



Report to Policy Committee

Author/Lead Officer of Report: Charles Crowe,
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Report of: *Director Adult Health and Social Care*

Report to: *Adult Health and Social Care Policy Committee*

Date of Decision: *21st September 2022*

Subject: *Implementation of the Social Care Charging Reforms*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1224				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Purpose of Report:

The Health and Care Act 2022 introduced a range of adjustments to the rules around the funding regime in Social Care. The changes are to be implemented in October 2023 with assessments of individuals to commence in April 2023 in preparation.

This paper sets out the Delivery Plan to implement the Social Care Charging Reforms in the City and to seek approval to recruit to the additional staff and upgrade IT software required to enable an effective response to increased demand.

Recommendations:

It is recommended that Adult Health and Social Care Policy Committee:

1. Notes the impact of the Social Care Charging Reforms on individuals and the City.
2. Approves the Social Care Charging Reforms Delivery Plan.
3. Approves the recruitment of Staff to complete the additional assessment activity required as a result of the increased demand predicated through the social Care Charging reforms.
4. Requests that the Director of Adult Health & Social Care provides the Committee with updates on progress against the Social Care Charging Delivery Plan on a six-monthly basis.

Background Papers:

Appendix 1 – Overview and Information

Appendix 2 – Outline Delivery Plan

Appendix 3 – Phase 1 Communication plan with Engagement Dates

Appendix 4 – Equalities Impact Assessment

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications	Finance: Ann Hardy

	indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Legal: Ella Whitehead
		Equalities & Consultation: Bashir Khan and Ed Sexton
		Climate: Jessica Rick
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission:	<i>Alexis Chappell</i>
3	Committee Chair consulted:	<i>Councillor George Lindars Hammond, Councillor Angela Argenzio</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Charles Crowe</i>	Job Title: <i>Service Manager</i>
	Date: <i>12th September 2022</i>	

1.0 PROPOSAL

1.1 The Health and Care Act 2022 introduced a range of changes to the rules around the funding regime in Social Care. The changes are to be implemented in October 2023 with assessments of individuals to commence in April 2023 in preparation.

1.2 This paper sets out the Delivery Plan to implement the Social Care Charging Reforms in the City and to seek approval to recruit to the additional staff and purchase the IT equipment required to enable an effective response to increased demand.

2 BACKGROUND

2.1 Local Authorities charge for Adult Social Care based on people's ability to pay. This is determined by the persons income and capital. More information about the funding regime is noted at Appendix 1.

2.2 In 2021 the government announced a package of changes in the legislation for Health and Social Care. These changes included a range of adjustments to the rules around the funding regime in Social Care. These changes have been passed into law as part of the Health and Care Act 2022.

2.3 The changes are to be implemented in October 2023 with assessments of individuals to commence in April 2023 in preparation. The main changes are:

- Introduction of a lifetime cap of £86,000 on a person's payment towards care from October 2023. This is the total amount of a person's own money they will be expected to pay towards the cost of care that the Council agrees is required.
- Care and support costs which count towards the care cap are either the contribution someone pays towards their council-arranged care or, if they are a self-funder, that persons Individual Personal Budgets (IPB). An Individual Personal Budget is the amount the local authority would pay for care if it were asked to commission care on behalf of a person and only applies to people arranging and paying for their own care.
- A national level of Daily Living Costs is set in the guidance for people in Care Homes. This is the assumed costs of accommodation in a Care Home. This will not count as care for the purpose of the Care Account.
- The Council is required to create Care Accounts to track each individuals spend towards the cap. Where the Council is not the commissioner of this care we are required to monitor and validate this expenditure annually.

- An increase to the minimum amount of capital/ personal wealth a person can have before they become entitled to Council support. The amount (the Upper Capital Limit) will increase from £23,250 to £100,000. This will make a lot of additional people eligible for council support.
- The lower capital limit (LCL), the threshold below which people will not have to pay anything for their care from their assets will increase to £20,000 from £14,250. These people may still have to pay from their income.
- Extended rights for full fee payers to request the Council to commission their care in all settings from October 2023. People moving into care homes from October 2023 will be able to request that they benefit from the Council contract and rates. This right already exists for people receiving care in the community.
- Alters the rules around Top Ups to allow people to pay additional sums towards the cost of their room in a council funded Care Home placement. This is currently only allowed in limited circumstances.

2.4 As a result of these changes there will be several impacts on the individuals, providers and across Sheffield including:

- A significant increase in the number of people eligible for financial support from the council towards the cost of their care.
- A reduction in the amount that people currently paying towards their care will pay towards their care costs from their own personal capital funds. This will result in a decrease in income for the Council. This is estimated to reduce income by around £512k per year, leaving increased capital for people currently in receipt of care.
- The increase in people entitled to Council Funding will reduce the number of individuals privately funding their care, which will likely impact on Care Providers by decreasing their income from self-funders in the future.
- Everyone in receipt of care, irrespective of how they are funded, will require an assessment of their needs and an estimate of what the Council feels their care will cost. This will increase activity and demand for social work assessments, safeguarding and commissioning of care.
- An increase in the number of people in care homes funded by the Council where additional sums are being paid either by the person or their family. These are called “Top-ups”.

2.5 The government has committed to fund these additional financial requirements placed on local authorities. This includes additional staffing required to complete additional assessments and reviews for implementation of these changes.

2.6 The Statutory Guidance on this new legislation has not been issued at this time but draft versions have been circulated. Once the Statutory Guidance is finalised, a review and update of the Council's Fairer Contributions policy implications will be undertaken for consideration by a future Committee.

2.7 These changes will impact those with savings in excess of £14,250. This is expected to be mainly older adults. There will be limited benefits for people with more than £100,000 in the short term. The table below shows the impact on people at different levels of capital of the changes.

2.8 Table 1: Impact on people of changes in capital rules

Personal capital:	less than £14,250	£14,250 - £20,000	£20,000 - £23,250	£23,250 - £100,000	Over £100,000
Current	Contribution only from income	Contribution from income and capital	Contribution from income and capital	Pay full cost of care (capped at £437.60/ week for community support)	Pay full cost of care (capped at £437.60/ week for community support)
With increased capital threshold	No change	Contribution only from income	Reduction in contribution from capital by £23 per week	Contribution from income and capital	Pay full cost of care (capped at £437.60/ week for community support)

3 SOCIAL CARE CHARGING DELIVERY PLAN

3.1 Governance and Project Oversight

3.1.1 The new funding regime outlined in the Health and Care Act 2022 presents a significant change to Adult Health and Social Care and will significantly increase the volume of demand and activity across Care Management, Income and Payments, Commissioning and Safeguarding. There will also be likely ongoing learning and development as the legislation and guidance are implemented and realised.

3.1.2 To implement these changes effectively a Project Board and Delivery Plan have been established to ensure that this project is delivered in a collaborative, timely and effective way, with effective governance and oversight.

3.1.3 The Project Board includes representation from across Adult Health and Social Care, Finance, Commercial Services and Legal Services. The

Project Board reports into our Adult Social Care Change Programme Board so that this is strategic coherence and coordination with our Vision, Strategy, and wider change programme.

- 3.1.4 The Delivery Plan is attached at *Appendix 2* and focuses on 3 priority areas: - Understanding Demand, Operational Implementation, Market Stability and Communications. A risk register has also been developed to ensure effective management of risks. It is planned to bring 6 monthly updates to the Committee on delivery against the project, including outcome of statutory guidance when finalised by UK Government.
- 3.1.5 Given the significant changes posed by the new funding regime, effective communications with individuals, family members and carers, council staff and with providers and other stakeholders will be essential. Although Department of Health and Social Care will develop a communications toolkit, as part of our delivery arrangements a Sheffield Communications and Engagement Strategy will be developed, implemented, and maintained.
- 3.1.6 It's also intended to notify all existing individuals and their families of the changes and the impact on their situation as part of our communication around charges in March 2023. This will be followed up with further communication to individuals and families at the point of implementation of the changes. Communication to people not known to the Council will include targeted communication through care agencies.
- 3.1.7 To support early understanding and ownership of the changes by providers, a series of introductory listening and engagement open sessions have been organised to facilitate interest and involvement in our preparations for implementation and throughout implementation. These will also look at the Market Position Statements. This is intended to support openness and transparency in our approach and ensures any concerns or queries can be resolved early in the process. The dates are included in *Appendix 3*.
- 3.1.8 New forums have been established by DHSC and ADASS to support delivery and ongoing learning and benchmarking as to best practice. Officers are already linked into these groups. Our IT suppliers are also providing regular briefings which a number of officers are attending to ensure we are confident on the technical developments to support this implementation.

3.2 Understanding Demand

- 3.2.1 To plan for these adjustments and enable effective delivery, it is important to have a clear understanding of the number of people currently paying for their own care. National estimates have been used to determine the scope of the project. The Office of National Statistics (ONS) has developed estimates by Local Authority although these are

currently at a low level of confidence, and they are working to improve these.

3.2.2 The table below shows the current estimates of self-funders in Sheffield who would be eligible to request assessment from the Council from April in order that their care costs begin 'metering' towards the care cap from October. Many people in this category may also be newly eligible for Council funding support given the changes to the capital limits described in section 4.2.

3.2.3 The Council assumptions is based on nationally available information about proportions of self-funders. This information has been used with the known number of people funded by the Council to give an estimate.

Table 2 Estimates for numbers of self-funders in Sheffield (in people)

	SCC	ONS
Care Homes	900	1300
Home Care	2000	1650
Total	2900	2950

3.2.4 To gain accurate information, all registered providers were written to in the City and asked how much private care they deliver. We have not received sufficient responses to refine our estimates for home care. We continue to seek additional responses. We have responses from 23 Care Home organisations, these responses support the SCC estimate showing the equivalent of 50% additional people.

3.2.5 East Cheshire is one of the trailblazer sites and have shared their experiences. These suggest that information from providers may not be forthcoming. East Cheshire have taken several approaches to calculate new estimates. We are looking at their approach to improve our estimates.

3.2.6 It is recognised that despite this information, upon implementation it will become clearer: -

- What proportion of these people are eligible for care under the Council's assessment approach and how much care they would be assessed as needing.
- If individual entitled to an assessment will choose to come forward. Reasonable steps to inform those people of their rights are required but they retain the choice to refuse an assessment.
- The exact financial situation of people paying for their own care as this could make a significant difference to the impact on their ability to contribute towards the costs of their care.

3.2.7 The Delivery Plan is based on an assumption that all individuals entitled will come forward and that the income of people with high levels of capital

will be higher on average than that of the people currently in receipt of care.

3.2.8

The guidance states that the eligibility for both funding and for care to count towards the cap starts from the date the person approaches the council, if this is after October 2023, not the date of assessment. This means regardless of the time taken to complete each person's assessment people will receive the same benefit.

3.3 Implementation Implications

3.3.1

A key priority has been to understand the operational impact in relation to completion of assessments and reviews, IT requirements, charging, top-ups, safeguarding and the commissioning and monitoring of care homes.

3.3.2

We have estimated that because people will become entitled to Council funding as highlighted above an extra 2900 people will require a new needs assessment and either a support plan, a personal budget or an IPB. In the future all these people will need reviews of their needs.

3.3.3

This additionality is not unique to Sheffield and there is a national concern that it will be a significant challenge to recruit to the staff required to respond to this additional workload. Due to this, it is our intention to fully develop the use of supported self-assessments, which is allowed within the statutory guidance, and work with individuals, families and providers to develop a framework for safely assessing individuals already within Care Homes.

3.3.4

Furthermore, as this is a legislative change which will impact on the rules for charging, an update to our charging policy to reflect the new requirements will be required. The Department of Health and Social Care (DHSC) is working with local authorities and others to refine the draft guidance. As part of the implementation of this change we are participating in consultation and engagement and monitor the draft guidance. This will ensure we are prepared for any decisions which need to be taken regards changes to our current charging policy. It is anticipated that the final version of the draft guidance will be complete by the end of 2022.

3.3.5

Further operational implications are development of new software. The DHSC is working directly with all major ICT suppliers, including both of the Councils providers, to develop new version of their software which will support the new requirements. Implementing a new version with considerable configuration required to support the Council's approach to care is an additional piece of work.

3.3.6

When a person is assessed as requiring care in a care home they have the right to choose which care home they go into. If they choose to go into a care home which charges more than the council would fund their

family may be asked to pay a top-up. At present the person cannot pay their own top-up.

- 3.3.7 The new legislation removes this block so people will be able to pay extra from their own funds. The Delivery Plan focuses on developing a method to evaluate if the top ups are sustainable to reduce risk that once a person has no funds left, the Council is then required to pick up costs. The DHSC have confirmed that the guidance will provide clarification in this area.
- 3.3.8 The reforms give new self-funders the right to request local authorities broker care home placements on their behalf, including access to fee rates negotiated by the council (often lower than the market rate). This and the higher capital thresholds will result in a shift from private funding rates to council funding rates.
- 3.3.9 It is anticipated that as a result of this package of changes there may be impacts on the stability of different sectors of the care market, in particular Care Homes. A decrease in the number of self-funders may result in a significant decrease in income for some providers. Due to this a key focus in the Delivery Plan is how we maintain market stability as supported by our Market Shaping Statement and Sustainability Plan reported at Committee on 22nd September 2022.
- 3.3.10 A further implication of implementation is the additional monitoring of care homes who were not previously commissioned by the Council to ensure the quality and effectiveness of delivery. Due to this the delivery plan also considers review of support within care homes, wider safeguarding duties and additional contract monitoring of care that will be required.

3.4 Resource Implications

- 3.4.1 While full funding has been promised by Government for these reforms, it is critical that we monitor the additional activity and demand and ensure that we have forecasts of the increased costs that are as accurate as possible.
- 3.4.2 At present we are developing models and liaising with DHSC and providers to establish best estimates of the numbers of people who may be eligible for council funding towards their care costs. We are also looking for any evidence on the expected financial situation for those individuals which can be incorporated into the calculations. We have requested this information from DHSC and are seeking advice on better localised information. Current best estimates of costs and income impacts have been included in the financial implications of this paper.
- 3.4.3 There are additional costs in year proposed to ensure effective delivery from April 2023. To meet additional demand the recruitment of an

additional 25 staff at a combined cost of £955,000. The aim of this recruitment will be for the new staff to be in place in April 2023.

3.4.4 Table 3: Additional Staff required

Role	Number	Cost	Role
Social Work Manager	2	£110k	Staff and complaint management.
Social Work Practitioners	10	£390k	Assessments and case management
Care Home Review Officers	2	£73k	Support and review of resident's care.
Contracts Officers Care Homes and Homecare	2	£73k	Monitoring of Additional Contracted Care Provision
Financial Assessment Officers	3	£97k	Financial assessments and advice
Financial Support	3	£114k	Debt management, Direct Payments audits, monitoring of IPB spend
Business Support	2	£55k	Administrative support of new staff and processes
System Support	1	£43k	IT development to support new processes
Total		£955k	

3.4.5 This cost will be funded by the increased Grant from central government.

3.4.6 Current best estimates of costs and income impacts have been included in the financial implications of this paper.

3.4.7 It is anticipated that this staff resource will need to be maintained to support new people requiring care who would previously have been self-funders. The extra demand from people who have already arranged their care is anticipated to have lower need for involvement from staff than wholly new cases, also the new level of council funded people increases the number of cases requiring reviews.

3.4.8 Recruitment for social workers is a challenge and a national increase in demand is likely to exacerbate this challenge. Wider work to improve the ability of Sheffield City Council to recruit and retain social workers is included in the Future Operating Model for Care and in addition to the steps taken to mitigate the number of people required is expected to help reduce this risk.

Recommendation 1 (continued)

3.4.9 Budget for an increase in cost of maintenance of the Councils case management and social care financial IT systems by £50,000 has also been included in the budget forecast. This will be updated once

confirmed in October 2022. These costs are funded through the increased grant from Central Government.

- 3.4.10 Insufficient funding from Government is a key risk of the proposals. As this is a national proposal with acknowledged costs it is not anticipated that funding will be withheld in its entirety, however there is a more significant risk that insufficient funding will be provided to meet for the local costs. Mitigation for this risk is to minimise the costs by maximising the ability of people to complete their own assessments and efficient planning of workloads.

4. HOW DOES THIS DECISION CONTRIBUTE?

- 4.1 The decision ensures that the Council complies with its statutory responsibilities in a way that gives as efficient and effective experience for people in receipt of care as possible.
- 4.2 The increased capital thresholds will reduce the contributions that a large number of individuals pay from their capital towards their care. This will leave people with more of their capital.
- 4.3 These proposals will also allow people who choose to privately purchase care to benefit from advice and support in a similar way to people in receipt of council arranged care.
- 4.4 The option of self-assessment will allow people to obtain a quick indication of their eligibility for care. It will also allow for improved, targeted advice to support people to make choices around their care and support.

5. HAS THERE BEEN ANY CONSULTATION?

- 5.1 These proposals are the result of a national statutory change. Central government has consulted on the proposals and as we are required to implement them as written no consultation has been carried out at a local level.
- 5.2 As part of the implementation of these plans we will co-produce the detailed processes and communication required for implementation to ensure the best possible experience for vulnerable adults and their carers.

6. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

6.1 Equality of Opportunity Implications

- 6.1.1 Decisions need to take into account the requirements of the Public Sector Equality Duty contained in Section 149 of the Equality Act 2010.
- 6.1.2 This is the duty to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it

6.1.3 The Equality Act 2010 identifies the following groups as a protected characteristic: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

6.1.4 An Equality Impact Assessment has been carried out and highlights that this is a statutory change and there is limited discretion for the Council.

6.1.5 The impact of the changes will be on people in receipt of Adult Social Care. These rules will apply to everyone entitled to Adult Social Care.

6.1.6 Due to the focus of the changes on people with capital this will predominantly impact older people, as working age disabled people are unlikely to have accumulated sufficient wealth to be impacted.

6.1.7 56% of people in receipt of care are female and 79% are White – English/ Welsh/ Scottish/ Northern Irish/ British.

6.2 Financial and Commercial Implications

6.2.1 The government has stated that the costs of these proposals will be met by an increase in the grant. The current estimated financial impacts are detailed below:

	23/24	24/25	25/26	Total
Loss of income from cap on costs	£0	£0	£0	£0
Loss of income from capital changes on existing people	£256	£256	£0	£512
Decreased bad debt from lower contributions	-£26	-£26	£0	-£52
Increased cost for residential care from currently self-funded people	£9,950	£9,950	£0	£19,900
Increased Income from new residential people	-£7,960	-£7,960	£0	-£15,920
Increased bad debt from new residential people	£199	£199	£0	£398
Increased cost from non-residential care from currently self-funded people	£11,500	£11,500	£0	£23,000

Increased Income from new non-residential people	-£5,750	-£8,625	£0	-£14,375
Increased Bad debt from new non-residential people	£288	£863	£0	£1,151
Staffing cost	£955	£0	£0	£955
Admin cost of tracking cap	£50	£0	£0	£50
Total	£9,462	£6,157	£0	£15,619
Grant from central government	-£9,462	-£6,157	£0	-£15,619

6.2.2 It should be noted that at present we have no confirmation about the award to Sheffield City Council or a methodology of how that funding will be derived. The assumptions in the above table are based on the Relative Needs Formula which is used for other Council funding from Central Government. That methodology has been applied to the announcement from Government on the overall size of the allocation across the country.

6.2.3 There has been an announcement since this table was drawn up suggesting that the Cap on Care Reform will apply to new clients only from October 2023 and that existing full fee payers will have to wait until April 2025 before they can ask the Council to arrange their care. The impact of this will be less cost to the council with less client contributions as a result but it is unknown as to whether this will also impact on the grant received next year and subsequently.

6.2.4 The Government have opened a consultation with local authorities about the grant and the methodology of distribution. Sheffield will be contributing to that consultation and can update the committee when the grant guidance is clearer and the consultation concluded.

6.3 Legal Implications

6.3.1 The report accurately describes the changes to the statutory requirements relating to charging provisions which will come into force under the Health and Care Act 2022, and the report goes on to explain the additional measures which Local Authorities will be obliged to take as a result of those changes.

6.3.2 The introduction of the charging reforms will result in an increase in demand for additional assessments and will require Local Authorities to upgrade IT systems and other processes to record and maintain care accounts. These measures will be a requirement in order for the Local Authority to comply with the new provisions. The proposed actions appear to allow the Local Authority to operate the system in a lawful manner once the changes are implemented.

6.4 Climate Implications

- 6.4.1 A significant number of assessments include a face-to-face meeting. Council staff often drive to the location of the person to complete the assessment. By reducing the number of traditional assessments we complete we will reduce the number of car journeys. This will therefore mitigate the climate impact of the new activity. We hope this will reduce the number of additional car journeys by 1800 in 23/24.
- 6.4.2 On an ongoing basis there will also be a reduction of visits for all people newly needing care.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 Continuing the standard approach to assessment was considered. This was rejected due to the combined concerns around cost of additional staffing and the risk of being unable to recruit sufficient additional staff.

8. REASONS FOR RECOMMENDATIONS

- 8.1 The proposed actions will allow for an effective implementation of the new statutory guidance in a customer focused manner.
- 8.2 Sufficient resources to provide timely decisions on eligibility supported by provider and self-assessment will help to maintain high standards of customer service and support vulnerable adults at a challenging time.
- 8.3 Clear communication will support vulnerable adults and their carers to make better decisions about their options and also to receive the benefits of the new financial rules.
- 8.4 Improved structures around the treatment of choice and more expensive placements will enhance consistency of outcome and support fair decision making.

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