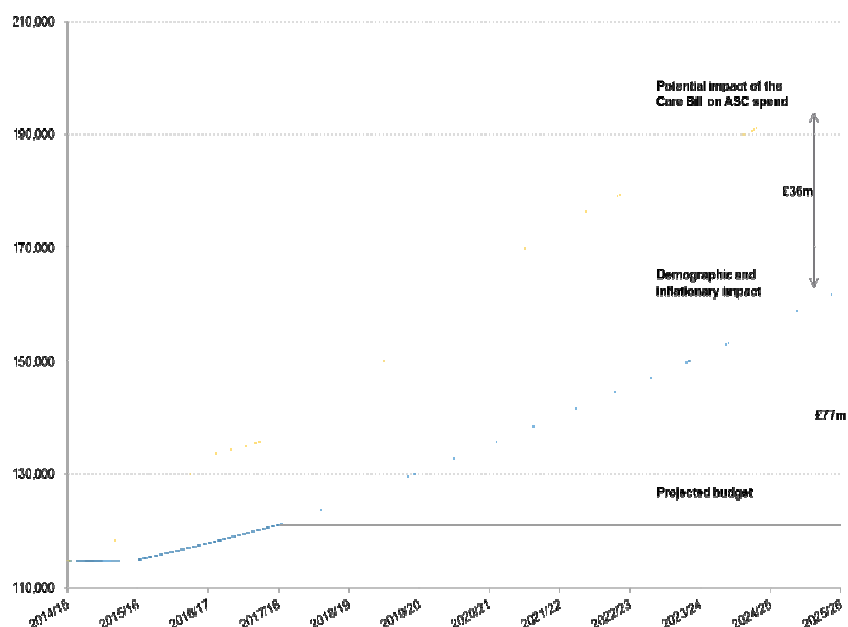
Financial Challenges

The Portfolio faces continued pressure on budgets due to demographic factors which increase demand for services and through pressures on prices in the market. By 2025/26, Adults and Family

Wellbeing (AFW) will need to factor in a budget increase of c £41m per year, after factoring in demographic growth and inflation. The table below shows the estimated phasing of costs under the most likely case of £35.6m. As the table shows, the full cost of the Care Act impact would not be felt until a decade after introduction, but most of the costs would be felt within five years.

summary £000	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Cap on self funders costs	-	-	-	1,664	4,992	7,584	9,452	9,892	10,332	10,426	10,520
Self funder impact on market	-	6,951	6,951	8,464	11,491	13,830	15,341	15,615	15,889	15,889	15,889
Assessment costs	300	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430
Loss of care contributions	-	2,301	2,301	2,405	2,613	2,777	2,897	2,929	2,961	2,971	2,981
Support to carers	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
Support to prisoners	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Risk	5,100	15,482	15,482	18,763	25,326	30,421	33,920	34,666	35,412	35,516	35,620

The graph below demonstrates this underlying financial pressure:



The largest financial impact of £15.9m is expected to come from care market equalisation that increases the council's cost of care. This is as a result of increased transparency of the disparity between prices paid by self-funders and those paid by the council, which is estimated to be between £250 and £300 per week. The creation of care accounts for all means greater visibility of the amount paid by the council for care and a diminished level of funding available to the market as self-funders broker lower rates (via the council). The usual cost to the council then increases. This is not recognised by government as an impact that will be funded in the future.

The other major financial impact comes from the cap on care costs for current self-funders, which is expected to create a financial risk of around £11m from 2019/20. Given the high number of self-funders in the County (15% higher than national averages), BCC will be disproportionately impacted by the introduction of the cap. We do not know at this stage if BCC will be fully funded by Government for this financial impact.

2. How is AFW responding to this challenge?

Given the scale of the challenge, small tactical changes to ensure compliance will not achieve the outcomes above or mitigate the significant financial risk. AFW's response is to undertake a change programme to respond to the Care Act, the Future Shape of the Council requirements and address the ongoing social, demographic and economic challenges. The programme will seek to achieve the outcome above and meet the financial challenge in three ways:

1. **Ensuring adequate funding through lobbying:** The Care Act adds additional burden to a service which is already under financial and demand pressure. Whilst central government has committed to funding some of the impacts, it is important to get the right funding. This means lobbying the government to ensure market equalisation is included in the funding given.
2. **Significant demand management and cost control through a new blueprint for Adult Social Care:** Whilst the Care Act is a pressure, the service is already under pressure from rising demand. Taking a proactive approach to demand management through intervening earlier and in a different way will drive down demand for social care services. This will enable a different, more cost effective model for social care to be operationalised. The detailed analysis of current pathway across the care groups, highlights the need to radically rethink our commissioning intentions and how they respond to the different demand drivers.

The required change is significant and AFW expects it is unlikely that department in its current form will be able to achieve the level of efficiencies required. The department will need to fundamentally reconfigure its approach to delivery to ensure optimal use of resources going forward. This reconfiguration will focus on becoming:

- a. Cost conscious,
- b. Effective at achieving demand management plans
- c. Effective at identifying opportunities to generate income
- d. Flexible to respond local and national drivers for change.

3. A programme to support the delivery of legislative and transformational change

A 3 staged programme is in place to deliver the legal requirements of the Care Act and to drive the delivery of the blueprint and the Adults and Health business unit:

Stage 1: Care Act compliance: ensures that operational services, including care management and assessment, commissioning and contract management, are compliant and ready for both parts of the implementation of the Care Act in April 2015 and April 2016.

Stage 2: Commissioning plan and development of delivery options for the Big Ideas: the development of the big commissioning ideas into a commissioning plan and development of a commercial strategy for the delivery of each element, service or groups of services. Will include specification and grouping of the key components, options appraisals undertaken to determine optimal delivery vehicles, the commissioning and category management approaches, and the correct implementation process to deliver the change (procurement, organisational redesign etc).

Stage 3: Transition to the new operating model and delivery of our new vision for 2025
This stage will involve the implementation and transition process to the new operating model, including staff consultation, procurement processes, change management, readiness of technology and service transition plans to ensure safe and smooth implementation of the new model.

Further involvement

There is a key window of opportunity for lobbying to government on the funding for the Care Act, prior to the next spending round. Members should be central to this process, to ensure that funding will reflect the scale of financial pressure that will be felt locally.

Future briefings and opportunities for further information sharing and discussion will be a key part of the communications and engagement plan going forward. This will help the council to respond effectively to the challenge faced by social care, and use it as an opportunity to improve.

Appendix 1: Overview of the Care Act – key provisions

The main provisions of the Care Act are as follows:

- The aim of the Act is to modernise over 60 years of care and support law into a single, clear statute, which is built around people's needs and what they want to achieve in their lives;
- Clarifies entitlements to care and support to give people a better understanding of what is on offer, help them plan for the future and ensure they know where to go for help when they need it;
- Provides for the development of national eligibility criteria, bringing people greater transparency and consistency across the country;
- Treats carers as equal to the person they care for – providing them with a right to assessment and services if deemed eligible.
- Reforms how care and support is funded, to create a cap on care costs of £72k which people will pay, and an increase in the means tested asset threshold from £23k to £118k. The care account will meter a person's someone's contribution to their care account hence providing an incentive for self-funders to access the council for an assessment and to start their care meter running.
- Supports the aim to rebalance the focus of care and support on promoting wellbeing and preventing or delaying needs in order to reduce dependency, rather than only intervening at crisis point;
- Provides new guarantees and reassurance to people needing care, to support them to move between areas or to manage if their provider fails, without the fear that they will go without the care they need; and
- Simplifies the care and support system and processes to provide the freedom and flexibility needed by local authorities and care professionals to integrate with other local services, innovate and achieve better results for people.