

# Adult Social Care Costs Overview

## Task and Finish Group Meeting

*5 October 2021*



Leicester  
City Council

## Context - ASC Revenue Budget 2021/22

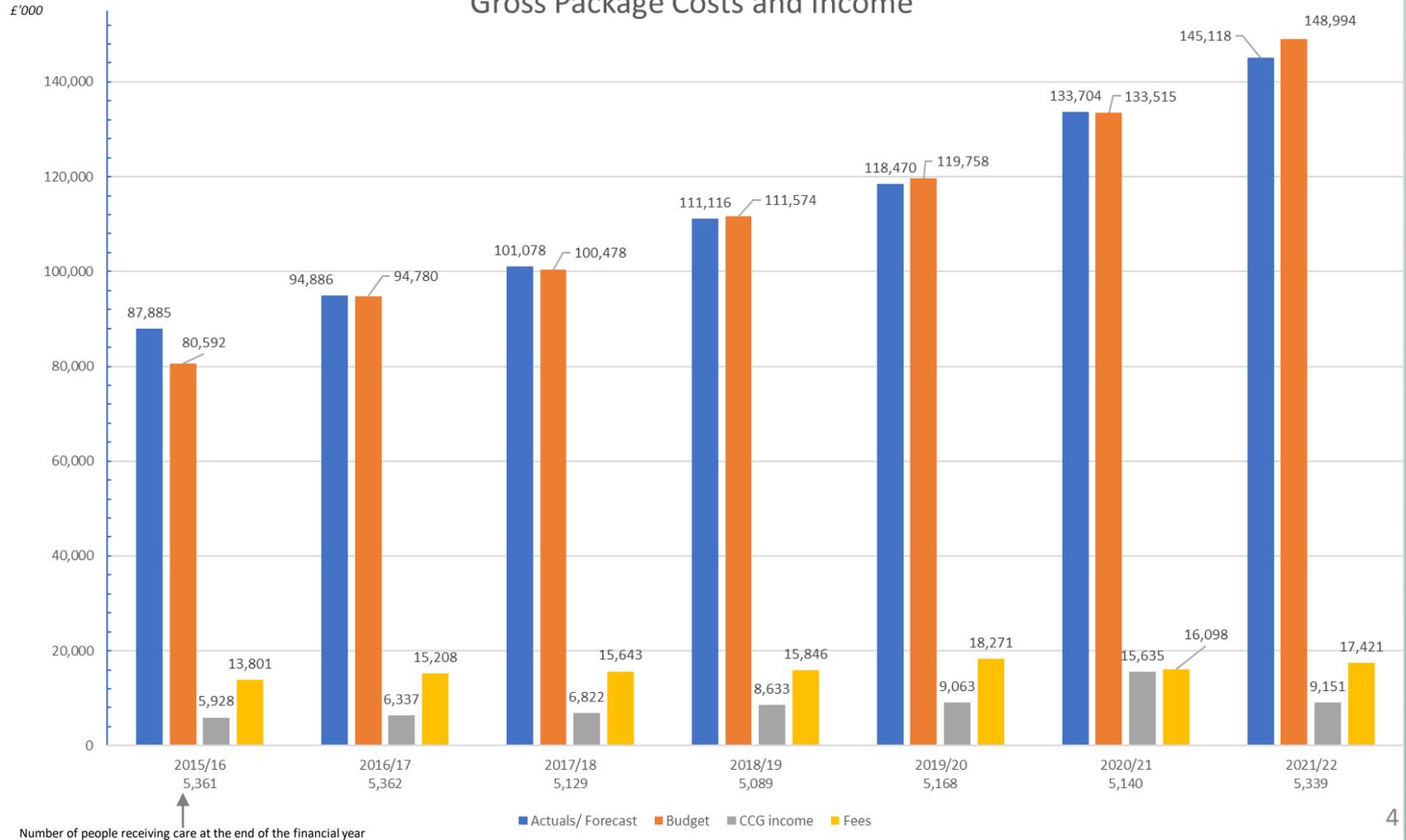
	<i>£'000</i>
Gross Package Costs	148,995
Income from People	(17,421)
CCG income	(9,151)
Independent living fund	(837)
Net package cost	121,587
Care Management teams	13,015
Preventative services	11,302
Contracts and assurance, commissioning and other support teams	5,539
Other departmental costs	794
BCF and DFG income	(32,933)
<b>Total Department</b>	<b>119,304</b>

## Context - Numbers of people in care and package cost by type

	Number of people with care		Package cost for 2020/21
	As at 31 March 2021		£m
65 +	2,908	57%	64.2
Working age	2,232	43%	69.5
<b>Total</b>	<b>5,140</b>	<b>100%</b>	<b>133.7</b>

	Number of people with care	Package cost for 2020/21	
	As at 31 March 2021	£m	
Residential	1,309	60.5	45%
Supported living	516	23.4	18%
Home care	2,870	43.6	33%
Community opportunities	426	5.8	4%
Shared lives	19	0.4	0%
	<b>5,140</b>	<b>133.7</b>	<b>100%</b>

# Gross Package Costs and Income



# 3 Factors affecting care package costs

All people receiving care

**Fee Inflation** – NLW increase of 2.2% plus CPI 3% on non-pay, plus any other specific increases resulting in overall fee inflation of 2.7%.

+

New to care and those leaving care

**Demography** – 2% for 65+, 5% for working age, net 3.3%. Growth has previously been held down for 65+ due to prevention efforts, but now forecast in line with 65+ population growth.  
Financial impact reduced by differential in package costs for those entering and exiting care. Net % full year impact 0.3%

+

Existing people in care

**Increasing need** – 38% of existing people see an average increase care package of 24%. This translates to an increase of 9% full year effect (usually split 6% in the year of change and a further 3% in the following year)

Total 2021/22 budgeted package cost increase = 12% compared to 2020/21

# Increasing Need

- On average 38% of people pa see an average increase in package of 24% following a review
- This is an effective increase of over 9% full year effect with the financial impact generally split 6%/3% over 2 financial years due to the average timing of the change
- The total £ increase in the year is therefore the full year effect of the previous year's increase (usually 3%) plus the in year increase in the current year of around 6%. The full year effect of the previous year is built into the base package cost of people at the start of the year. The in-year increase (ie the 6%) is monitored closely and is quoted in revenue monitoring reports.
- The trend in-year increase has been as follows:

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
2.5%	3.4%	5.3%	5.5%	5.9%	5.0%

- Those people that see a package change follow a very similar profile in terms of package cost and age to that of the overall cohort for that particular type (learning disability, mental health, physical disabilities, dementia).
- Whilst the average change in package cost is 24%, the range of % change is significant and this has implications in terms of the extent to which package cost increases can be successfully deferred.

## GROSS PACKAGE COSTS – ILLUSTRATION OF CHANGE IN NEED

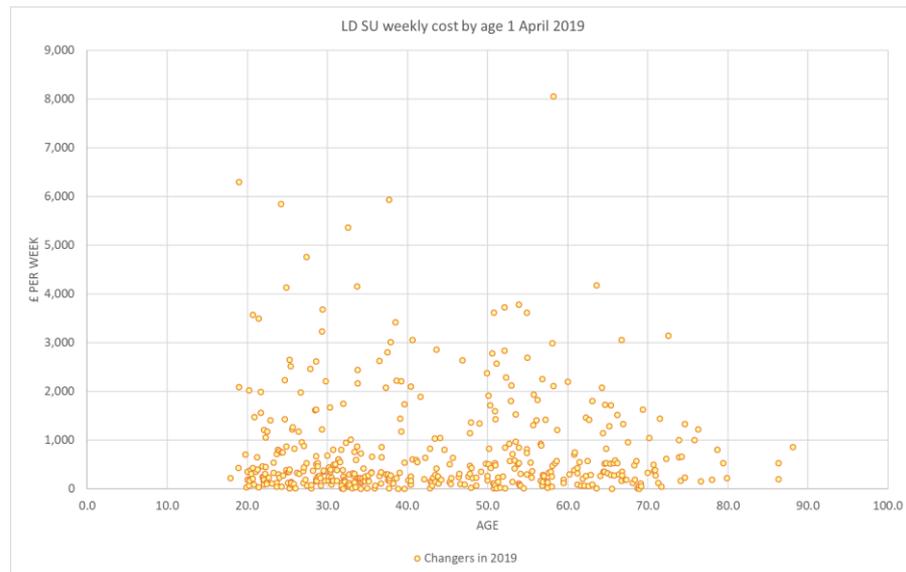
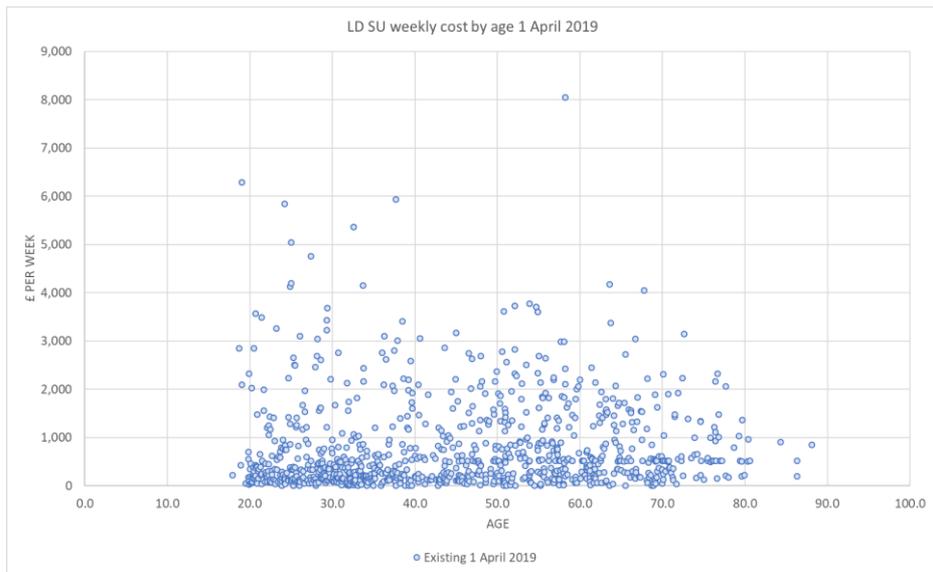
Increases in need from deteriorating health - 38% of reviews result in net additional increases to packages of 24%

### Average weekly package costs by month for people with changing need by support reason and age in 2019/20

SU Group 3	Age Group	Total Sus (exc in-house)	No Sus change	%	01/04/20	30/04/20	31/05/20	30/06/20	30/07/20	30/08/20	30/09/20	31/10/20	30/11/20	31/12/20	31/01/2020	28/02/2020	31/03/2020	% change	2018/19 Financial Year	
																				Package cost
Dementia	45 to 54 Average	1	1	100%	101	101	101	101	45	45	45	45	45	45	45	45	45	45	-55%	
Dementia	55 to 64 Average	12	7	58%	457	534	534	534	534	534	364	364	364	368	368	368	375	375	-18%	6%
Dementia	65 to 74 Average	48	18	38%	356	422	427	470	491	528	502	501	499	531	485	486	520	466	46%	17%
Dementia	75 to 84 Average	177	57	32%	342	348	375	379	394	404	363	387	399	426	412	432	455	455	33%	27%
Dementia	85+ Average	262	61	23%	287	292	302	310	342	329	334	323	355	351	373	379	396	396	38%	42%
<b>Dementia</b>		<b>500</b>	<b>144</b>	<b>29%</b>	<b>324</b>	<b>341</b>	<b>356</b>	<b>367</b>	<b>388</b>	<b>391</b>	<b>366</b>	<b>371</b>	<b>388</b>	<b>402</b>	<b>400</b>	<b>411</b>	<b>432</b>	<b>432</b>	<b>33%</b>	<b>31%</b>
LD	Under 45 Average	485	246	51%	772	854	863	826	872	886	894	941	913	915	937	936	914	914	18%	21%
LD	45 to 54 Average	169	74	44%	840	922	942	984	1025	1003	1034	1029	1047	1035	1039	1,031	1,002	1,002	19%	21%
LD	55 to 64 Average	166	64	39%	896	814	819	845	854	864	886	855	859	868	866	844	880	880	-2%	15%
LD	65 to 74 Average	112	52	46%	671	725	800	805	843	841	836	854	862	858	861	874	891	891	33%	3%
LD	75 to 84 Average	37	10	27%	627	627	671	669	722	671	671	635	635	687	629	632	630	630	0%	32%
LD	85+ Average	4	3	75%	520	515	515	515	515	530	530	530	536	536	536	536	536	536	3%	182%
<b>LD</b>		<b>973</b>	<b>449</b>	<b>46%</b>	<b>784</b>	<b>837</b>	<b>856</b>	<b>847</b>	<b>886</b>	<b>890</b>	<b>902</b>	<b>923</b>	<b>913</b>	<b>914</b>	<b>925</b>	<b>922</b>	<b>912</b>	<b>912</b>	<b>16%</b>	<b>18%</b>
MH	Under 45 Average	178	66	37%	280	283	276	287	276	272	258	240	250	287	310	355	354	354	27%	-4%
MH	45 to 54 Average	143	41	29%	264	221	203	195	201	196	195	189	191	189	192	193	193	193	-27%	25%
MH	55 to 64 Average	196	59	30%	301	321	321	323	329	312	331	331	359	365	372	364	372	372	23%	15%
MH	65 to 74 Average	174	52	30%	313	337	340	367	358	356	397	390	393	418	422	460	437	437	40%	18%
MH	75 to 84 Average	115	35	30%	269	307	312	337	333	339	352	346	338	337	379	368	374	374	39%	99%
MH	85+ Average	65	18	28%	405	422	422	409	450	450	456	474	474	464	510	510	514	514	27%	66%
<b>MH</b>		<b>871</b>	<b>271</b>	<b>31%</b>	<b>295</b>	<b>305</b>	<b>301</b>	<b>311</b>	<b>313</b>	<b>307</b>	<b>320</b>	<b>315</b>	<b>316</b>	<b>323</b>	<b>349</b>	<b>365</b>	<b>363</b>	<b>363</b>	<b>23%</b>	<b>23%</b>
Physical	Under 45 Average	182	79	43%	520	573	587	601	596	611	606	613	613	623	622	637	653	653	26%	36%
Physical	45 to 54 Average	198	97	49%	310	353	334	355	351	375	373	374	378	375	376	379	383	383	23%	32%
Physical	55 to 64 Average	313	146	47%	342	365	361	373	361	380	366	382	409	401	378	398	397	397	16%	28%
Physical	65 to 74 Average	430	181	42%	237	259	259	255	271	274	279	286	295	288	293	301	306	306	29%	46%
Physical	75 to 84 Average	656	236	36%	240	242	247	254	274	269	278	279	294	298	309	320	325	325	35%	53%
Physical	85+ Average	906	309	34%	231	233	246	255	272	272	279	282	297	303	314	332	354	354	53%	46%
<b>Physical</b>		<b>2,685</b>	<b>1,048</b>	<b>39%</b>	<b>279</b>	<b>295</b>	<b>298</b>	<b>307</b>	<b>316</b>	<b>322</b>	<b>324</b>	<b>329</b>	<b>343</b>	<b>344</b>	<b>347</b>	<b>360</b>	<b>370</b>	<b>370</b>	<b>33%</b>	<b>42%</b>
	<b>Grand Average</b>	<b>5,029</b>	<b>1,912</b>	<b>38%</b>	<b>403</b>	<b>427</b>	<b>434</b>	<b>439</b>	<b>455</b>	<b>458</b>	<b>462</b>	<b>470</b>	<b>476</b>	<b>479</b>	<b>487</b>	<b>497</b>	<b>501</b>	<b>501</b>	<b>24%</b>	<b>28%</b>

# 2019/20 Scatter diagram of existing package costs at 1 April 19 and changers during the year by type, weekly cost and age

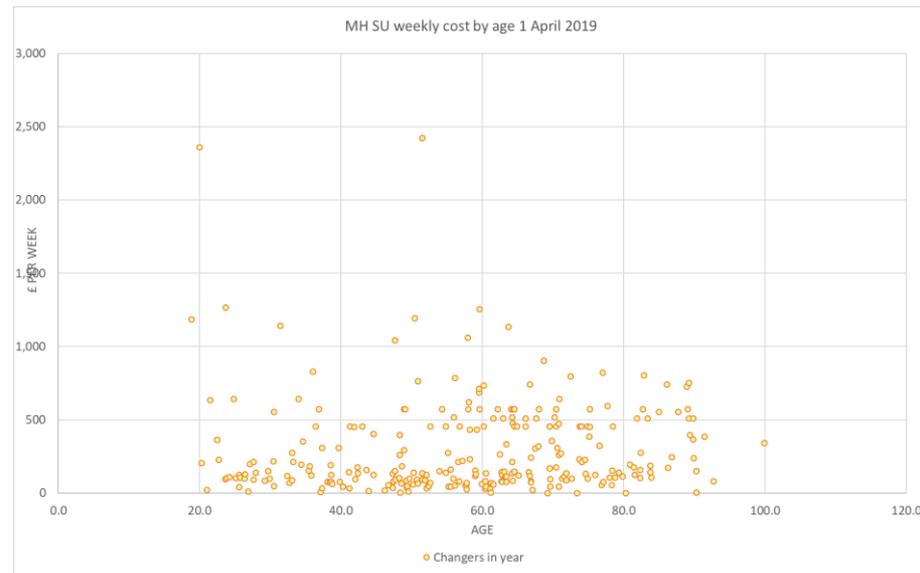
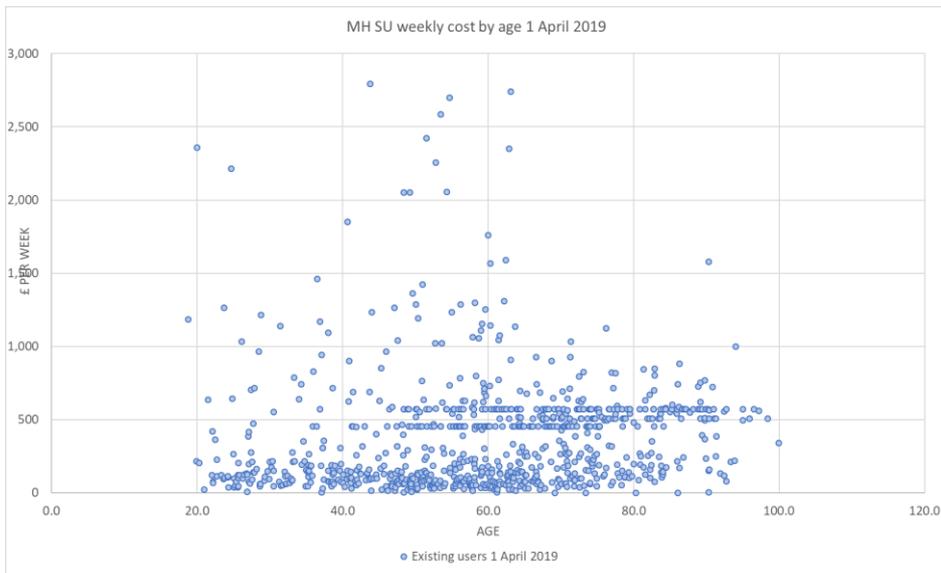
LD



Those that see a change are spread across the entire age range

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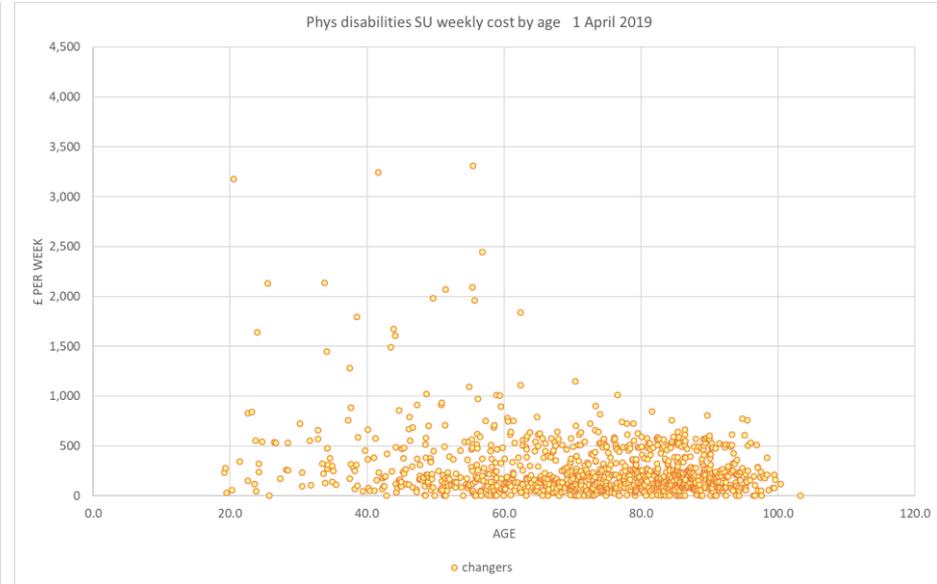
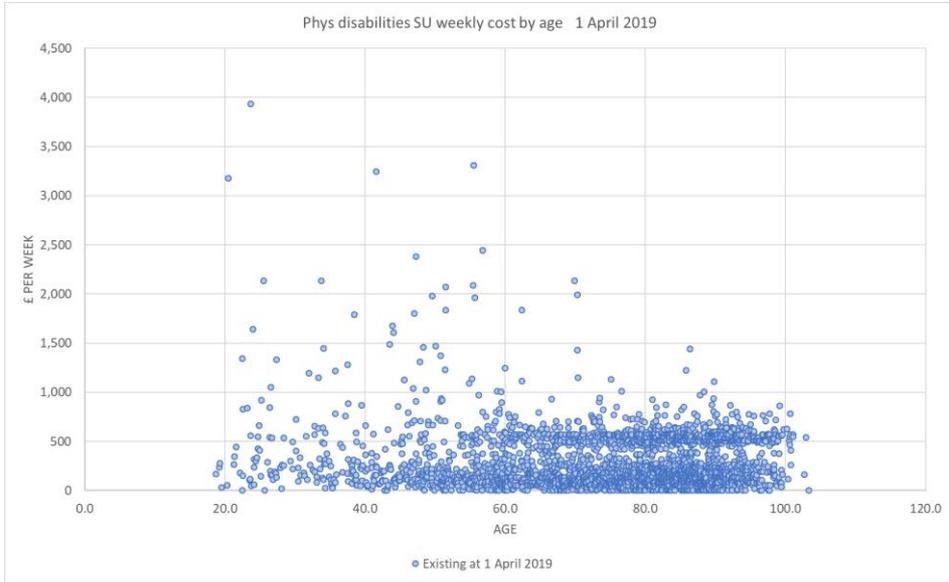
MH



Those that see a change are spread across the entire age range

## 2019/20 Scatter diagram of existing package costs at 1 April 19 and changers during the year by type, weekly cost and age

### Physical disabilities

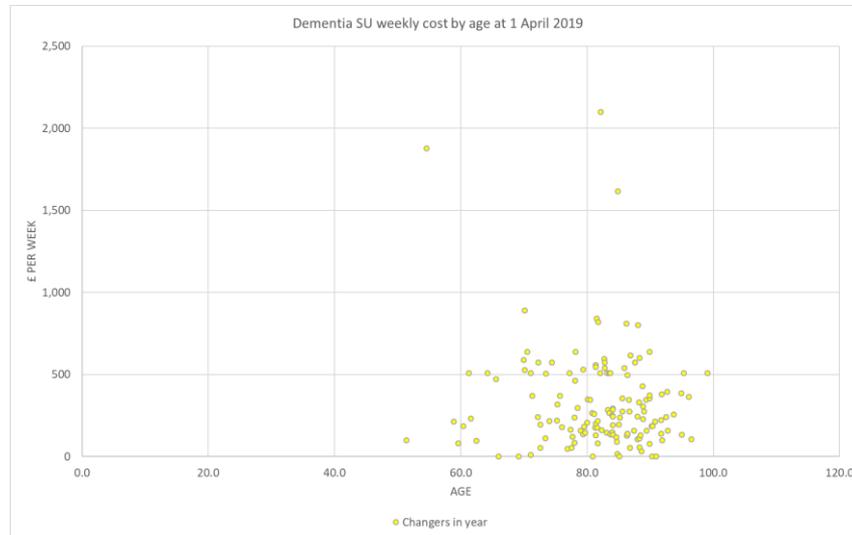
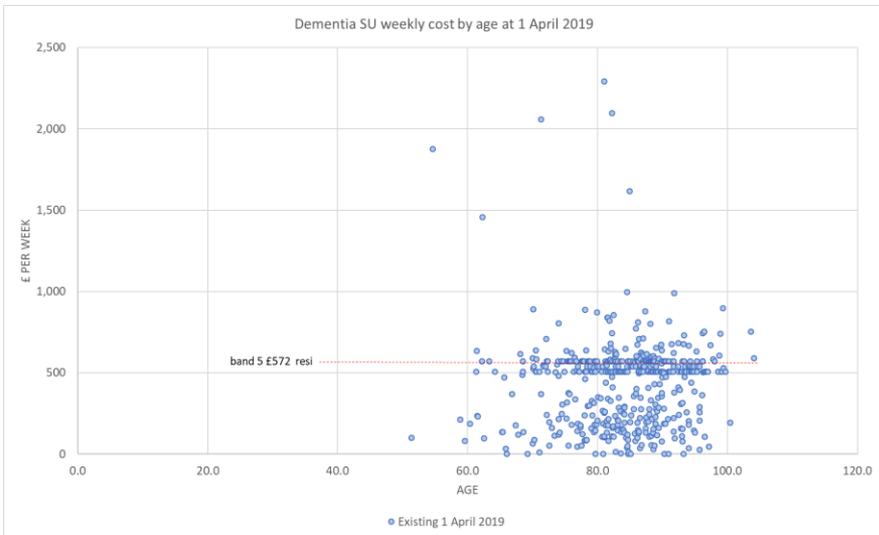


Those that see a change are spread across the entire age range

# 2019/20 Scatter diagram of existing package costs at 1 April 19 and changers during the year by type, weekly cost and age

## Dementia

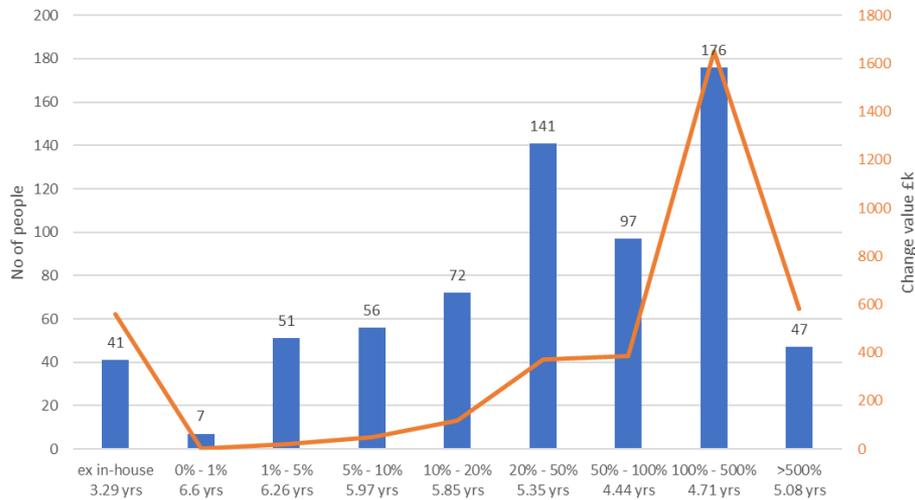
Weekly cost of those that saw a change in need in the year (not the change in cost)



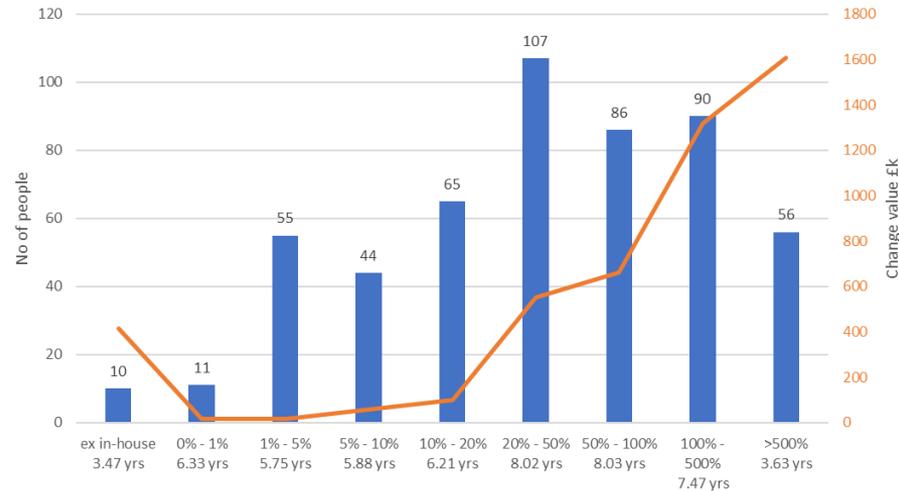
Those that see a change are spread across the entire age range

# Distribution of 2019/20 package cost increases

Distribution of package cost changes 2019/20 65+



Distribution of package cost changes 2019/20 working age



↑  
Number of years in care

These charts show the distribution of the package cost % increases for those people who saw an increase in package cost together with the average number of years in care for each range of increase.

Working age adults generally incur larger package increases the longer they have been in care  
This is not the case with 65+ cohort

The larger % package increases contribute more to the overall financial cost, although not the case for >500% increases for the elderly

We would need to restrict package cost increases from 20% upwards to make any significant impact on reducing the in year cost

# Level of Need

- A limited longitudinal analysis of those people with changes in packages of care over the 3 years 2018/19, 2019/20 and 2020/21 reveals the following:

58% saw a change in one year only

30% saw a change in two years

12% saw a change in all three years

- Average length of stay in care is 5.4 years
- Further data analysis is required to cover at least the average length of stay but over a 3 year period review the majority of package changes occur in one year – in other words the majority of those people seeing package changes are not consistent ‘changers’ year on year
- The implication of this is that different cohorts see a package change every year in the majority of cases and therefore there is no reason why the % change should decline over time.



# Controlling Costs

- Routes for control
  - Unit cost
  - Numbers of people receiving support
  - Level of need

## Numbers / Level of need

- Maximising strengths based approaches to deflect or defer from statutory support
- Work with primary / community health to support long term conditions and self management
- Investment in training to introduce new approach to strength based support planning and 'support sequence', accompanied by auditing tool
- Further investment in more technology enabled care (TEC) equipment and training for care management staff in how to utilise this equipment to reduce or defer increasing package costs



# 2022/23 and beyond Issues

## Legislative changes from April 2022

### *Not covered by any additional funding:*

1. 1.25% NI increase – additional £0.5m pa of provider costs
2. Lost fee income due to inflation being applied to minimum income guarantee for non-residential care and personal needs allowances for residential care – increase in income to the council will be offset by these inflationary increases therefore budgeted 2% income increase will not be realised.

### *In theory (!?\*) covered by additional funding*

1. Equalisation of self funder and council funded residential home rates as a result of self funders having the right to ask the LA to arrange their care (currently only a duty for non residential care) – self funder rates estimated to be 40% higher than council rate. Potential additional gross cost £24m less fees.
2. Impact on council income of changes to thresholds and the means test
3. Increase in care management and financial assessment staff
4. System changes including setting up care accounts
5. Other implementation costs

