

# CHESHIRE EAST COUNCIL

## REPORT TO: CABINET

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<b>Date of Meeting:</b>	5 September, 2011
<b>Report of:</b>	Lorraine Butcher, Director of Adults, Children and Families
<b>Subject/Title:</b>	<u>Residential Care Market - Notice of Motion submitted to Council 21 April 2011</u>
<b>Portfolio Holder:</b>	Cllr Roland Domleo

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### 1.0 Report Summary

#### 1.1 Notice of Motion submitted by Councillor D Flude and C Thorley - Council 21 April 2011

That the Council notes the instability in the residential care market in Cheshire East and the potential impact on the finances of the Council and that the Council set up a Task and Finish Group, to determine the best means to manage demand for residential care, including demand from returning self funders.

- 1.2 The report examines how this motion fits into the wider picture of residential care and social care funding generally in the context of the Dilnot Report.

### 2.0 Decision Requested

- 2.1 Cabinet is recommended to:

Refer this matter to the Adult Social Care Scrutiny Committee with a view to them examining the matter and reporting back on

- The stability of the residential care market in Cheshire East
- The availability of residential care at affordable prices in Cheshire East
- The success or otherwise of current measures to manage the demand for residential care in Cheshire East.
- The success or otherwise of measures to support self funders to remain independent of Council funding for longer

### 3.0 Reasons for Recommendations

- 3.1 Residential care and the funding of social care generally are significant issues for Cheshire East Council. The Council has committed significant additional funding to Adult Social Care but cannot continue to do so indefinitely. The pressures on Adult Social Care funding are becoming clearer in Cheshire East

- 3.2 Since 1<sup>st</sup> April 2009 care costs in Cheshire East have increased by 6% year on year compared with 4% nationally. It is the increasing number of older service users that has placed the most significant extra financial costs on the authority. For example, expenditure being incurred on over 85's in the current financial year is projected at over £20m. This is the beginning of a trend that shows this age category doubling over the next 15 years within the Borough. The latest projection in terms of Older People's service users is a year on year increase in costs in 2010/11 of £1.5m.
- 3.3 External factors outside the control of the department are also adding to the financial pressures. The current tough economic climate means people generally have less money. Personal capital and savings, which would previously have funded individual contributions to care costs, are being eroded. Even after rigorous financial assessment procedures and support to secure all the benefits available, many individuals are able to contribute less to the cost of their care, meaning greater costs to the Council.
- 3.4 In addition, returning self funders have significantly increased, previously from averaging about 6 per care period (80 per annum) to over 140 per annum. Restrictions on other funding sources and changes in national benefits legislation also increase the local financial burden. This is illustrated by changes to the Independent Living Fund (ILF) where no new awards are being made. It is estimated this has resulted in a reduction of income to clients within the Borough who previously would have been eligible to some £1.2m in the current financial year. This is income from central government which would have reduced our net costs of care.
- 3.5 As the financial pressures begin to affect providers there are increasing examples of them being unable to deliver services for the prices that Councils are prepared to pay, particularly for residential care for older people. At a national level Southern Cross has caught the headlines but there are local examples too of the difficulties faced by providers in this sector. Both providers and citizens are showing an increased tendency to resort to the law to challenge the level of funding provided by Council and this too is adding to our cost pressures locally.

#### **4.0 Wards Affected**

- 4.1 All

#### **5.0 Local Ward Members**

- 5.1 All

## 6.0 Policy Implications including - Carbon Reduction - Health

6.1 These issues clearly affect health colleagues and a key part of the strategic response has been and remains to engage health colleagues at a senior level in this agenda

## 7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

The points made in the 3 above indicate the financial impact of this issue on the Council

## 8.0 Legal Implications (To be authorised by the Borough Solicitor)

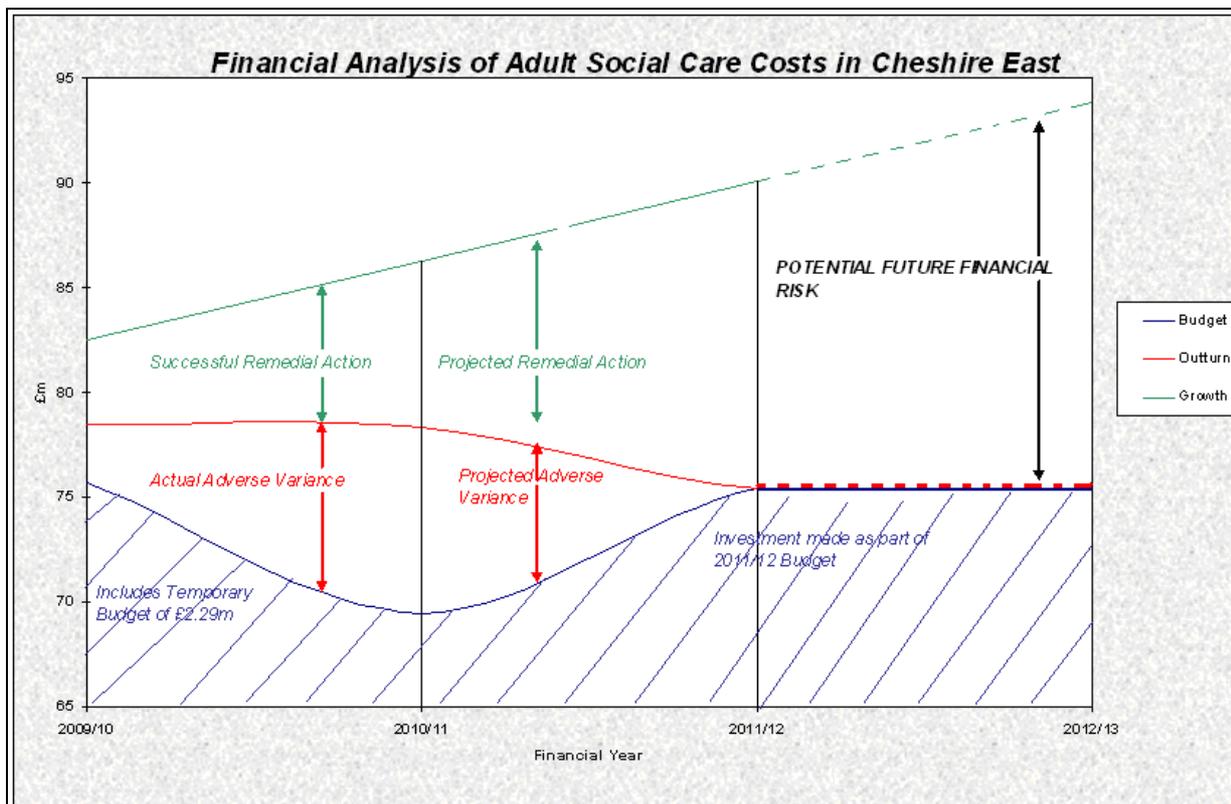
8.1 The arrangements for contracting for Residential care and the standards required of providers are matters that have a direct impact on the financial processes of the Council

## 9.0 Risk Management

9.1 The financial and reputational risks arising from residential care provision for older people are very significant for this Council

## 10.0 Background and Options

### 10.1 APPENDIX 1 – PRESSURES ON SOCIAL CARE SPENDING



On the chart is a gross cost of care line (growth). This line demonstrates the potential care cost pressure risk for the service. This risk is currently being mitigated through prevention activities such as re-ablement. Whilst this cost of care line can be suppressed in the short term, it is inevitable over time that this slope will increase due to population growth and pressures. The measures in Think Local Act Personal are designed to ensure that Councils and partners can manage the growth of care costs and protect the financial position of the Council.

Key measures to address this pressure are:-

- Secure greater cooperation and better use of resources across public services to improve individuals' and their families experiences, including housing, leisure, culture, transport, health, welfare benefits, employment support, social care and community safety.
- Encourage and help local communities and groups to provide networks of support, to help people improve their health and well-being, and to reduce their need for more acute care and health services.
- Actively involve people, carers, families and communities in the design, development, delivery and review of innovative care and support arrangements to maximise choice and independence and utilise the widest range of resources. Facilitate a broad range of choice in the local care and support market, including housing options, and personalise the way in which care and support services are delivered wherever people live.
- Ensure that those people eligible for council social care funding receive this via a personal budget (either as a direct payment or a managed account) allowing them to exercise the same amount of choice and control as those who pay for their own care and support.
- Ensure all people have the information and advice needed to make care and support decisions which work for them, regardless of who is paying for that care. This includes help to make the best use of their own resources to support their independence and reduce their need for long-term care.

**Access to Information by contacting the report author**

**Key document is the Dilnot Report**

<https://www.wp.dh.gov.uk/carecommission/files/2011/07/Fairer-Care-Funding-Report.pdf>

Briefer list of recommendations

<https://www.wp.dh.gov.uk/carecommission/files/2011/07/CFCS-launch-presentation-WEB.pdf>

Name: Lorraine Butcher, Director, Adults, Children and Families

Tel No: 01270 686559

Email: [lorraine.butcher@cheshireeast.gov.uk](mailto:lorraine.butcher@cheshireeast.gov.uk)