

NORTH YORKSHIRE COUNTY COUNCIL

CARE AND INDEPENDENCE OVERVIEW AND SCRUTINY COMMITTEE

8 DECEMBER 2022

ASC CHARGING REFORM - TRAILBLAZER

1.0 Purpose of Report

- 1.1 This paper provides a brief update on Adult Social Care Charging Reform, including NYCC's role as a Trailblazer. It follows on from reports provided to the Committee in June and September of this year.

2.0 Background

- 2.1 In the past, and as part of our response to the discussion on the funding of social care, we have advised on the need to review and decide what is the responsibility and resulting costs of the state and what should fall on individuals and families. In this we need to reflect on charges to people and revisit means test and needs test thresholds. We should be cautious about the unintended consequences of including people's homes in financial assessments for home care.
- 2.2 Last year the government published proposals that sought to address this issue. This would have meant that anyone with assets of less than £20,000 would not have had to pay anything towards the cost of care either at home or in residential care from October 2023. The proposals meant that people with more than £100,000 in assets would pay all such costs until they reached a maximum of £86,000. Those with assets of £100,000 or less would pay a means-tested proportion towards their care costs, again until they reached a maximum of £86,000.
- 2.3 One of the conditions of the changes was that each local authority had to undertake Fair Cost of Care exercises for residential/nursing and homecare support. As we had already carried out and implemented our Actual Cost of Care review, we were given permission from the DHSC to use that, rather than undertake the exercise again. We did however undertake a Cost of Care exercise for homecare (as did all other councils) and were awaiting further instruction from the Department before we looked into how and when that would be implemented. That exercise therefore is not yet fully complete and new rates have not yet been agreed.
- 2.4 North Yorkshire had agreed to be one of six "Trailblazers" for the new proposals and has been working with those other councils and the DHSC to look at the impact of the proposals.
- 2.5 From the outset we have been concerned about the financial impact on councils of the proposals and were firmly of the view that the DHSC was underestimating this. Our own calculations, echoed by other councils showed a significant potential gap between funding and costs, running into tens of millions of pounds on an annual basis. We made it clear that any final decision on our participation in the Trailblazer

project was dependent on central government recognising and filling the funding gap, or at least underwriting any excess costs.

- 2.6 In response to this, the department and all trailblazers agreed to undertake a mutual deep dive of all calculations and this work was underway when the government announced a delay to the reforms for two years.
- 2.7 This means that while we now do not have to implement the changes in the immediate future, we will be taking stock of the work we have already undertaken to prepare for the changes and determine whether some of this would bring about improvements and efficiencies in our services. For example, we had determined that the extra workload created by the proposals (including a significant increase in the number of social care and financial assessments required) would mean an increase in staffing which would have been difficult to recruit. Therefore, progress towards more digital self-service models – where appropriate – would greatly assist this. This is one area we will continue to pursue as it will deliver savings which will be much needed in the current financial climate.
- 2.8 The government has confirmed that the funding made available for Charging Reform will continue to be available to councils to support with other pressures. While this is true, it should also be noted that this funding is now to cover pressures in adults and children's social care. Also worth noting is that, as mentioned above, all councils have undertaken Cost of Care exercises, which has included involvement with providers. This had therefore led to an expectation from the market that implementation is imminent and has inevitably led to requests for increases in payment rates already. Therefore although the Reforms will not be implemented in the next financial year, councils are already seeing the costs associated with them.
- 2.9 On Monday 28 November, a meeting took place attended by representatives from all Trailblazers and the DHSC to look at next steps. The Department emphasised that Charging Reform was still government policy and had only been delayed until October 2025, but accepted that the project would be stood down for the time being.
- 2.10 Nevertheless there are areas of work, begun as a Trailblazer that we may wish to continue with for now, subject to resources being available. Officers are currently putting together a list of such areas ahead of the next Trailblazer Board meeting on 13 December. These might include, for example:
- Continuing to explore the digital/self-service model where appropriate
 - Working with providers to better understand the self-funder market
 - Care accounts for all users
- 2.11 We have also, in good faith, recruited additional staff to support being a Trailblazer and are in discussions with the DHSC to seek continuation of the funding for these, particularly if the intention is to delay but not cancel the reforms.
- 2.12 Some of these areas of work could help to deliver efficiencies and more responsive customer care.

- 2.13 It is suggested that once some of the above has been clarified and further work is agreed, that the committee receives a further and more detailed update early next year.

3.0 Recommendations

- 3.1 Overview and Scrutiny Committee is asked to note the contents of the report.

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