

## Personal Care at Home Bill

# Funding social care

London boroughs are concerned that the Government's social care proposals – as outlined in the Personal Care at Home Bill – have not been sufficiently thought through. As a result, there is a risk that perverse incentives could be created and that strongly performing councils are disadvantaged.

London Councils supports the principle of helping more people with care needs to stay in their own homes for as long as possible. However, there are a number of key concerns about the Government's proposals, including:

- the robustness of the Bill Impact Assessment;
- the feasibility of the proposed local government efficiencies;
- the creation of perverse incentives that may disadvantage already strongly performing councils – particularly those in London, and;
- implementation pressures and workforce issues.

### Robustness of Bill Impact Assessment

London Councils is concerned that the data underpinning the Government's proposals is insufficiently robust, potentially having a serious impact upon the success of the policy.

- The actual number of beneficiaries is likely to be far higher than the Government has estimated, particularly the "unknown" number of high need individuals currently self-funding their care.
- As the Impact Assessment admits, the number of people defined as 'Critical' in the Fair Access to Care Services (FACS) guidance, their relative distribution of needs and disability, is "unknown".
- The Government's costing of reablement at £1,000 does not include home adaptations or telecare/health technology that may be necessary. The number of people currently needing reablement also remains "unknown".

The success of the Government's proposals will rely on an accurate estimation of their cost based upon reliable data. London Councils has not been reassured by the Impact Assessment that this is the case. If the calculations are incorrect even by one per cent in the first year, it could add £40 million extra to the cost of the proposals, severely undermining the policy's success.



### Feasibility of the proposed local government efficiencies

To meet the estimated costs of the Bill, the Government is asking local authorities to provide £250 million in the first year from October 2010 through efficiency savings. London Councils is concerned about the feasibility of these savings being achieved and their potential impact on social care services.

- Efficiency savings for 2010/11 will already be earmarked in council budgets for other services.
- Expected public sector cuts will further shrink council budgets meaning a proportional increase in the cost of efficiency savings.
- There is a risk of serious repercussions for social care budgets and other council services if the Government's estimations of the cost of the Bill are incorrect. This may mean councils being forced to tighten eligibility, taking away social care funding support from high need clients to support those with the very highest need. Central government must therefore commit to covering any shortfall in funding these proposals.
- The savings the Government has identified for the Bill – achieved through reablement and prevention – may be realised on NHS budgets in the reduction of acute admissions. Local government will meet the cost of proposals but may not realise the efficiency savings themselves. Even if efficiencies can be realised, their benefits will not be available in the short term.

### Creation of perverse incentives

London boroughs are already delivering a high standard of care, and have above average efficiency levels in social care spending. There is a real risk that the Government's proposals will not only disadvantage strongly performing boroughs in the capital, but that perverse incentives are created, with an impact upon the quality of care services provided to clients.

- London is outperforming the England average when it comes to delivering efficient social care services, and is already prioritising those with the highest needs.
- London boroughs have been able to keep a higher proportion of individuals receiving care in their homes than the national average, spending less of their adult social care budgets (45 per cent) than the rest of England (54 per cent) on residential care.
- Of this lower proportion in residential care London boroughs have a higher proportion of nursing care home placements than the national average (e.g. for older people – 40 per cent in London, compared to an England average of 32 per cent) – demonstrating that councils in London are more successful at only using residential care for those with the highest need.

These successes mean that not only is there less scope to achieve further efficiencies in London, but also that London boroughs will have proportionately more individuals to fund in their own homes.

The proposals also create a perverse incentive for councils to push individuals into care homes when it is not appropriate in order to avoid the free personal care at home cost. Conversely, individuals may be encouraged to remain in their own home when it would be more appropriate to move into residential care.

### Implementation pressures and workforce issues

There are serious concerns about the timescale proposed by the Government. The proposals are to be implemented by October 2010, giving London boroughs a very short period to test out the assessment tool and have the administrative changes in place.

There are also huge workforce risks. The scheme will demand more reablement and free personal care hours – there is no acknowledgement from the Government of where the extra workforce will come from to provide for more adult social care. There is a huge risk of increasing individuals' expectations and not having the capacity and quality in the workforce to satisfy these services.

### **Background: funding the Personal Care at Home Bill**

The Personal Care at Home Bill “enables regulations to be made requiring personal care to be provided free to persons in their own homes for an indefinite period.” The Government believes this will guarantee support for approximately 400,000 people with the highest levels of need.

The Government's funding proposals for the Bill are:

- Oct 2010-April 2011: £210m from central resources and £125m from local government efficiency savings;
- Every full year thereafter: £420m from central resources and £250m from local government efficiency savings.

### **For further information contact:**

Geoff Heyes, Public Affairs Officer  
geoff.heyas@londoncouncils.gov.uk / 020 7934 9758