



**6 October 2014**

**Agenda Item: 6**

## **REPORT OF THE SERVICE DIRECTOR, SOUTH NOTTINGHAMSHIRE**

### **DEPARTMENT OF HEALTH FUNDING FORMULA FOR IMPLEMENTATION OF THE CARE ACT IN 2015/16 AND THE SECOND CARE ACT STOCKTAKE**

#### **Purpose of the Report**

1. To advise and update Members on the Department of Health's funding formula relating to implementation of the Care Act in 2015/16.
2. To advise and update Members on the Department of Health's second stocktake of the Care Act.

#### **Information and Advice**

##### **Introduction**

3. The Care Bill received Royal Assent on 14 May 2014 at which time it became an Act of Parliament. A significant part of the Act is due to be implemented from April 2015, including the extension of the Deferred Payment Scheme and new burdens relating to assessment of prisoners. Further, there is an expectation upon Councils to begin work in 2015 on assessing self-funders ahead of the introduction of the care cap and care accounts in April 2016.
4. Members will be aware the reforms are anticipated to have a significant financial cost attached to them, and Councils are undertaking financial modelling to understand the impact of them.
5. The Department of Health have allocated £175 million nationally to help Councils to fund the additional assessment activity in advance of the introduction of the care cap, a further £108.5 million to fund the introduction of the universal deferred payment scheme, and £11.2 million for social care in prisons. The total of the three grants is £294.7 million. At the time of writing, this is expected to be one-off funding in 2015.
6. On 31 July 2014 the Department of Health published a consultation on the allocation formulae used to apportion these monies across all the Local Authorities. This is a technical consultation on the formulae to apply to the three different elements of the grant and work is underway to submit a response by the closing date of the 9 October 2014.

## **Funding Formula**

7. There are three parts to the consultation, focussing on the three different funding streams:
  - i. for the section on additional assessment activity, two alternative allocation methods are proposed, and the consultation asks respondents which they prefer and why
  - ii. for the section on the deferred payment scheme, two alternative allocation methods are again proposed, and the consultation again asks respondents which they prefer and why. It further asks Councils to provide details about the cost of their current deferred payment activity.
  - iii. For the section on prisoners proposes only one allocation method, and asks respondents whether this method is agreeable.
8. From those options which are costed in the consultation, the funding available to Nottinghamshire County Council would be either £4.9 million or £5 million.
9. Based on the financial modelling completed to date, it is intended that the County Council responds to the consultation with a view that £5 million is required.

## **Second national stocktake**

10. The national Care Act Implementation Stocktake has been developed jointly by the Local Government Association (LGA), Association of Directors of Adult Social Services (ADASS) and Department of Health for all councils to complete. It is a condition of the Care Bill Implementation Grant 2014/15 that the Council take part in the national implementation stocktake programme.
11. The purpose of the stocktake is to support local self-assessment in implementing the requirements of the Care Act across the country. The returns will provide a national picture in relation to progress on the Care Act in the build-up to April 2015 and 2016, including areas of potential concern. It will also flag up any anomalies in preparedness between regions and type of authority.
12. For councils, it is intended as a tool to prompt strategic discussions, map progress and identify support needs.
13. For the region, it is a way of identifying opportunities for shared learning.
14. Progress towards implementing the Care Act will be tracked with a third stocktake taking place in January 2015.

## **Approach to the stocktake in Nottinghamshire**

15. The survey questions in the stocktake have been circulated to relevant business leads for completion and co-ordinated centrally.
16. In most areas of the stocktake, the measures indicate that the Council are largely on track for the delivery of the Care Act and are fairly confident that it will be delivered. However,

the stocktake does highlight a number of risks that are logged on the risk register, including the late release of the final national guidance and regulations; development of digital, IT and financial systems required within a short time frame; and communications to the wider public on the reforms.

17. The stocktake was submitted on the 23 September 2014 with Members' approval of the final submission.

### **Other Options Considered**

18. No other options have been considered.

### **Reason/s for Recommendation/s**

19. There are no other recommendations. There are no alternatives to completing the stocktake.

### **Statutory and Policy Implications**

20. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Implications for Service Users**

21. It is anticipated that the Care Act 2014 will bring considerable benefits to service users and carers, for example through the new statutory duty which will enable carers to have access to services in the same way as those provided to service users, regardless of the amount of informal care they provide. Some of the other benefits include the principles of equity and fairness by encouraging consistent application of policy and practice as a result of national eligibility criteria, from having a single charging policy, through the transportability of assessments when service users move from one geographical area to another, and through effective transitions planning and continuity of care from children's to adults' social care services.

### **Financial Implications**

22. There are no financial implications directly arising from this report. However there will be financial implications depending on the outcome of the funding consultation. We will therefore be responding to the consultation on the basis that the maximum funding of £5 million is required.

### **Equalities Implications**

23. The changes arising from the Care Act will impact on all vulnerable groups of adults and children across Nottinghamshire's communities. Equality Impact Assessment(s) will be completed to enable detailed understanding of the impact of the changes on people with

protected characteristics and these will in turn help inform the changes that will be required to local policies and procedures.

## **RECOMMENDATION/S**

It is recommended that Committee:

- 1) note the technical consultation on the Department of Health's funding formula relating to implementation of the Care Act in 2015/16.
- 2) note the submission to the Department of Health on the second stocktake of the Care Act.

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### **Constitutional Comments (SLB 24/09/14)**

24. As this report is for noting only, no constitutional comments are required.

### **Financial Comments (KAS 24/09/14)**

25. The financial implications are contained within paragraphs 5,8,9 and 21 of the report.

### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Department of Health consultation on the funding formula

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/338937/Consultation\\_document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/338937/Consultation_document.pdf)

### **Electoral Division(s) and Member(s) Affected**

- All.

ASCH 52