

## APPENDIX 1

### Response to consultation on the distribution of funding to support the reform of the adult social care charging system in 2023 to 2024

#### Policy Context

1. The Care Act 2014, provides the legal framework for care and support in England. The Act included a cap on care costs (section 15) and a duty for local authorities to arrange care and support for a person even if they have substantial financial resources (section 18). These elements were not fully implemented at the same time as the other provisions. The now proposed reforms will enact these provisions in the Care Act 2014.
2. The Council's current charging policy has been designed in line with Care and Support Regulation (Statutory Instruments) and Care and Support Guidance and Annexes issued under the Care Act 2014.

#### Background

3. On 7 September 2021 the government published [Build Back Better: Our Plan for Health and Social Care](#), announcing £5.4 billion of investment in the adult social care system in England to be delivered over 3 years to transform the sector and reform the charging system that underpins it.
4. From October 2023, the government's new charging framework will:
  - introduce a new £86,000 cap on personal care costs
  - extend the means test system by raising the lower capital limit to £20,000 and the upper capital limit to £100,000
5. The reform package includes £3.6 billion to reform the adult social care charging system and enable local authorities to move towards paying providers a fair cost of care.
6. The consultation looks at the basis of distributing funding associated with the charging reforms for 2023/24 in respect of the:
  - Extension of the means test
  - Cap on care costs
  - Implementation and additional assessments
7. The scope of this consultation does not include the distribution of the £1.36 billion Market Sustainability and Fair Cost of Care Fund, about which guidance was published on 24 March 2022. Further details about the allocation of the fund in 2023 to 2024 will be made available later this year.

8. The consultation considers different methods of distribution and expert advice has been sought from the Adult Social Care Research Unit (ASCRU) at the Personal Social Services Research Unit (PSSRU).
9. Under the proposal the funding Gateshead will receive will be dependent upon the final methodology for distribution of the funding. The tables below give an indication of the funding under the different proposals.

**A: Extension to the means test and cap on care costs**

	<b>Option 1: ASCRU-PSSRU means test extension formula for people aged 18 to 64 £</b>	<b>Option 2: per capita (18 to 64) distribution £</b>	<b>Option 3: ASCRU-PSSRU means test extension formula for people aged 65 and over (2022) £</b>
	£603,655	£587,785	£603,999
<b>ASCRU-PSSRU means test extension formula for people aged 65 and over (2022) £</b>	1,261,292	1,261,292	1,261,292
<b>Total</b>	<b>1,864,947</b>	<b>1,849,077</b>	<b>1,865,291</b>

**B: Implementation of Additional Assessments 2023/24**

<b>Option 1: 2022 ASCRU-PSSRU assessments formula (utilisation approach) 2022 £</b>	<b>Option 2: 2022 ASCRU-PSSRU assessments formula (normative approach) 2022 £</b>	<b>Option 3: ONS reported self-funder population in care homes £</b>
831,635	1,019,043	503,743

**Consultation**

10. The Cabinet Member for Adult Social Care has been consulted on this proposal.

**Alternative Options**

11. An alternative option would be not to respond to the consultation and therefore not influence the way in which the funding is distributed

## Implications of Recommended Option

### 12. Resources:

- a) **Financial Implications** – The Strategic Director, Resources and Digital confirms that the financial implications of the outcome of the consultation are outlined in this report.
- b) **Human Resource Implications** – there are no direct HR implications arising from this report
- c) **Property Implications**- there are no property implications arising from this report.

13. **Risk Management Implications** – There is a risk that the Council is under resourced to meet the cost of the charging reforms.

14. **Equality and Diversity Implications** – There are no equality and diversity implications arising directly from this proposal.

15. **Crime and Disorder Implications** – There are no Crime and Disorder implications arising directly from this proposal.

16. **Health Implications** – There are no health implications for the Council arising directly from this proposal

17. **Climate Emergency and Sustainability Implications** – There are no climate emergency and sustainability implications arising directly from this proposal.

18. **Human Rights Implications** – There are no Human Rights implications arising directly from this proposal.

19. **Ward Implications** –There are no specific Ward implications.

### 20. Background Information

Distribution of funding to support the reform of the adult social care charging system in 2023 to 2024 – Consultation Document  
Social Care charging reform impact assessment  
Build Back Better: Our Plan for Health and Social Care  
Care Act 2014