

**SOUTH EAST ENGLAND COUNCILS
EXECUTIVE COMMITTEE MEETING**



Date: 23 September 2013

Subject: Caring for our future - draft consultation response

Report of: Nick Woolfenden, SEEC Head of Policy Co-ordination

Recommendations

SEEC Executive members are asked to:

- i) Discuss and agree key issues for inclusion in a joint South East response with SESL & SECASC
- ii) Offer examples of good practice or particular challenges to include in the response
- iii) Delegate sign-off of the final joint response to the Chairman and Deputy Chairman.

1. Introduction

- 1.1 As part of its programme of major care and health reforms, the Government is [consulting](#) on the practical details of implementing changes to social care funding, including how the new £72k capped costs/£118k assets threshold system will work.
- 1.2 The consultation, including some 56 questions, closes on 25 October 2013. SEEC, SESL and SECASC (SE Councils for Adult Social Care) are preparing a joint response. Whilst welcoming reforms from the user-perspective, SEEC members have previously discussed how changes will impact heavily on South East council resources given our large number of older people and high levels of self-funders.
- 1.3 Changes will impact significantly on county, unitary and district councils and two-tier areas will need to work closely together on services such as housing, planning, leisure services and licensing to deliver cost effective care packages. Members are invited to comment on key issues arising from initial officer working-group discussions to inform further development of the joint response.

2. Proposed key issues for the South East response

- i) **Funding formula must take account of South East needs** - to ensure adequate service provision, the care funding formula review currently underway (due for further consultation in early 2014) must ensure the South East gets a fair level of funding, particularly given:
 - The South East's large ageing population - 700,000 over 75s, the largest number in England, expected to grow by 30% in the next 10 years
 - Rural cost-premium – it costs more to deliver care in dispersed 'non-metropolitan' areas such as the South East
 - Higher cost area – service delivery (labour and property) also costs more in the South East than most of the country, driven up in part by the proximity to London.
- ii) **Impacts of reform on South East councils' delivery costs must be addressed** - the reforms have other significant delivery cost impacts for councils which must be addressed in national funding allocations:
 - **Self-funders** - The South East has the highest proportion of self-funders, some 55% (compared to 45% nationally), rising as high as 80% in areas like Surrey. The care reforms are therefore likely to impact the South East most significantly.
 - **Financial assessments** - Given the large number of older people in the South East, the new requirement to financially assess all funded or self-funded users

coming through the council 'gateway' will put further pressure on council resources. Councils may face requests for multiple assessments when people's needs change, as increased needs/costs will impact on when the cap comes into force and it will be in the user's interest to have a new assessment to hasten the onset of the cap.

- **Impact on the care market** - Reforms allowing self-funded care users to access 'lower cost' council-negotiated services have the potential to increase local authority costs as traditional cross-subsidy of private and public care diminishes. This is particularly challenging in the South East given high delivery costs (labour/property). Consolidation may also mean some smaller companies go out of business, counter to the local authority role to promote diversity and choice.
- **Transition costs** - The £335m promised for 2015/16 nationally to cover the costs of implementing the cap is not sufficient, in any case being recycled top-slice from council funding. London Councils analysis shows the care reforms will cost on average £1.5bn per year nationally, significantly more than the Government's estimated £1bn. The system includes significant up-front costs for councils, and transition funding is needed sooner than 2015-16 to prepare for implementation.
- **Out of area placements** - Where service users are moved by a council to another area, Government must ensure care costs are not unfairly placed on the receiving council. This is a particular issue for parts of the South East, such as the Kent coast, receiving relocated care users from London boroughs.

- iii) **Deferred payment system needs to help manage local authority risk** – the new universal deferred payment scheme, being introduced so people do not have to sell their home in their lifetime to pay for care system, must not impose undue financial burden or risk on councils:
- Risks include fall in property values; how to calculate whether equity is likely to cover cost of care; and whether the council can be given priority charge on property in case of legal challenge.
 - Government should allow local discretion to implement best practice, based on experience of councils already operating schemes.
- iv) **Housing market impacts** – it will be important for all tiers of council to work together in integrating health and care, particularly given the significance of housing/planning issues in helping ensure people can adapt/stay in their own homes longer - this costs about 25% of residential care and can offer a better service for users.
- v) **Staff development & training** – Government must factor in the resource implications of widespread council staff training and culture change necessary to implement the radical reforms effectively and efficiently. This includes frontline staff, legal teams, managers and call centre staff. In particular councils' new core role working with self-funders means officers will need some understanding of financial rules and when they need to refer people for independent financial advice.
- vi) **Information & advice** – Government assistance is needed to publicise changes to users, to reinforce locally-provided information where that is necessary.
- vii) **Market development/Work with care providers** – Government should support councils and care service providers to help develop new efficient and effective models of care, building on existing local good practice.
- viii) **Information sharing & IT** – Government must ensure its own information and IT systems are fit for purpose and enable efficient sharing of critical information with councils to underpin effective service delivery.