

### **The Care Bill and the NHS/Social Care Better Care Fund (previously known as Integrated Transformation Fund)**

The Care Bill is currently in the House of Lords and is expected to receive Royal Assent some time in May 2014. It represents the most profound change to adult social care framework, since the National Assistance Act 1948. The bill will repeal most of the legislation that has been implemented since then and will replace this with a range of new legislation and statutory guidance. The changes that will follow include:

- The cap on care costs proposed following the Dilnott review. The current level of the cap is being suggested at £76k over a person's lifetime and is based on a financial assessment – depending on whether they receive residential or home based support.
- A requirement for councils to assess on an annual basis all adults who receive care to determine whether their needs meet the national eligibility criteria. The national criteria are expected to be broadly in line with the council's current local eligibility criteria which is based on critical or substantial needs.
- All eligible adults will need to have a Care Account set up so that the council can track their spend (against agreed cost profiles) and determine when they meet the cap. This will mean an annual assessment and review process for a much wider group of adults than is currently the case, including those self-funding their residential or home based care. These changes are being planned to commence in April 2015, with assessments of current self funders commenced in 2014/15.
- Putting safeguarding of adults on a statutory footing.
- New rights and entitlements for carers to receive appropriate assessment of their needs and support.

The long term financial consequences for the council are impossible to assess at this stage and will depend on the national funding model, the city's demographic profile and the wealth of residents, particularly in terms of property values. However there are substantial costs that need to be incurred now to ensure that the system can operate from 1 April 2015, including increased resources for assessment of both care and finance needs, technological investment to establish the Care Accounts and effective communications.

As well as the care cap there are other important changes in the Care Bill including putting safeguarding of adults on a statutory footing, with the bill carers will have new rights and entitlements to receive appropriate assessment of their needs and support by new burdens funding from central government, there is always a real risk that this will be insufficient to meet the costs.

In the July Spending Review, the government announced £3.8bn per annum nationally from 2015/16 for an Integrated Transformation Fund (ITF) across adult social care and health. £1.9 billion of this funding is already in local authorities in the existing NHS Funding for Social Care or in other sources of grant funding such as Carers Grant and Disabled Facilities Grant. The council

needs to have joint plans with the clinical commissioning group (CCG) on how we will collectively spend this money. This funding is an ambitious programme to better join up health and social care in order to reduce pressure on the acute sector – in particular emergency admissions. The requirements are still emerging for this funding but it certainly includes 7 day a week working across the health and social care system. It will cover the range of services that support discharges from hospital and prevent admissions especially out of hours, require whole systems change across local authority boundaries and will be dependent on improved information sharing across health and social care. The City expects to receive approximately £1 million in 2014/15 to support preparations for 2015/16. We believe 50% will be received at the start of the year with the remainder based on performance.

The scale of these changes and the service, financial and reputational risks associated with them are enormous. If successful then the ITF in particular could be a crucial part of the council's response to dealing with ongoing funding reductions and pressures on adult social care and should lead to lower numbers of individuals in long term residential and nursing home care. If it proves more challenging to deliver the required results then the council potentially could see increased financial risks, particularly if the NHS and the acute hospital trust are unable to show the anticipated savings on which the funding transfer to the council so depends.

One off resources of £0.5m has provisionally been set aside in the council's budget to facilitate the changes from the Care Bill and ITF changes, some of which is likely to be covered by new burdens funding from government but there is too much uncertainty for a change of this scale for the council not to plan ahead and set aside funding to ensure it can be implemented effectively.

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<sup>i</sup> The above text is an extract from Appendix 3 of the Budget Update and savings 2014/15 report to Policy and Resources Committee 5 December 2013