

## APPENDIX C – CARE ACT FINANCIAL IMPACT

ADULT AND COMMUNITIES - CARE ACT IMPACTS 2015/16 - 2022/23									
	Low Volume								Comments
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Carer Assessments	£360,750	£295,200	£295,200	£295,200	£295,200	£295,200	£295,200	£295,200	Assumes 25% of unassessed carers come forward and 10% of those who come forward are eligible for support.
Carer Packages Costs	£396,897	£324,779	£324,779	£324,779	£324,779	£324,779	£324,779	£324,779	
Residential & Nursing Assessments	£7,164	£143,275	£143,275	£143,275	£143,275	£143,275	£143,275	£143,275	Assumes 25% of self funders in res and nursing come forward and 90% of those who come forward are eligible for support. Also assumes that clients reach the £72k cap after 3.5 years.
Residential & Nursing Care Package Costs	£7,172	£2,656,823	£2,656,823	£2,656,823	£3,588,973	£4,521,123	£4,521,123	£4,521,123	
Community Based Assessments	£50,589	£1,011,770	£1,011,770	£1,011,770	£1,011,770	£1,011,770	£1,011,770	£1,011,770	Assumes 10% of Community Based self funders come forward and 10% of those who come forward are eligible for support. Of the 10% who are eligible for support, 7% move to residential care after 3 years and reach the £72k cap
Community Based Care Package Costs	£8,240	£136,918	£136,918	£136,918	£281,570	£281,570	£281,570	£332,768	
Deferred Payments	£0	£0	£0	£0	£0	£0	£0	£0	Assumes 30 new clients per year with a life expectancy of 3 years and 100% of debt recovered resulting in no bad debt charge to A&C.
Existing Clients - Residential	£0	£0	£0	£0	£107,293	£107,293	£91,092	£0	Existing 123 residents pay a contribution over the proposed £12K p.a. "residential accommodation" charge and will be affected by the cap and this will have a financial impact on the Council's budget for Social Care Services. Based on the current client base and trend, it is very likely that the minimum additional cost to the Council will be approx. £320K p.a.
Existing Clients - Community Based	£0	£181,189	£53,920	£25,017	£6,870	£0	£3,509	£0	Existing 82 residents receive care packages that will reach £72K cap within two years. Half of them will be affected by the cap and they will not be required to pay for their care resulting in a loss of income to the Council of approx. £270K p.a.
<b>Financial Impact</b>	<b>£830,812</b>	<b>£4,749,954</b>	<b>£4,622,685</b>	<b>£4,593,783</b>	<b>£5,759,730</b>	<b>£6,685,010</b>	<b>£6,672,318</b>	<b>£6,628,915</b>	
	High Volume								Comments
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Carer Assessments	£721,500	£295,200	£295,200	£295,200	£295,200	£295,200	£295,200	£295,200	Assumes 50% of unassessed carers come forward and 10% of those who come forward are eligible for support.
Carer Packages Costs	£793,794	£324,779	£324,779	£324,779	£324,779	£324,779	£324,779	£324,779	
Residential & Nursing Assessments	£103,158	£515,790	£515,790	£515,790	£515,790	£515,790	£515,790	£515,790	Assumes 90% of self funders in res and nursing come forward and 90% of those who come forward are eligible for support. Also assumes that clients reach the £72k cap after 3.5 years.
Residential & Nursing Care Package Costs	£103,282	£9,564,565	£9,564,565	£9,564,565	£12,920,305	£16,276,045	£16,276,045	£16,276,045	
Community Based Assessments	£1,821,186	£9,105,930	£9,105,930	£9,105,930	£9,105,930	£9,105,930	£9,105,930	£9,105,930	Assumes 90% of Community Based self funders come forward and 10% of those who come forward are eligible for support. Of the 10% who are eligible for support, 7% move to residential care after 3 years and reach the £72k cap
Community Based Care Package Costs	£296,656	£1,232,263	£1,232,263	£1,232,263	£2,534,129	£2,534,129	£2,534,129	£2,994,911	
Deferred Payments	£0	£0	£0	£132,447	£264,894	£397,341	£397,341	£397,341	Assumes 30 new clients per year with a life expectancy of 3 years and 80% of debt recovered resulting in a bad debt charge to A&C.
Existing Clients - Residential	£0	£0	£0	£0	£107,293	£107,293	£91,092	£0	Existing 123 residents pay a contribution over the proposed £12K p.a. "residential accommodation" charge and will be affected by the cap and this will have a financial impact on the Council's budget for Social Care Services. Based on the current client base and trend, it is very likely that the minimum additional cost to the Council will be approx. £320K p.a.
Existing Clients - Community Based	£0	£181,189	£53,920	£25,017	£6,870	£0	£3,509	£0	Existing 82 residents receive care packages that will reach £72K cap within two years. Half of them will be affected by the cap and they will not be required to pay for their care resulting in a loss of income to the Council of approx. £270K p.a.
<b>Financial Impact</b>	<b>£3,839,576</b>	<b>£21,219,715</b>	<b>£21,092,446</b>	<b>£21,195,990</b>	<b>£26,075,189</b>	<b>£29,556,506</b>	<b>£29,543,814</b>	<b>£29,909,995</b>	

### Assumptions

There is no change in provider rates as a result of the Care Bill.

The weekly costs used as are per Month 2 14/15 Monitoring

All clients in Residential and nursing care pay a contribution of £12k pa (£230/week). In reality this is not likely to be the case and LBB this will have cost Self funders in res and nursing who may be eligible in 15/16 would not qualify for financial support as the rules don't change until April 2016.

The average time it will take a person to reach their £72k cap is 3.5 years.

Assumes that the Act will not be retrospectively applied to adults with LD & PD who have come to us from children's services.

Assumes that for the period to 2022/23, there is negligible financial impact of support for eligible community based clients as the average annual cost is approx. £10k and it would take 7-8 years for clients to reach the £72k cap. Impact of community based clients moving to residential placements have For community based, all eligible clients are provided with a reablement service.

The phasing of the number of assessments from 16/17 onwards is assumed to remain static. In reality, we would expect there to be a peak in the first few years which would taper off.

### Key Variables

Carer Assessments & Carer Packages Costs	
Number of carers currently assessed	6,000
Estimated total number of carers in LBB	32,320
Unassessed carers	26,320
Average unit cost per assessment	£150
Average annual cost per care package	£1,650

Community Based Assessment & Care Package Costs	
Estimated number of self funders in LBB	12,190
Percentage of community based self	7%
Average unit cost per assessment	£830
Average weekly cost per OA community	£186
Average weekly cost per OA care	£557

Residential & Nursing Assessment & Care Package Costs	
Assumed LBB self funders	690
Percentage of residential placements	68%
Percentage of nursing placements	32%
Average unit cost per assessment	£830
Average weekly cost per OA care package - residential	£557
Average weekly cost per OA care package - nursing	£566

Deferred payments	
LBB max cost	£546
less std client contribution	£122
Max deferred payment amount p.w.	£425
New clients per year	30
Assumed life expectancy	3 years

Other costs not quantified to be presented in a later analysis

**CORPORATE FINANCE - CARE ACT IMPACTS 2015/16 - 2022/23**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Comments
Financial Impact of Deferred Payments	£662,236	£1,324,471	£1,986,707	£1,324,471	£662,236	£0	£0	£0	Assumes 30 new clients per year with a life expectancy of 3 years.
<b>Assumptions</b>									
The expected cash flow implications of the deferred payment scheme are modelled above. For Adults & Communities (A&C) the deferred debt would be accrued every year until the debt was recovered. There would be implications for A&C if less than 100% of the debt was recovered and this has been factored into the A&C workings. At present, it is not possible to work out the financing implications of the deferred payments scheme as no data is available with respect to the interest rates that councils are allowed to charge clients on deferred debt.									