



# Department of Health

## Local Authority Circular

**LAC(DH)(2015)2**

To:                   The Chief Executive  
                          County Councils                    }  
                          Metropolitan District Councils } England  
                          Shire Unitary Councils               }  
                          London Borough Councils  
                          Common Council of the City of London  
                          Council of the Isles of Scilly

Copy to:            The Director of Social Services  
                          Chief Executive - Care Trusts  
                          Chief Executive – NHS England Regions

**Date: February 2015**

### **CARE AND SUPPORT :**

### **GETTING READY FOR THE CAP ON CARE COSTS - FUNDING TO SUPPORT IMPLEMENTATION**

#### **Introduction**

1. The Care Act is being implemented in two phases. The first comes in from April 2015 and local authorities should be well advanced in their planning. Phase two comes in from April 2016, which is the focus of this note.
2. April 2016 will see the introduction of a cap on care costs and an extension of means tested support so that more people are eligible for local authority support with their care costs. It will also see the creation of a new system of appeals. This will complete the historic reforms under the Care Act. Local authorities must be ready, with systems in place, from day one in order to meet their statutory duties. This represents one of the biggest changes to how care and support is paid for since the creation of the welfare state in 1948 and as a result, will require local authorities to plan and prepare to ensure there is a smooth transition. This note primarily focuses on the cap and sets out advice on what funding is available to support implementation and how it should be used.

## Summary of key points

3. The key points are:

- Funding reform and appeals will come into effect in April 2016
- Local authorities must be ready by that date
- Planning should start now. Key things to do are:
  - Identify the self-funders in your area
  - Work with your IT provider to ensure systems are ready
  - Ensure local communications plans are in place
  - Develop plans for how assessments will be undertaken
- Early assessments for the cap should begin no earlier than October 2015 to avoid the need for reassessments and be completed in time for April 2016.
- Ensure the wider council is aware of the changes, their implications and any necessary changes are made.
- Funding has been made available to support you. Ensure you know how much is it is for your area and profile your spend.

## Total funding

4. Given the challenge, £146m has been made available specifically to support local preparation in 2015/16 to help ensure a smooth transition. This is part of a total of £470m made available in 2015/16 to support the implementation of the Care Act and is on top of £19m targeted support made available in 2014/15 to every local authority for Care Act implementation, including programme management.
5. The £146 million funding that has been made available is specifically to support local authorities to prepare for the 2016/17 reforms. This includes:
- **£30 million** to support planning and preparation for implementation of the second phase of the reforms. This includes providing local information and taking other steps to raise awareness in advance of implementation and ongoing investment in programme management skills and capacity to ensure robust local arrangements are in place; and,
  - **£116 million** to enable local authorities to undertake early assessments towards the cap during 2015/16 for the stock of people in their community who may already be receiving and paying for care and support and may be eligible for those counts to count towards the cap from April 2016.

## Planning and preparing for the 2016/17 reforms

### *Programme and project management*

6. The introduction of the cap on care costs is a significant change and planning for its introduction, including identifying key milestones and lessons learnt from 2015 implementation, will be vital. £19 million was made available to support local programme

management as part of the funding provided in 2013/14. This has helped to build a robust programme management approach to implementing the first phase of the reforms under the Care Act and ensure engagement with regional networks and the joint DH/LGA/ADASS national programme office. Local authorities are expected to continue this programme management approach during 2015/16. This should include:

- ensuring adequate management provision to lead and coordinate the change programme during 2015/16, including identifying a named Senior Responsible Officer; and,
  - ongoing participation in national implementation stocktake exercises coordinated by the national programme office, and engagement with local government networks, to provide assurance on progress.
7. There are several key elements to planning and preparing and local authorities should consider how the resources provided can particularly support work in these areas. These include:

#### *Identifying self-funders*

8. For some local authorities, the majority of people receiving care and support in their area will be meeting the full cost themselves. If these people wish count those costs towards the cap they will need to be assessed. It will therefore be important to start identifying those currently paying for their own care ***now to ensure that early assessments can be completed in time for April 2016.*** Early assessments should begin no earlier than October 2015 to avoid the need for reassessments prior to April 2016. However, local authorities will need to decide whether to commence early assessments in October 2015 or at a later stage, for example from December 2015 or January 2016, taking account of the number of people they would expect to come forward and their capacity to provide additional assessments. Early assessments will need to cover both those receiving care and support in a care home or other accommodation and those in their own home. Action here could include:

- Working with providers to understand the numbers they deliver care and support to and to build relationships that will support communication of the reforms and what actions someone would need to take to register for the cap for example.
- Conducting a survey of providers.
- Undertaking a desktop exercise to estimate the number of self-funders in a local area. Guidance on how to undertake a desktop exercise is available from ADASS/CiPFA on the LGA website<sup>1</sup>. Alternatively, the Lincolnshire Model<sup>2</sup> can help to estimate the number of self-funders.
- Building on national campaign tools, developing plans to raise awareness of the reforms including how to ensure that what action needs to be taken and when is clear, to manage the flow of people contacting their local authority. The national public awareness campaign has begun and initially focuses on the reforms that will come in from April 2015 and public

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<sup>1</sup> <http://www.local.gov.uk/documents/10180/5756320/Care+Act+-+ADASS+financial+update+2014+-+4+July+2014.pdf/430f837b-df60-4ceb-982b-b14bd126cf6f>

<sup>2</sup> [http://www.local.gov.uk/web/guest/care-support-reform/-/journal\\_content/56/10180/6403229/ARTICLE](http://www.local.gov.uk/web/guest/care-support-reform/-/journal_content/56/10180/6403229/ARTICLE)

facing information is available online<sup>3</sup>. However, this will also include some information on the cap to help local authorities manage expectations locally. A second phase to the communications campaign focused on the cap will begin at the end of 2015. Further detail on the communications campaign is below.

- Setting out a timetable for assessments for those already in receipt of care, including for example how those already in a care home will be assessed and when.

9. National plans are being developed to support workforce development, including learning and development. Further information is available on the Local Government Association website<sup>4</sup>.

#### *IT and other systems*

10. Ensuring robust IT systems are in place for April 2016 to support the roll out of the cap will help ensure a smooth start and support local authorities to manage the changes effectively. This work will already be underway and local authorities should continue to work with their IT providers to build capacity to ensure that the relevant upgrades are in place and that staff are trained on how to use the new system.

11. In addition, this is a good opportunity to think about how IT systems can be used to support and manage the requirements of the Care Act for citizens. For example, you may want to consider the creation of a citizens' online portal that enables someone to interact and review all or some aspects of their care. Many have noted that it would be useful for people to be able to check electronically their progress towards the cap through an online care account. Building on that, local authorities may also want to consider if individuals/carers can access their care records or complete other functionality online.

12. The new care and support system will also require new national data collections. There will be voluntary collections during 2015/16 that should provide local authorities with useful information to support them to plan and prepare for the reforms. Considerations for reporting in 2016/17 will be consulted on with local authorities and providers in early 2015 as part of an on-going engagement process for the care reforms in 2016. However, local authorities and suppliers will want to consider additional functionality to support automated reporting and build into systems wherever possible. The Department of Health will continue to work with suppliers to provide the most up to date information possible on reporting.

#### *Communications*

13. Communicating the reforms will be vital both in terms of raising awareness and managing the flow and numbers of people contacting the local authority for advice.

14. A national public information campaign has been developed to support local authorities in the smooth implementation of the Care Act, by ensuring that existing care recipients, carers, care

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<sup>3</sup> <https://www.gov.uk/careandsupport>

<sup>4</sup> <http://www.local.gov.uk/care-support-reform>

workers and those approaching the point of needing care, understand how the changes affect them and are able to take appropriate action. Initially this will focus on key April 2015 reforms (i.e. carers' entitlements, the minimum eligibility threshold and deferred payment agreements). In the lead up to April 2016 the focus will shift to the cap on care costs and changes to the means test.

15. As part of this campaign, the Department of Health (in partnership with Public Health England) is providing a suite of flexible campaign material and tools directly to local authorities to assist them in communicating about the reforms with their local communities. These adaptable materials are being made available on a password-protected site; to register to access them, please email [careandsupport@phe.gov.uk](mailto:careandsupport@phe.gov.uk) . Local authority communications will also be supported by nationally-driven activities focused on audiences with whom councils are less likely to have a pre-existing relationship (e.g. self-funders). To find out more visit [the LGA website](#).
16. Although resources are being made available centrally, local authorities will still face some costs such as print runs for leaflets and this funding is designed to support such costs. Local authorities will also want to bear in mind that communication of the reforms is likely to drive up the numbers of people contacting their local authority for information and advice and consideration should be given as to how capacity can be built to respond.
17. In addition, local authorities will need to be mindful of their duties to provide information and advice that come into force on 1 April 2015.

#### **Carrying out early assessments towards the cap on care costs**

18. The cap system will bring many self-funders into contact with their local authority for the first time, and for some local authorities this will be a significant number. The Department estimates that across England there will be around 460,000 self-funders with eligible needs for care and support that will need to be assessed in order to begin progress towards the cap.
19. It will not be necessary to assess everyone who may have eligible needs ahead of the cap coming into force. It is also expected that some self-funding individuals will not want to be assessed and enter the capped costs system. The funding provided in 2015/16 is intended to support early assessments for 50% of the expected population to be carried out before the legal provisions come into effect in April 2016. The other 50% will need to be assessed as soon as possible from April 2016. For those who it is not possible to assess ahead of the system coming into force but who are already receiving care and support and have requested an assessment ahead of April, their care accounts must be back dated to the start of the cap system, so they do not lose out as a result of any delay in carrying out the assessment. Communications will need to be clear.
20. The principle behind early assessments is to support local authorities to manage the flow of people registering for the cap. Clearly if everyone wishing to register for the cap was to

present to their local authority on 1 April 2016 this would not be manageable, would result in people facing significant waits to receive an assessment and would present a real risk to the viability of the new system. It will therefore be important to consider how local communications, drawing on national tools, can help manage this risk.

21. Local authorities will want to consider how to undertake early assessments and it may be appropriate to consider trialling different approaches, particularly if there is a large self-funder population. Local authorities must meet the legal requirements when carrying out an assessment, but they can consider how to carry this out proportionately and take account of the person's wishes and presenting needs. For example, some assessments might be conducted online or in partnership with providers or third sector organisations. The Social Care Institute for Excellence has published supporting guidance and tools in relation to self-assessment and other proportionate and appropriate approaches to assessment which may help to inform local approaches. Implementation support is available on the LGA website<sup>5</sup>.
22. Local authorities will need to think carefully about how to plan undertaking early assessments. Clearly no-one will benefit if assessments are completed too early and have to be repeated before the new system comes into force. Starting with those whose needs have been most consistent and are least likely to change, for example someone in a care home, should minimise these risks, help manage the load and help ensure a smooth start to the new system from April 2016.

#### *Workforce and capacity implications*

23. As people come forward to register for the cap, they will need to have an assessment to see whether their care and support needs meet the new national eligibility criteria. Given the potential numbers, thought should be given as to how this can be undertaken. For example:
  - How could assessment processes be streamlined for people already receiving care and support, for example, people already living in a care home?
  - What capacity exists within existing workforce and could this deliver the required number of early assessments?
  - If there is insufficient capacity, are there options to either temporarily increase the workforce, to re-balance workloads or to pull in additional expertise?
  - If not, what alternative options are there to undertaking assessments? Could this be delegated or outsourced, or could self-assessments be utilised and if so, what level of oversight might be required?
  - Whether there is a need for additional training to ensure everyone understands the detail of the new system and what information needs to be communicated consistently.
  - What relationships can be built with partners to support the undertaking of assessments?
24. Planning and preparing for dealing with the increased numbers that will be approaching local authorities will therefore be vital and local authorities will wish to consider what changes may be needed to their operating model to accommodate this work. A useful tool for considering

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<sup>5</sup> [http://www.local.gov.uk/care-support-reform/-/journal\\_content/56/10180/6527978/ARTICLE](http://www.local.gov.uk/care-support-reform/-/journal_content/56/10180/6527978/ARTICLE)

how to achieve this is the Skills for Care workforce capacity planning tool<sup>6</sup>. In addition, the revised Lincolnshire Model that was used to estimate costs for Care Act implementation in 2015 may also be useful<sup>7</sup>.

#### *Implementation support materials*

25. Further consideration is being given to what additional implementation support products may be needed to support the introduction of the cap on care costs and these will become available over the course of the next year. Thoughts are welcome on what would be useful. Please contact us through the consultation mailbox [careactconsultation@dh.gsi.gov.uk](mailto:careactconsultation@dh.gsi.gov.uk).

#### **Timeline for implementation**

26. The reforms are due to come in from April 2016. The following sets out key national milestones for delivery.
- February 2015 – Consultation on draft regulations and guidance
  - February – March 2015 – Consultation events
  - Summer 2015 – Post election communication
  - October 2015 – Publication of final regulations and guidance
  - October 2015 – January 2016 – Begin early assessments
  - April 2016 – Cap on care costs begins

#### **Enquiries**

27. Enquires about this circular should be addressed to [payingforcare-secretariat@dh.gsi.gov.uk](mailto:payingforcare-secretariat@dh.gsi.gov.uk)

Current circulars are now listed on the Department of Health website on the Internet at: [www.dh.gov.uk/letters](http://www.dh.gov.uk/letters). Full text of recent circulars is also accessible at this site.

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<sup>6</sup> <http://www.skillsforcare.org.uk/Standards/Care-Act/Workforce-capacity-planning/Workforce-capacity-planning.aspx>

<sup>7</sup> [http://www.local.gov.uk/web/guest/care-support-reform/-/journal\\_content/56/10180/6403229/ARTICLE](http://www.local.gov.uk/web/guest/care-support-reform/-/journal_content/56/10180/6403229/ARTICLE)