

Appendix A

MAYOR AND CABINET		
Report Title	Response to the Recommendations of the Public Accounts Select Committee's Review into the Funding and Financial Management of Adult Social Care.	
Key Decision	No	Item No.
Ward	All	
Contributors	Executive Director for Community Services	
Class	Part 1	Date: 5 March 2014

1. Purpose

- 1.1 This report sets out the responses to the recommendations of the Public Accounts Select Committee's (PAC) review into the Funding and Financial Management of Adult Social Care.

2. Recommendations

It is recommended that the Mayor:

- 2.1 Approve the responses from the Executive Director for Community Services to the Public Accounts Select Committee's recommendations.
- 2.2 Agree that this report should be forwarded to the Public Accounts Select Committee.

3. Policy Context

- 3.1 Personalisation and the integration of Health and Social Care are two of the key drivers in the delivery of Adult Social Care services in Lewisham.
- 3.2 Following the Dilnot report in 2012, the Care Bill is proposed to come into force in 2015. This will consolidate a range of existing legislation into one unified statute.
- 3.3 The overall vision for Lewisham is established in the Sustainable Community Strategy. The recommendations arising from the PAC review relate to the strategic priority - 'Healthy, Active and Enjoyable' where people can actively participate in maintaining and improving their health and well-being.
- 3.4 Additionally it links to the Council priority 'caring for adults and older people – working with health services to support older people and adults in need of care'.

4. Background

4.1 At its meeting of 17 April 2013, PAC decided as part of its work programme to undertake an in-depth review into the funding and financial management of Adult Social Care.

4.2 The Committee held evidence taking sessions in July and September 2013, receiving their final report and making their draft recommendations at their meeting on 11 November 2013.

4.3 Following the Select Committee a referral was made to the Mayor and Cabinet on the 18 December 2013. Ten recommendations were made and these are responded to below.

4.3 Recommendation 1

The personalisation agenda within Adult Social Care should be further pursued and promoted by the Council as a way of offering services that are more flexible and suited to individual needs, as well as creating savings.

4.4 *Adult Social Care has maintained a steady focus on transforming the service delivery model to embed personalisation and improve outcomes for people. It is anticipated that this move from a traditional allocation of services and hourly rates to personal budgets will improve choice and control to people who meet the Council's eligibility criteria as well as secure savings/efficiencies. The reorganisation of the assessment and care management team will ensure that specifically trained staff will manage the administrative aspects of personalised care and support planning which will free up qualified frontline practitioners to work with those people in most need.*

4.5 Recommendation 2

The increased use of direct payments for services should be promoted, ensuring that there is effective oversight and monitoring of the direct payment process in place.

4.6 *Direct payments are a form of personal budgets. Adult Social Care has recently changed the administrative processes to reduce bureaucracy and improve its ability to monitor the use of payments by establishing an in-house team who have a specific focus on this task. The overall process is more user friendly and is complemented by the support planning process and allocation of resources to ensure choice, control and efficient use of a range of resources.*

4.7 Recommendation 3

Local markets supplying Adult Social Care services to those in receipt of direct payments should be further developed, with particular attention paid to supporting local voluntary and community groups that promote social cohesion.

4.8 *Work is underway to build capacity and develop options that will support individuals within their communities. It is anticipated that greater involvement with the range of services that are being developed within the voluntary sector, and access to community networks across the borough will have a preventative effect by reducing isolation, and support the development of community based enterprise.*

4.9 Recommendation 4

The Committee supports the work carried out so far to integrate Adult Social Care with health services. This work should be maintained and further advanced with the new Lewisham and Greenwich NHS Trust, GP Practices and Public Health. Opportunities for further savings should be explored through integrating budgets and creating efficiencies.

4.10 *The Government announced their aspiration for health and social care to be integrated by 2018. The Integrated Care Programme has been established in partnership with the CCG, LGHT, GP's and Housing. This work is overseen by the Health and Wellbeing Board.*

4.11 Recommendation 5

Knowledge of Adult Social Care and the services it offers should be improved among all areas of the health sector. Promoting and improving signposting to Adult Social Care Services could provide improved longer term health outcomes and increased value for money.

4.12 *Improved access to information and advice on the services, activities and opportunities available across the borough to support health and wellbeing at all levels of need, promote independence and reduce the need for ongoing support, is a key workstream within the Adult Integrated Care Programme. This will look at removing duplication, streamlining processes and securing efficiencies across the sector.*

4.13 Recommendation 6

An assessment should be carried out of the short-term impact that deferred payments for care introduced under the Care Bill will have upon Council finances and ensure there is adequate provision made for any impact.

4.14 *The government have estimated the national impact of proposed changes to deferred payments and have indicated that matching funding will be available. However, given the lack of detail of the proposals and the difficulty in projecting take-up it isn't yet clear whether the funding will be sufficient locally. In Lewisham, despite our having a fully developed scheme, take up has been low – usually fewer than 10 cases at any one time. For each of these there is a delay in collecting full contributions with “debts” building up at approx £20k to £30k p.a. On this basis, if all the known local self-funders applied*

(successfully) for a deferred payment, debt would build up at up to £1m more p.a. than at present. This would have a noticeable impact on the Council's cash flow in the medium term but the lost interest would, in theory, be recovered in the longer term once the loan was repaid.

Current proposals are that deferred payments would only be available in cases where the service user had less than £23,250 in cash, investments etc as well as their property asset. This is likely to significantly reduce the number of new applicants.

There are some financial risks to an expansion of the scheme:

- Recovery of debts: there will potentially be increased recovery activity, disputes and legal challenges when attempting to recover the monies local authorities are owed and increased exposure to financial losses. There are also financial risks if the package of care exceeds the value of the asset. To date, however, all deferred payments have been recovered without the need for legal action.*
- Loss of council tax income: houses that are empty through a deferred payment when the individual is in residential care are exempt from council tax. This would result in an additional loss of income.*
- Upfront costs & administration: A universal or right to a means-tested scheme could result in an increase in administration and up-front costs. The Care Bill gives local authorities the ability to charge a set-up fee and a rate of interest. However, as with other parts of the proposals, it remains unclear whether this will ensure that the scheme runs on a cost-neutral basis for local government.*
- On-going property maintenance: The proposals are not clear about who is responsible for the costs associated with property maintenance and up-keep whilst the owner is in care. It is imperative that the property does not depreciate in value. Dramatic depreciation in value would considerably reduce the value of assets the person receiving care is seeking to protect through the cap and deferred payment. It would also affect the ability of the local authority to recover the full costs of care. Local authorities will also be required to provide information and support to homeowners on maintaining their property. For county councils in two tier areas they will need to work closely with partners, including district councils. The unique situation in two-tier local authorities with regards to this issue must be specifically recognised in forthcoming guidance.*
- Local housing supply: There is arguably an inherent policy tension between the government wanting to build more houses on the one hand yet encouraging homes to remain vacant (through deferred payments) on the other. Moreover, the means-test on non-housing assets could provide a disincentive to downsize and therefore restrict the recycling and supply of larger family homes.*

- Extension of deferred payments to other care settings: The possibility that the scope could be extended to care provided at home would significantly increase numbers, risks and costs to the Council.

Given the uncertainties, some councils have argued that operation of deferred payments should be transferred to a national agency.

4.15 Recommendation 7

The feasibility of forming a Local Authority Trading Company to trade in Adult Social Care services should be explored.

4.16 *ASC are exploring a range of service delivery models that may include a Trading Company.*

4.17 Recommendation 8

Contracts held by Public Health should be re-examined when due to be renewed, with funding directed towards areas that will not only lead to longer term health improvement but could also contribute to reduced future spending.

4.18 *A comprehensive contract review is to be undertaken. This will include consideration of alternative service providers, especially for the larger value contracts. In 2014/15 ASC are retendering both the block nursing home contracts and the Domiciliary Care contracts.*

4.19 Recommendation 9

That the London Living Wage should be paid for all those providing residential and domiciliary care in London for Lewisham service users, including those employed via direct payments.

4.20 *The existing Domiciliary Care framework is based on the providers paying the London Living Wage. Direct payments are set at an hourly rate that makes the LLW affordable. Officers are exploring the inclusion of the LLW in Nursing Home and Residential Home contracts.*

4.21 Recommendation 10

That further scrutiny and monitoring is carried out by the appropriate select committees on the following:

- The development of the local market for Adult Social Care services.
- The in-house direct payments process.

4.22 As recommended by the Committee, the suggested topics will be put forward to the appropriate select committees for consideration as part of their work programme setting in the next municipal year.

5. Financial Implications

5.1 There are no direct financial implications arising from this response.

6. Legal Implications

6.1 There are no specific legal implications arising from this response, save for noting that the Council's Constitution provides that the Executive may respond to reports and recommendations by the Overview and Scrutiny Committee.

7. Crime and Disorder Implications

7.1 There are likely to be significant and wide ranging implications from the changes being proposed to the management of offenders.

8. Equalities Implications

8.1 Although there are no specific equality implications arising from this report, it details the work that has already taken place across adult social care to ensure that individuals are given choice and control over how their needs are met, and that where services are being provided or are being developed they are built around the user.

9. Environmental Implications

9.1 There are no environmental implications arising from this response.

Background Papers

[Mayor and Cabinet - PAC referral report - 18 December 2013](#)

[PAC - Funding and Financial Management of Adult Social Care Review](#)

For further information please contact Joan Hutton, Head of Adult Assessment and Care Management on 020 8314 6304.