

London Councils

The voice of London local government

Care Bill, Second Reading

House of Lords, Tuesday 21 May 2013

Summary

London Councils welcomes the Care Bill and the proposals for simplifying adult social care legislation. We believe that the current system is dated and that reform is essential if the growing and changing demands on adult social care are to be addressed.

However, London Councils' main concern is the levels of resourcing for local authorities to implement the proposals set out in the bill. Some of the key proposals for reform set out in the Bill will require high levels of resourcing to be appropriately delivered. London Councils estimated a large adult care funding gap of nearly a £907 million by 2017/18. This is before factoring in any additional costs that would result from implementing the provisions set out in the Bill. For more information on this important aspect, [download our research on this page here](#).

London Councils are seeking clarification from government regarding not only how on-going funding pressures in the sector will be met, but additionally how these provisions will be funded. We would expect any increase in the role and responsibilities for local government to be accompanied by a corresponding and appropriate level of funding. London Councils is also concerned that many of the provisions in the Bill are subject to, at present, unspecified regulations. For the impact of the Bill to be fully assessed we need early publication of these regulations and clarity around costs to enable local authorities to deliver.

The four priority areas for London Councils are as follows:

- Cap on care costs- Dilnot recommendations (Clauses 15 &16)
- The eligibility criteria (Clause 13)
- Assessment of a carer's need for support (Clause 10)
- Safeguarding adults boards (Clause 42)

We also have concerns about the cost implications to local authorities of the following Clauses:

- Promoting integration (Clause 3)
- Providing information and advice (Clause 4)
- Personal budgets and direct payments (Clauses 26 & 31)
- Notification and continuity of care when an adult moves (Clauses 36 & 37)
- Temporary duty on local authority - provider failure (Clause 47 & 48)

Please do contact us if you require any further information, details at foot of the document.

Priority areas

Cap on care costs - Dilnot recommendations (Clauses 15 &16)

The 2013 Budget announced the introduction of a maximum contribution cap for eligible care (set at £72,000) and raising of the means testing threshold (set at £118,000) will be introduced in 2016. While the introduction of a maximum contribution cap and an increase in the eligibility threshold offers welcome relief to many elderly people, it also has significant cost implications for delivery.

Based on data showing the length of stay in a care home and differing costs of care regionally, London Councils have estimated that 27 per cent of care users in London will hit the cap and qualify for local authority support compared to just 3 per cent in the north east and 15 per cent nationally.

In London alone, London Councils research has estimated an additional 19,000 people by the fourth year of implementation will qualify for local authority support for their care. Over the next four years to 2019/20 introduction of the contribution cap and the increased means test threshold will potentially add £735 million to adult social care spending in London. Additional costs will also be incurred by local authorities as they will have to develop new systems and processes to deliver these services appropriately.

If the government wants to see the provisions fully implemented, they need to ensure that the proposals are appropriately resourced. The raised threshold and contribution cap will have significant cost implications in London. We are keen to work closely with government, but we also need to ensure that local authorities are adequately resourced to implement these proposals.

The eligibility criteria (Clause 13)

The cost implications of introducing a national eligibility threshold and the level at which it is set could have a significant impact on the funding levels boroughs would require. In London at least 28 London boroughs (of 33) currently set their threshold at which they offer support for care at the second and the highest level, covering substantial and critical needs. Various lobby interests are pressing the government to set the national eligibility threshold at which all boroughs will have to offer support at moderate level (third level). This would increase costs to adult social care significantly.

London boroughs are already struggling with the costs of offering support at the substantial and critical levels and will need additional funding to cope with the demand. If support was set at the lower moderate level, even greater levels of funding would be required.

Assessment of a carer's need for support (Clause 10)

London Councils welcomes the provisions in the Bill to extend the rights of carers, giving them the right to have an assessment prepared by the local authority. The implications for boroughs of this new duty will hinge on what is set as the national eligibility threshold for support. We are seeking early clarification from the government of where the level will be set.

London Councils estimates that there are 149,000 carers in London who provide over 50 hours of care a week. Boroughs are currently providing support for about 42,000 carers. If local authorities were to extend support to all carers, it would result in a more than three-and-a-half-fold increase in the support councils would be providing. In 2010/11, before it was merged into formula grant, London boroughs received a total of £45 million in Carers' Support Grant. Using

this as a guideline suggests a potential additional cost in London of around £100 million per annum if support were extended to those giving 50+ hours of care a week. Will the additional funding necessary be made available to boroughs?

Safeguarding adults boards (Clause 42)

London Councils welcomes the focus on safeguarding vulnerable adults and making them statutory. However, it is important that local authorities are provided with adequate levels of funding to enable them to carry out their responsibilities regarding the reviews and the boards.

Research by the London Safeguarding Children Board (LSCB) has explored the cost to local authorities of LSCBs and has found that on average local authorities and their partners in London are currently spending nearly £6 million on children safeguarding boards. This compares to the current spend on adult safeguarding boards across London of less than a million pounds.

If Safeguarding adult boards are to be brought to a similar level as that of children safeguarding boards London Boroughs will potentially need an additional £5 million if they were to carry out similar duties to LSCBs, for the whole of London.

Other areas of concern

Promoting integration (Clause 3)

London Councils welcomes the focus on integration both between health and local authorities and within departments in a local authority. However the guidance must also tackle some of the problems that hinder the progress of effective integration, particularly between the NHS and local authorities. We believe the guidance should include the following:

- Data protection regulations should be changed to enable adult services and their partners to share information more easily regarding their service users.
- Remove activity-based tariff payment models so as to give greater incentive to investing in integrated community services.
- Change rules to allow and encourage local authorities and the NHS to enable joint budgets and joint commissioning of services.

Providing information and advice (Clause 4)

London Councils supports the proposals for local authorities to have a duty to provide information and advice on care, which they are well placed to deliver. However the new duty will require many boroughs to change or invest more in these services. London Councils' initial estimate is that costs to London boroughs could increase by £10 million per annum to cover both their increased duties on information and advice and advocacy. This is a third of the total of £32.5 million that government is making available for advice and information nationally over two years. We require early clarity that the full cost of this new duty will be met by government.

The Bill also needs to offer further clarity as to the respective roles of the NHS and government in the provision of information and advice. The role of local authorities will need to be set out within this context.

Personal budgets and direct payments (Clauses 26 & 31)

London Councils welcomes the move towards increased personalisation in the delivery of adult services that gives people more say over how and what services and support they need. London Councils, in principle, supports giving greater autonomy to people to enable them to determine how money allocated to meet their needs should be used.

However, there is a concern that as the number of personal budgets increase, it will have the effect of reducing local authorities' ability to continue to provide certain services that have in the past been taken as standard. Increasingly, local authorities may find that they need to either start to charge for services that were previously free or cut back some services.

Notification and continuity of care when an adult moves (Clauses 36 & 37)

Proposals for local authorities to continue to meet the assessed needs of people who have moved into their areas immediately to avoid interruption in care are generally welcome as this will ensure that once people move there will be no gaps in their care and will continue to receive the care that they require.

London Councils welcomes the flexibility still offered for local authorities to have these transitional packages in place and still leaving local authorities the choice to carry out their own assessments when they are ready. It is likely that this will add to the managerial and administrative costs for local authorities.

But London Councils is also concerned that there is the potential that a local authority could find itself facing judicial review should it offer a lower package or withdraw certain services, once they have reassessed a service user's package. We seek early clarification from government on this issue.

Temporary duty on local authority - provider failure (Clauses 47 & 48)

London Councils recognises the need to offer people reassurance and peace of mind when a provider fails by imposing a duty on local authorities to meet the needs for temporary care and support if they have urgent unmet needs as a result of provider failure.

It is essential however, that local authorities are adequately funded to ensure that they are able to meet this new duty. The current economic climate is such that there is the potential for an increase in the number of provider failures such as Southern Cross. Providing emergency care in instances where large providers fail would put additional pressure on local authorities as they are already struggling to deliver their statutory responsibilities in adult social care without taking on the cost for self-funders. We seek assurances that affected local authorities will have access to emergency funding for this from government.

Contact:

Oliver Hatch, Public Affairs Manager (020 7934 9558)

oliver.hatch@londoncouncils.gov.uk

Anastasia Lungu-Mulenga, Policy and Projects Manager (020 7934 9809)

Anastasia.mulenga@londoncouncils.gov.uk

London Councils represents all 32 London boroughs and the City of London. The Mayor's Office for Policing and Crime and the London Fire and Emergency Planning Authority are also in membership