Norfolk County Council

Adult Social Care Committee

Date: **Monday 7 September 2015**

Time: **10:00am**

Venue: **Edwards Room, County Hall, Norwich**

Persons attending the meeting are requested to turn off mobile phones.

Membership

Ms S Whitaker (Chair)

Mr B Borrett
Ms J Brociek-Coulton
Mr M Chenery of Horsbrugh
Mr D Crawford
Mr T Garrod
Mr A Grey
Ms E Morgan (Vice Chair)
Mr J Perkins
Mr G Plant
Mr A Proctor
Mr W Richmond
Mr M Sands
Mr E Seward
Mrs M Somerville
Mrs A Thomas
Mr B Watkins

For further details and general enquiries about this Agenda please contact the Committee Officer:
Nicola LeDain on 01603 223053
or email committees@norfolk.gov.uk

Under the Council's protocol on the use of media equipment at meetings held in public, this meeting may be filmed, recorded or photographed. Anyone who wishes to do so must inform the Chairman and ensure that it is done in a manner clearly visible to anyone present. The wishes of any individual not to be recorded or filmed must be appropriately respected.

A g e n d a

1. Healthwatch Report on Mental Health Services in Norfolk **(Page 5)**

Report by the Chief Executive, Healthwatch

2. To receive apologies and details of any substitute members attending

3. To agree the minutes from the meeting held on 29 June 2015 **(Page 14)**

4. Members to Declare any Interests

If you have a Disclosable Pecuniary Interest in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a Disclosable Pecuniary Interest in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter.

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an Other Interest in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

If that is the case then you must declare an interest but can speak and vote on the matter.

5. To receive any items of business which the Chairman decides should be considered as a matter of urgency

6. Local Member Issues

Fifteen minutes for local members to raise issues of concern of which due notice has been given.
Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk or 01603 223053) by **5pm on Wednesday 2 September 2015.**

7. Update from Members of the Committee regarding any internal and external bodies that they sit on

8. Executive Director's Update
Verbal Update by the Executive Director of Adult Social Services

9. Chair's Update
Verbal Update by Cllr Sue Whitaker

10. Exercise of Delegated Authority
Verbal report by the Executive Director of Adult Social Services

11. Risk Management **(Page 22)**
Report by the Executive Director of Adult Social Services

12. Adult Social Care Finance Monitoring Report Period 4 (July) 2015-16 **(Page 29)**
Report by the Executive Director of Adult Social Services

13. Strategic and Financial Planning 2016-19 - Re-Imagining Norfolk **(Page 43)**
Report by the Executive Director of Adult Social Services

14a. Cost of Care – The Cost of Care in Adult Social Services – interim report **(Page 69)**
Report by the Executive Director of Adult Social Services

14b. Cost of Care – Towards meeting the new market development responsibilities for Adult Social Care **(Page 74)**
Report by the Executive Director of Adult Social Services

14c. Exclusion of the Public
The committee is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the items below on the grounds that they involve the likely disclosure of exempt information as defined by Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The committee will be presented with the conclusions of the public interest tests carried out by the report author and is recommended to confirm the exclusion.

14d. Cost of Care - Review of 9 March 2015 Adult Social Care Committee Decision **(To Follow)**
Report by Executive Director of Community and Environmental Services

15. To agree the exempt minute of the meeting of 29 June 2015. **(Page 85)**

Group Meetings

Conservative	9am	Conservative Group Room
UK Independence Party	9am	UKIP Group Room
Labour	9am	Labour Group Room
Liberal Democrats	9am	Liberal Democrat Group Room

Chris Walton
Head of Democratic Services
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 28 August 2015

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Adult Social Care Committee

Item No. 1.

Report title:	**Healthwatch Report on Mental Health Services in Norfolk**
Date of meeting:	**7 September 2015**
Author	**Alex Stewart, Chief Executive, Healthwatch Norfolk**

1 Introduction

The purpose of this report is to provide Members with an overview of the findings in relation to an independent study of mental health services in Norfolk.

2 Background

2.1 The study was commissioned by Healthwatch Norfolk in August 2014 as one of its thematic priorities for 2014-15. The aim of the research was to understand how adult users of mental health support services have experienced service provision in Norfolk, in order for providers to understand and address problems in service delivery and to make necessary changes. Healthwatch requested that two particular areas of activity should be investigated:

a) Access to treatment and referral services

b) Discharge of patients into the community

2.2 Throughout the research process, respondents were invited to talk about any issues or concerns they had. The research also covered any provider that offered support to people with mental health problems including Norfolk and Suffolk Foundation Trust (NSFT), General Practitioners (GPs), Norfolk County Council and various independent Third Sector organisations.

2.3 The context of the research is described in detail in the full; it is worth noting however, that two specific factors affected the nature of the enquiry and some of the responses. In 2014 a Care Quality Commission (CQC) report had identified problems at NSFT, during the research process the CQC undertook a further review of the Trust and a report was published in February 2015 placing the Trust in special measures. In October 2014 the contractual relationship between NSFT and Norfolk County Council to provide Well-being services was ended and the impacts of this change were being felt as the research was taking place.

2.4 The groups of stakeholders that contributed are:

a) Mental health service users

b) Carers and family members of service users

c) Provider organisations – NSFT

d) Provider organisations – partner agencies

2.5 NHS trusts went through a transformation programme in 2013 that resulted in mergers and restructuring. A major impact of this was the setting up of the Norfolk and Suffolk NHS Foundation Trust comprising the two separate trusts in Norfolk and Suffolk. In 2008 Norfolk County Council agreed to transfer its statutory responsibilities for the social care of adults with mental health problems to the Norfolk and Waveney Mental Health NHS Foundation Trust under a Section 75 agreement. In 2014 a vote of no confidence in the Trust was taken by Norfolk County Council and the decision was made to cancel the contract (the Section 75 agreement) and take back the social care services under the direct delivery of the council, these became operational in October 2014.

2.6 Mental health includes a range of conditions from mild anxiety and depression, described by Mind as people having:

> "Episodes of mental distress in their lifetime that they would identify as a crisis, but which does not require crisis or acute mental health services."

At the other end of the spectrum are people with severe and enduring mental health problems. The research covered the whole range of conditions.

3 NSFT structures

3.1 NSFT operates seven different locality structures, partly as a result of the merger of two different Trusts and partly as a result of the different services commissioned by the five different Clinical Commissioning Groups (CCGs) in Norfolk and two in Suffolk. The main focus of this research was the Central Norfolk area covered by Norwich, North Norfolk and South Norfolk CCGs although some consultation took place in West Norfolk.

4 Methodology

4.1 The data collection for this research took place between October 2014 and March 2015. Three main research methods were used in this study:

a) 11 focus/discussion groups attended by a total of 85 service users and carers

b) 39 one to one semi-structured interviews with stakeholders from 22 organisations

c) Postal questionnaires – 156 returns were analysed

5 Summary

5.1 The research took place during challenging times for mental health provision in Norfolk The two critical events that have taken place which have had significant impact on services are: NHS England in conjunction with the CQC and Monitor placing NSFT on special measures, following its inspection in November 2014; and the disaggregation of health and social care contracting between Norfolk County Council and NSFT.

5.2 One key factor is that so many of the issues raised are inter-related. This summary attempts to interpret the way some concerns of service users and carers, experiencing services on the ground, relate to some of the policy planning, and in particular, budget

restrictions, that will need to be understood in order to identify solutions.

5.3 NSFT Staffing

NSFT is understaffed in many areas and is not able to recruit appropriately qualified staff, particularly care co-ordinators. This is not a question of budget cuts - in many cases resources have been allocated to fund posts that remain unfilled. The CQC report identified that staff morale is extremely low. These factors are likely to be the main causes of the complaints made by users and carers: that staff are frequently changing, there is no continuity and people are having to describe their problem to a new person each time, which they find frustrating as they do not feel that their care is progressing and which is often distressing for them.

However, many service users spoke very highly of the care they had received and valued the staff who worked with them. Some were concerned about how over-worked staff are. Problems such as bed availability and the recent peak in numbers of out of area beds being used, are also related to the lack of staff. NSFT is attempting to recruit new staff but problems are caused by a national shortage of trained nurses and the fact that Norfolk is known to have a low skilled labour force. Nursing training being provided in Norfolk has not alleviated the problem as managers noted that graduates tend to get jobs out of the area. Some NSFT respondents thought that the recruitment problems have not been addressed at a strategic level throughout the Trust.

5.4 Access and referral to services

This was a major concern for service users and carers. They described long waits for an initial diagnosis and the difficulty of getting care when it is needed. This was particularly a concern when individuals were having a crisis. One carer described how he believed his wife would not have had to be hospitalised had she received care a few hours earlier. Long delays in receiving crisis care are distressing for service users and their carers. During the recent bed shortages, which have been a major issue for the trust, the view was expressed that patients are being admitted to hospital or refused a bed on the basis of available resources rather than medical need. Some service users who may not have required hospitalisation, but who needed support in a crisis have reported poor service when it comes to accessing that support. Service users made the distinction between the quality of care they received and the organisation of the access to care.

The processes for accessing support in a crisis are confusing and complicated. The out of hours service is extremely poor. The crisis line is unsatisfactory regarding how long it takes to get a response, the support that can be accessed and the manner in which service users are treated. The frequent complaint was that people going through a crisis were offered banal and patronising advice such as make a cup of tea or do some ironing. GPs complained about the centralised assessment system, reporting similar problems to those of service users but also stating that the centralisation means that they have lost all personal contact with secondary mental health services, one GP saying that s/he does not know who has treated their patients.

5.5 Communication

This issue was raised by all categories of respondents. Service users and carers complained about the inconsistency of staff, as described above, but also that the different people they had to see appeared to have no communication between them. They also frequently mentioned the amount of times a member of staff promised to phone back and did not do so. Many NSFT staff were also frustrated by poor communication and cited the different systems in operation and how much information was still on paper

which could not be shared easily. NSFT is about to activate a single IT data sharing system called Lorenzo, which, it is hoped, will address some of these problems. Communication was also a concern of partner organisations and a significant number of respondents described their frustration regarding data sharing. Those that receive service users on referral from NSFT were concerned that care plans, risk assessments and other vital paper work was not shared in a timely manner – although some reported this as working well. Some GPs were also seen to be unco-operative in the matter of data sharing by some respondents, although the GPs who were interviewed for this study were not opposed to sharing data with trusted partner organisations. Most provider respondents said that good data sharing was an important part of providing a good service.

5.6 Seamless services

There are many points within mental health services where there are two paths to travel: health or well-being; medical or social care; mental and physical illness; acute or community care; statutory or voluntary services; primary or secondary care; psychiatry or psychology. These options reflect funding streams, professional disciplines, commissioning relationships, the structure of the NHS. Several respondents talked about the fragmentation of systems: five CCGs in Norfolk, splitting up health and social care, the lack of strategic commissioning. These are all places where service users can get lost in the system, be offered one option or another, when really they need a little of both. There are examples at all these junctions where there are gaps in provision when there should be bridges between them. The systems maybe complicated but this should not affect the services user's experience of the system. None of them talked about systems and structures, only how long they had to wait and why nobody returned their call.

5.7 Types of care

Service users commented on the importance of getting the right kind of care. Some complained about being given medication as a default position by practitioners. Others reported excellent care as both GPs and NSFT staff had worked with them over a period of time to ensure that they were on the right medication and that this had changed their lives. Service users wanted more talking cures and a wider range of treatments, some saying that Cognitive Behavioural Therapy should not be the only option. One respondent had been referred to six CBT courses in eleven years and one might question whether this is beneficial.

5.8 Partnership working

This was raised by provider organisations rather than service users, although many commented on support they had received from various third sector organisations. Three types of partnership issues were discussed: joined-up working between agencies, the relationship between NSFT and Norfolk County Council and the role of the third sector.

Joined up working

There are some excellent examples of joined up working: the Norfolk Recovery Partnership, Mental Health Practitioners working at Police HQ and some local arrangements where clinicians are adopting a 'social prescribing' approach. From service users' perspectives and those of GPs, there is not joined up working between primary and secondary mental health services, and between physical and mental health provision. GPs were highly critical of the centralised referral system and the breakdown of relationships between their practices and the mental health clinicians.

NSFT/ Norfolk County Council

Norfolk County Council's decision to withdraw the Section 75 agreement with NSFT appears to be in the opposite direction of travel to current best practice, in which health and social care are provided seamlessly. Respondents had different views about whether or not this was a good thing to have happened, although some NSFT staff resented that the blame was attributed to them for the poor performance. All agreed that it was too soon to say whether or not it will improve the service. However, there is some concern that the new systems could be inefficient with more staff having to be present at each intervention, that staff and service users have not been given information about the replacement systems and that the Section 75 agreement could have been better managed rather than ended. Joint commissioning based on strategic planning could also be improved as evidenced by the case study on Ashcroft which is given in the full report.

The Third Sector

Although the responses from third sector organisations in this study were to some extent predictable, that they offer valuable and more cost effective services to the statutory providers and that they are frustrated because their offers are overlooked; the feedback from significant numbers of service users reinforced this view. The Mental Health Provider Forum aims to overcome many of the criticisms of some of the public sector, that third sector organisations are in competition with one another and are too complex a sector to communicate with. There is a danger that small voluntary organisations could be squeezed out of the picture if commissioning criteria only allow large providers to win contracts. The Providers Forum can play an important role, containing, as it does, both large and small third sector organisations. However, there is some concern over its future as its support funding has been withdrawn.

There is an opportunity for both third sector organisations and public sector commissioning bodies (including CCGs) to consider what the third sector is best at and how it can most usefully contribute to a mixed economy of care that is in the best interests of the service users. The relationship of third sector organisations with service user engagement within NSFT is also an issue and is discussed below. Consideration should also include the relationship between the crisis line and the default referrals to The Samaritans. The Samaritans is an independent, self-funded group staffed completely by volunteers. There does not appear to be any direct relationship between NSFT and the Samaritans and yet people in crisis are automatically referred there.

5.9 <u>Carers</u>

The role of carers is a vital one and is recognised as such by mental health providers. NSFT has recognised that it has not managed its relationships with carers well and has adopted the Triangle of Care standard as a framework for improvement. This is needed as carers complained of being excluded from discussions and decisions about their family members' care, even when they were expected to be a major provider of that care. Carers reported feeling that their views were not taken into account by clinicians when they say that they know that their family member is becoming ill and needs some intervention. Carers described feeling unsupported and taken for granted – that they will be expected to report back on how a service user is responding to a change in or medication because there is no care worker to come and see the service user. They had particular views about the arrangements when people are discharged from hospital, having little warning or preparation. Carers, rather than service users, also expressed concerns about out of area beds and how distressing it was for them and their family member when the person was placed miles away and sometimes for long periods of time. One carer's relative had been sent to five hospitals out of Norfolk. Clinicians were also

unhappy about these arrangements as they said it was important for carers to be involved in the care package throughout the time in hospital. Some carers described feeling unsupported although those that did attend carers' support groups found them to be very useful.

5.10 Service user involvement

Different activities are taking place that enable service users to have a bigger say in how their mental health services are provided. This includes the Recovery model which aims for service users to take on more responsibility for their own wellness, eventually reducing their need for medical care and funded social care. This does raise some issues about the extent to which it is an attempt to save money by providers and the value to the service provider of improving their quality of life. NSFT has adopted the Recovery College model and this was acknowledged in the CQC report. Service users involved with learning new skills and passing them on through co-produced models to other users and providers, were very enthusiastic about this approach and were also taking on more responsibility for managing groups such as service user forums.

Peer support groups are also being developed and are part of the support package commissioned by Norfolk County Council. Again, service users who had engaged with peer support were very enthusiastic about how the groups have improved their confidence and how they were supported by others in the group.

One aspect of these approaches that was observed during the researcher's attendance at the MHPF meeting was the question of the third sector's involvement in this agenda. Some organisations challenged the Trust about why they had not been involved with the process of developing the Recovery College. The Trust representative at the meeting replied that it was an important part of the Trust's responsibility to develop the ways in which it engages with service users and they would be failing if they passed this task on to a third party. Some third sector organisations such as Equal Lives, are already participating in the Recovery College and other organisations may need to consider their position regarding the service user engagement approach. If they have promoted service user empowerment within their own organisations and supported users' engagement with mental health services, as many of them have, then they will have a role to play, but they will need to make others aware of this so they are not seen as muscling in on the development of the relationship between NSFT and service users.

5.11 The recovery 'cliff'

There are perverse incentives within the mental health system where service users are penalised for getting better. If they drop off the cliff of the social care eligibility criteria and their needs are seen to have changed from 'substantial' to 'moderate', then they lose most of their financial support. If they are in a crisis but not putting themselves or others in danger, then they may have a long and difficult wait to access any support. In either case, the lack of lower level support when it is needed can result in more expensive crisis care having to be provided. Respondents talked about GP funding not incentivising preventative care, the split between social and health care and the need to 'invest to save'.

5.12 Managing demand

A radical report published by Locality in 2014 identified a range of problems in the commissioning and design of public services that it claimed, led to more expensive provision that was less effective for the service user. The picture it describes starts with designing systems and then making individuals fit in with them, rather than meeting

individual needs; setting up systems that 'assess and refer', rather than 'assess and do'; and screening out people through constant assessment, rather than providing support.

> *"One community health trust discovered that less than 1 per cent of demand was resolved at the first point of contact."*

This model incurs costs every time it has to re-processes a known user re-entering the system, and there are costs to other providers each time someone tries to get support from another agency. 'Failure demand' is created by other services. The report identified one organisation advising social housing tenants:

> *"95% of failure demand was caused by DWP. Advice costs generated by these failures are conservatively estimated at £500m a year"*

Other contributing factors are seen to be activity based on performance measures and targets and risk management. This can be summarised in one example:

> *"A study of eight people with drug or alcohol dependency showed they presented to GPs a total of 124 times; the system carried out 4,300 activities, creating 800 documents. Just 10% of the activities were related to helping them, the remaining 90% relating to approvals, reporting against targets and accounting for performance to commissioners. None of these cases improved."*

These may be extreme examples but listening to service users and carers describe their efforts to get support, the number of times they have to follow up a decision, the complexity of the triage and referral services of AAT and CHRT, this critique does seem appropriate to mental health services in Norfolk.

5.13 Services are patchy

Every area where there were complaints about the services people had received, there were also people who reported really good care. Some people had excellent GPs, good care co-ordinators, had received good help in a crisis and found time spent in hospital to be the start of the recovery. However, others reported the opposite. One group of service users said that the problem was, when you contact a provider you don't know whether you are going to get good support or have to struggle against unhelpful behaviour. In the context of overworked and demoralised NSFT staff, it will not be easy to make these changes, but the good is there to build from. The recommendations below suggest ways in which this might be achieved.

6 Recommendations

6.1 The recommendations have been sub-divided into three areas: -

a) National Issues
b) Norfolk specific issues
c) Other – the latter being areas of concern that were raised by a range of individuals and it was considered that they warranted inclusion

6.2 NSFT has already made significant changes to address some of the key issues that led to both those events and that caused some of the concerns that were expressed by respondents to this survey. NSFT should be commended for using the findings in this research to provide an additional focus for those planning the future of mental health services in Norfolk.

6.3 **National Issues**

6.3.1 a) More training places for nurses funded - ***NHS England***

b) Seek solutions to recruitment and staff retention issues in areas like Norfolk with a limited recruitment pool - ***NHS England / NSFT***
c) Build mental health expertise into GP practice, including GP training and practice nurse training, through RCGPs - ***Royal College of GPs***
d) Develop a realistic path towards Parity of Esteem – especially in relation to emergency support - ***Department of Health / NHS England***
e) Ensure money for mental health services is ring-fenced - ***Department of Health / NHS England / CCGs***
f) Healthwatch to consider undertaking work on the links between 'legal highs' and mental health ***Healthwatch Norfolk / Police Commissioner (Norfolk)***
g) Ensure that NHS staff have access to training on working with substance abusers - ***NSFT***
h) Parity of Esteem development to consider 'blue light' responses for mental health - ***Department of Health***

6.4 **Norfolk issues**

6.4.1
a) Ensure that staff are properly supported to implement and use the Lorenzo system - ***NSFT***
b) Review the centralised access system, to create more direct and personal links with GPs and provide more support to service users more quickly - ***NSFT / CCGs***
c) Through mandatory training – Improve quality and consistency of staff responses to service users - ***NSFT***
d) Improve overall quality of response on crisis line and undertake an evaluation of the process - ***NSFT***
e) Continue to work towards improvement of relationships with carers through the Triangle of Care model and carers support groups- ***NSFT***
f) Continue to develop the Recovery College and peer support groups NSFT/Service User groups
g) Develop and fully implement data sharing protocols between NSFT, GPs, blue light services and third sector organisations - ***All***
h) Subject to the findings of the UEA project evaluation, the police / NSFT partnership should continue to be funded and partners should seek to roll out the model to other blue light and emergency services - ***NSFT / Norfolk Police***
i) Provide greater clarity in the commissioning process regarding what is purchased through block contracts: develop more strategic commissioning of services including realistic full-cost recovery pricing recognising that different prices reflect different levels of service - ***Norfolk County Council / CCGs / NHS England***
j) Request that Healthwatch Norfolk undertake an independent evaluation to measure the impact of the ending of the Section 75 agreement between NSFT and Norfolk County Council and its effect on joined up health and social care. NB – THERE MAY BE COST IMPLICATIONS FOR NCC - ***NSFT / Norfolk County Council***
k) Produce a jargon-free guide to partners identifying what steps to take when referring an individual to their services and those of others – produce in partnership with Mental Health Providers Forum - ***NSFT / Mental Health Providers Forum***
l) Streamline handovers between day/night crisis line teams - ***NSFT***
m) Develop better links between mental health services and housing providers - ***Healthwatch Norfolk to broker***
n) Hold a seminar later in 2015 to review progress on implementing recommendations - ***Healthwatch Norfolk***

6.5 **Other**

6.5.1
a) Norfolk County Council and providers to ensure those people with PBs are using them for care support rather than paying privately
b) Provide benefits advice and information about food banks to people leaving hospital

c) Protect the court intervention team to maintain connection with homeless people
d) Give people calendars when they are discharged so they can note appointments

e) Better awareness of needs of LGBT people

f) Maintain the service at Ashcroft

If you have any questions about matters contained in this paper please get in touch with:

Alex Stewart. Email: Alex.stewart@healthwatchnorfolk.co.uk

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Norfolk County Council

Adult Social Care Committee
Minutes of the Meeting Held on 29 June 2015
10:00am Edwards Room, County Hall, Norwich

Present:

Ms S Whitaker (Chair)

Mr B Borrett
Ms J Brociek –Coulton
Mr D Crawford
Mr T Garrod
Mr A Grey
Mr C Jordan
Ms E Morgan
Mr J Perkins
Mr A Proctor
Mr W Richmond
Mr M Sands
Mr E Seward
Mrs M Somerville
Mr M Storey
Mr B Watkins
Mr M Wilby

Chair's Announcements

The Chair welcomed Mike Sands and Martin Wilby to their first meeting of the Adult Social Care Committee, and thanked John Dobson and former Councillor Deborah Gilhawi for their contributions whilst serving on the Committee.

1. Apologies

1.1 Apologies were received and accepted from Alison Thomas (substituted by Martin Storey) and Tom FitzPatrick (substituted by Cliff Jordan).

2. To agree the minutes from the meeting held on 11 May 2015

2.1 The minutes from the meeting held on 11 May 2015 were agreed as an accurate record and signed by the Chair.

3. To agree the minutes from the meeting held on 8 June 2015

3.1 The minutes from the meeting held on 8 June 2015 were agreed as an accurate record and signed by the Chair.

4. Members to Declare Any Interests

4.1 Eric Seward declared an 'other' interest' as a member of his family worked for 'About Friends'.

5. To receive any items of urgent business

The Chair explained that item 18 (Meeting the market Development Responsibilities for ASC) would be withdrawn. It was also explained that item 20 and 21 would be taken as item 7 and 8 respectively and then item 17 (Cost of Care in Adult Social Care – Interim Report) would be discussed.

6. Local Member Issues

There were no local member issues received.

7. Exclusion of the Public (this item was moved from item 20)

7.1 The Committee excluded the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the item below on the grounds that it involved the likely disclosure of exempt information as defined by Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

7.2 The Committee was presented with the conclusions of the public interest test carried out by the report author and resolved to confirm the exclusion.

8. The Cost of Care in Adult Social Services – supplementary report

8.1 The annexed report (21) by the Executive Director of Adult Social Services was received.

8.2 The Committee **RESOLVED** to agree the recommendations set out in the report.

The public were invited back into the meeting.

9. The Cost of Care in Adult Social Services – interim report

9.1 The annexed report (item 17) by the Executive Director of Adult Social Services was received. The report explained that the Adult Social Care Committee considered a report on 9 March 2015 and approved a proposal to carry out a fundamental review of the usual cost the Council would expect to pay for the different groups of customers. In order to inform that decision, an exercise was being carried out to understand the actual costs of providing care in the residential care market which would set the benchmark for the cost of continuing health care in care homes.

9.2 The Committee heard that Officers were keen to move the process forward but progress was being constrained by other factors. The market had been slow to engage with the Council but should be in a position to be able to positively engage in the future. Swifter progress would be made in order to get the information to the Committee in a timely manner.

9.3 The Committee **RESOLVED** to;

- Note the commencement of the review of the cost of care exercise and agree to receive a further interim report at the 7th September 2015 meeting.

10. Update from Members of the Committee regarding any internal and external bodies they sit on

10.1 Cllr Brociek-Coulton reported that she had attended a meeting of the Carer's Council.

10.2 Cllr Morgan reported that she had attended a meeting of Norfolk Community Health and Care Governors meeting where they had received two presentations. She had also attended a meeting of Norfolk Older People's Strategic Partnership.

10.3 Cllr Whitaker reported that she had attended a meeting of the Independence Matters Enterprise Board, Norfolk Older People's Strategic Partnership and four meetings of the Mental Health Trust, which included reviewing the financial state of the trust, the Nominations Committee and an Education sub-group.

11. Executive Director's Update

11.1 The Executive Director of Adult Social Services reported that the efforts and the key focus of the department had been the budget. This included focusing on placement rates in residential care and home care. The homecare in the West of the County had been retendered following a model which had been agreed by the Committee. They were also monitoring the implementation of phase 1 of the Care Act, and were in the process of appointing a short term Learning Disabilities Manager to help re-focus and re-shape the area to generate savings. It was clarified that this post would be for a term of up to one year.

11.2 Another key area of the Department's activity was transformation. They were developing the Promoting Independence strategy by strengthening work with communities, reviewing front door services to try and meet needs in the communities where possible, creating a business case for expanding the reablement service, and reviewing the system for personal budgets.

11.3 Further integration work with the NHS continued as two of the Better Care Fund Section 75 agreements remained unsigned, however these were expected to be signed by the end of the week. The department was making use of the Better Care Fund resource and carrying out work to reshape health and social care in Norfolk.

11.4 Concern was expressed about the unsigned Section 75 agreements, but it was clarified by the Executive Director of Adult Social Services that this was purely as the CCGs had their own financial pressures and had been discussing the discretionary proportion with NHS England.

11.5 The Executive Director also confirmed that the implementation of phase 1 of the Care Act had been very gradual but it did have its pressure points as it was being implemented in times of financial pressure. Phase one was a very gradual process, and the department was waiting to hear information around the phase 2 which would involve changing the way people pay for care and would have a cost implication.

12. Chair's Update

12.1 The Chair reported that since the last meeting on 11 May 2015 she had attended;

- Three meetings (including 1 workshop) with fellow Committee Chairs;
- a joint Safeguarding Forum (with Children's Services)
- a meeting with Norfolk Community Health and Care to discuss integration;

- a Mental Health conference organised by NCC;
- the opening of Dean Alan Webster Court (a project for older homeless people) and
- a meeting with Healthwatch (along with chairs of Children's Services, Communities and HOSC).

12.2 The Chair also reported that she had chaired a meeting of the Cost of Care working party, and visited the Bowthorpe Care Village.

12.3 In terms of media, the Chair had also given two interviews on Mustard TV; one on Re-imagining Norfolk and one on the Bowthorpe Care Village. An interview had also been given for BBC Look East on Bowthorpe Care Village. She had also attended press briefings with the EDP and Radio Norfolk, both on the Bowthorpe Care Village.

13. Exercise of Delegated Authority

The Executive Director of Adult Social Services reported that since the Norsecare Liaison Board had agreed to consult on the NorseCare plan, the consultation about home closures in Norwich was underway. The results of the consultation would be brought to a future meeting of the Norsecare Liaison Board.

14. Internal and External Appointments

14.1 The report from the Executive Director of Resources was received. The report set out the internal and external appointments that were relevant to the Adult Social Care Committee.

14.2 The Committee **AGREED** the following appointments;

- The Chair and Cllr Julie Brociek-Coulton (replacing Cllr Gurney) be appointed to the Independence Matters Enterprise Development Board.
- Cllr Sue Whitaker would remain on the Norfolk Council on Ageing.
- Cllr Jim Perkins be appointed to the Queen Elizabeth Hospital Trust – Governors' Council.
- Cllr Sue Whitaker would remain on Norfolk and Suffolk NHS Foundation Trust – Partner Governor.
- Cllr Elizabeth Morgan would remain on Norfolk Community Health and Care NHS Trust Shadow Council of Governors.
- Cllr Brian Watkins be appointed to Norfolk and Norwich University Hospital Trust – Council of Governors.
- Cllr Julie Brociek-Council would remain on the Governors Council of James Paget University Hospitals NHS Foundation Trust.

14.3 The Committee **AGREED** the following Adult Social Care Committee Champions;

- Mental Health – Emma Corlett
- Carers – Julie Brociek-Coulton
- Older People – Denis Crawford
- Learning Difficulties – Elizabeth Morgan
- Physical Disability and Sensory Impairment – Jonathan Childs

15. Performance Monitoring Report (moved from item 12)

15.1 The annexed report (12) from the Executive Director of Adult Social Services was received. Performance monitoring and management information was designed to help the Committee undertake its key responsibilities – informing Committee Plans and providing contextual information to many of the decisions to be taken.

15.2 The Committee heard that there was a dedicated Carer's Assessor in each locality and Carer's assessments were being monitored closely. Information would be given to the Committee at a future meeting.

15.3 In terms of the performance relating to staff sickness, work was being carried out with wellbeing officers to help teams and individuals.

15.4 There was still a need to look at performance in a much more detailed manner and the first date for the performance task and finish group was being finalised in order to report to the meeting in September.

15.5 The Committee heard that the age of 65 was used in the areas of performance in order that they could be benchmarked against other data. Although the Committee cannot change the nationally set targets, it was noted that it would be helpful to have additional indicators around them.

15.6 Business mileage continued to be a pressured area. Staff were being supported so they didn't need to return to the central office after conducting face to face meetings. The Committee heard that it was a testing target, but it was hoped that there could be some reduction.

15.7 There was some concern that although savings had been achieved and performance improved in some areas, this was having an effect on staff and could explain the increase in staff sickness.

15.8 The Committee heard that there had been training for staff to identify any issues that had arisen due to the reduction of the well being element of personal budgets.

15.9 Although the Committee expressed concern at the worrying picture of performance, there was also recognition of those areas of performance which had improved in a difficult time.

15.10 The Committee **RESOLVED** to note the report.

The Committee took a break at 12.45pm.

16. Finance Monitoring Report Period 2 (May) 2015-2016

16.1 The annexed report (13) from the Executive Director of Adult Social Services was received. The report provided the Committee with financial monitoring information, based on information to the end of May 2015. It provided an analysis of variations from the revised budget and recovery actions taken in year to reduce the

overspend.

16.1 The Committee heard that at the recent Policy and Resources Committee meeting the Council's 2014/15 underspend of £1.7million was allocated to the Adult Social services budget. There was an assumption made to spend 50% of this but there were no actual plans to spend it and it had been placed into the Transformation Reserve.

16.2 As a principle younger adults should not be placed in residential care. However there would be exceptions, and for those with complex needs, care wouldn't be appropriate from community based providers. Younger adults in residential care had decreased from last year and the department was beginning to deliver against this target.

16.3 Work was also being carried out on the Resource Allocation System which develops a formula for individuals' personal budgets. It gave an indicative allocation but sometimes needed to be adjusted dependant on the needs. Other models and options were being considered.

16.4 There was concern expressed at such a high overspend estimated so early in the financial year. By bringing the issue to the Committee earlier than in previous years, there was time to take appropriate remedial action.

16.5 The Committee **RESOLVED** to;

- Note the forecast outturn position at period 2 for 2015-16 Revenue budget of an overspend of £5.608m
- Note the planned recovery actions being taken in year to reduce the overspend
- Note the planned use of reserves
- Note the forecast outturn position at period 2 for the 2015-16 Capital Programme.

17. Re-Imagining Norfolk – Service and Financial Planning 2016-2019 for Adult Social Care

17.1 The annexed report (14) from the Executive Director of Adult Social Services was received. The report explained that Re-Imagining Norfolk sets out a strategic direction for the Council which would radically change the role of the County Council and the way it delivers services. The report provided more detailed financial information specific to Adult Social Services to help inform planning. The Committee also received a presentation from the Executive Director of Adult Social Services.

17.2 The Executive Director confirmed that there was real merit in delivering services locally. It was important to make sure that funding was targeted at services that delivered the Council's agreed outcomes.

17.3 It was confirmed that engagement with service user representative groups would take place as well as discussions with individual service users. This information and

that from the public and partners would be brought to the September meeting of the Committee.

17.4 Concern was expressed that the report did not make specific links with the Promoting Independence model. There was a need to make sure that Re-Imagining Norfolk dovetailed with the Promoting Independence model to make sure the latter is delivered. It was decided that models should be developed based both with and without a Council Tax increase.

17.5 The Committee **RESOLVED** to;

- Note the framework and milestones for delivering Re-Imagining Norfolk and the Council's multi-year financial strategy
- Note that Promoting Independence is the key response of this Committee to the Council's strategy, Re-Imagining Norfolk.
- Commission the Executive Director to investigate potential models of 'services for the future' and prepare options of what these services could look like in three years' time, with 75% of addressable spend, for consideration by the Committee in September 2015.

18. ICT Planning within Adult Social Care

18.1 The annexed report (15) was received from the Executive Director of Adult Social Services. The report provided the Committee with details of the Adult Social Services ICT plan, indicating how the plan supports departmental priorities, how projects on the plan are progressing and monitored, any ICT budget overspends, whether departmental savings are impacted by delays in ICT delivery, and whether there are blockages with ICT delivery that impact on Adult Social Care.

18.2 Concern was expressed that Norfolk County Council accreditation for Public Services Network (PSN) had ceased on 30th January 2015. It was confirmed that NCC was working alongside the PSN Authority to address the vulnerabilities and would be re-submitting its request on 10th July 2015.

18.3 The corporate roll out plan showed there were various delays with projects, however ASC were supporting the rollouts. Care Mobile had been delayed as it was awaiting evaluation. It would now be delivered in July.

18.4 It was reported that Policy and Resources Committee was analysing the impact on the Council from any ICT delays, and a working party had been established for members to review it in more detail.

18.5 The Committee **RESOLVED** to;

- Note the contents of the report
- Agree that a report would be brought to the next meeting.

19. Risk Register

19.1 The annexed report (16) from the Executive Director of Adult Social Services was received. The report provided the Committee with an update of the Departmental Risk Register.

19.2 The Executive Director confirmed that the Committee and the department were responsible for any departmental risks regardless of whether or not they appeared on the corporate risk register.

19.3 The Committee asked if a report regarding the work on Carers could be shared to enable the risk which appeared green on the register to be put into context. This was also shared with the risk RM13929 regarding speed and severity of change where it was confirmed that resources had been put in place.

19.4 The Committee **RESOLVED** to;

- Note the changes to the risk register

20. Member Briefings

20.1 This item was for information only.

Meeting finished at 3.20pm.

CHAIR

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Adult Social Care Committee

Item No. 11.

Report title:	**Risk Management**
Date of meeting:	**7 September 2015**
Responsible Chief Officer:	**Harold Bodmer, Executive Director of Adult Social Services**

Strategic impact

Monitoring risk management and the departmental risk register helps the Committee undertake some of its key responsibilities and provides contextual information for many of the decisions that are taken.

Executive summary

At the ASC meeting of 11 May Members requested a full report at the first meeting of the year followed by exception reports to subsequent meetings. The full report was presented to the 29 June meeting and this is the first exceptions report.

The report includes the departmental risk summary together with changes to revised risk scores for 2015/16 together with significant changes since the last report. Risks are where events may impact on the Department and County Council achieving its objectives.

Recommendations:

Committee Members are asked to:

a) note the changes to departmental risks and significant changes
b) comment on the changes to departmental risks and significant changes
a) consider if any further action is required

1 Proposal

1.1 Recommendations:

a) note the changes to departmental risks and significant changes
b) comment on the changes to departmental risks and significant changes
c) consider if any further action is required

1.2 The Senior Management Team has been consulted in the preparation of the Adult Social Services risk register and this report.

2 Evidence

2.1 The Adult Social Services departmental risk register reflects those key business risks that need to be managed by the Senior Management Team and which, if not managed appropriately, could result in the service failing to achieve one or more of its key objectives and/or suffering a financial loss or reputational damage. The risk register is a dynamic document that is regularly reviewed and updated in accordance with the Council's "Well Managed Risk – Management of Risk Framework".

2.2 Each risk score is expressed as a multiple of the impact and the likelihood of the event occurring:

a) Original risk score – the level of risk exposure before any action is taken to reduce the risk when the risk was entered on the risk register
b) Current risk score – the level of risk exposure at the time the risk is reviewed by the risk owner, taking into consideration the progress of the mitigation tasks
c) Target risk score – the level of risk exposure that we are prepared to tolerate following completion of all the mitigation tasks

2.3 In accordance with the Risk Matrix and Risk Tolerance Level set out within the current Norfolk County Council "Well Managed Risk - Management of Risk Framework", four risks are reported as "High" (risk score 16–25) and 10 as "Medium" (risk score 6–15).

2.4 The prospects of meeting target scores by the target dates are a reflection of how well mitigation tasks are controlling the risk. It is also an early indication that additional resources and tasks or escalation may be required to ensure that the risk can meet the target score by the target date. The position is visually displayed for ease in the "Prospects of meeting the target score by the target date" column as follows:

a) Green – the mitigation tasks are on schedule and the risk owner considers that the target score is achievable by the target date
b) Amber – one or more of the mitigation tasks are falling behind and there are some concerns that the target score may not be achievable by the target date unless the shortcomings are addressed
c) Red – significant mitigation tasks are falling behind and there are serious concerns that the target score will not be achieved by the target date and the shortcomings must be addresses and/or new tasks are introduced

2.5 The current risks are those identified against the departmental objectives for 2015/16 and have been updated for this report.

2.6 There are currently three risks that have a corporate significance and appear on the corporate risk register. This is an increase of one since the last report to this Committee:

- RM14079 "Failure to meet the longer term needs of older people". If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of older people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation. With regard to the long term risk, bearing in mind the current demographic pressures and budgetary restraints, the Local Government Association modelling shows a projection suggesting local authorities may only have sufficient funding for Adult's and Children's care.

- RM0207 "Failure to meet the needs of older people". If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of older people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation.

- <u>New risk on the corporate register</u>:
  RM012 "A successful Judicial Review being brought by a group of residential care providers may result in additional costs for 2015/16 which were not anticipated in budget planning for the year".

2.7 Appendix 1 provides Committee members with a summary of the risks on the register.

2.8 **Significant changes to the ASSD register**

2.8.1 Since the last report to this Committee there have been two additions to the Adult Social Services Risk Register, one significant change and one deletion:

Risk Number/Name - Additions	Current Risk Score	Prospects
RM012 "Negative outcome of the Judicial Review into fee uplift to care providers". Description: A successful Judicial Review being brought by a group of residential care providers may result in additional costs for 2015/16 which were not anticipated in budget planning for the year. <u>Mitigations</u> A formal process to address the cost of care has been put in place. <u>Progress</u> The cost of care process is being undertaken and progress reports provided to Committee.	12 Amber	New
RM (n/a) "Failure in the care market". <u>Description</u>: The council contracts with independent care services for over £200m of care services. Risk of failure in care services would mean services are of inadequate quality or that the necessary supply is not available. The council has a duty under the Care Act to secure an adequate care market. If services fail the consequence may be risk to safeguarding of vulnerable people. Market failure may be faced due to provider financial problems, recruitment difficulties, decisions by providers to withdraw from provision, for example. <u>Mitigations</u> • Production of Market Position Statement • New Quality Assurance Framework which provides a risk based approach to the market of care services, collating intelligence from a range of sources and triangulating to identify services for targeted intervention • Using £100k of current budget to invest in greater compliance monitoring and systems • Carrying out major Cost of Care exercise to determine fee rates in residential care • Procuring new domiciliary care contracts • Liaison with Care Quality Commission to engage with their work with Norfolk care services • Work with the provider market through Norfolk Care Link to provide support to care services • Revision of a market failure protocol based on established good practice	12 Amber	New

• Prioritising care workforce capacity within the learning and development programme <u>Progress to Date</u> • Quality Assurance framework approved by Committee in January 2015. Implementation programme underway • Meeting took place with Care Quality Commission to refresh joint working arrangements • Agreement of learning and development programme with SMT in February • New ongoing real time quality(risk) dashboard produced • New Trusted Carer scheme and Code of Practice under development		

Risk Number/Name – Changes	Current Risk Score	Prospects
RM 14149 "Impact of the Care Act 2014". The current risk score has been reduced from 20 (likelihood 4 x impact 5) to 12 (likelihood 1 x impact 5) following proposals to delay implementation of Phase 2 of the Care Act 2014 until 2020.	5 Green Previously 20 Red	Improving

Risk Number/Name – Deletion	Current Risk Score	Prospects
RM13924 "The pace and change of legislation for "Ordinary Residence". This risk was reported as 'Met' at the last ASC Committee meeting and has been removed this time.	5 Green	Met

2.9 There remains a strong corporate commitment to the management of risk and appropriately managing risk, particularly during periods of organisational change. A clear focus on strong risk management is necessary as it provides an essential tool to ensure the successful delivery of our strategic and operational objectives.

3 Financial Implications

3.1 There are no financial implications other than those identified within the risk register.

4 Issues, risks and innovation

4.1 There are no further risks than those described elsewhere in this report.

5 Background

5.1 Appendix 1 provides the Committee members with a summary of the risks on the register.

5.2 The review of existing risks has been completed with responsible officers.

5.3 There remains a strong commitment to the management of risk and appropriately managing risk, particularly during periods of organisational change, such as the accelerated programme to deliver all the elements of the vision for the County Council.

5.4 An on-going clear focus on strong risk management is necessary as it provides an essential tool to ensure the successful delivery of our strategic and operational objectives.

Officer Contact

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Officer name : **John Perrott** **Tel No. :** **01603 222054**

Email address : john.perrott@norfolk.gov.uk

Risk Register - Norfolk County Council

Risk Register Name	**Adult Social Care Departmental Risk Register - Appendix 1**		**Red**	⇩	**Worsening**
Prepared by	**Harold Bodmer and Steve Rayner**	**High**	**Amber**	⇔	**Static**
Date updated	**August 2015**	**Med**	**Green**	⇧	**Improving**
Next update due	**September 2015**	**Low**	**Met**		

Area	Risk Number	Risk Name	Risk Description	Current Likelihood	Current Impact	Current Risk Score	Target Risk Score	Target Date	Prospects of meeting Target Risk Score by Target Date	Direction of travel from previous review	Risk Owner
Adult Social Services Transformation	RM14079	Failure to meet the long term needs of older people	If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of older people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation. With regard to the long term risk, bearing in mind the current demographic pressures and budgetary restraints, the Local Government Association modelling shows a projection suggesting local authorities may only have sufficient funding for Adult's and Children's care.	5	5	25	8	31/03/2030	Amber	⇔	Harold Bodmer
Adult Social Services Transformation	RM13926	Failure to meet budget savings	If we do not meet our budget savings targets over the next three years it would lead to significant overspends in a number of areas. This would result in significant financial pressures across the Council and mean we do not achieve the expected improvements to our services.	4	5	20	10	31/03/2017	Red	⇔	Neil Sinclair
Adult Social Services Transformation	RM14149	Impact of the Care Act 2014	Impact of the Care Act 2014/Changes in Social Care funding (significant increase in number of people eligible for funding, increase in volume of care - and social care - and financial assessments, potential increase in purchase of care expenditure, reduction in service user contributions)	1	5	5	3	31/03/2016	Green	⇔	Janice Dane
Safeguarding	RM13931	A rise in hospital admissions	A significant rise in acute hospital admissions for whatever reason would lead to increased demand for social care services. This would result in budget pressures, possible overspends and could lead to delayed transfers of care which would negatively impact on user experience and on our reputation.	4	4	16	6	31/03/2016	Amber	⇔	Lorrayne Barrett
Adult Social Services Transformation	RM0207	Failure to meet the needs of older people	If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of older people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation.	3	4	12	8	31/03/2016	Amber	⇔	Harold Bodmer
Support & Development	RM13925	Lack of capacity in ICT systems	A lack of capacity in IT systems and services to support Community Services delivery, in addition to the poor network capacity out into the County, could lead to a breakdown in services to the public or an inability of staff to process forms and financial information in for example Care First. This could result in a loss of income, misdirected resources, poor performance against NI targets and negatively impact on our reputation	3	4	12	6	31/03/2016	Amber	⇔	John Perrott
Adult Social Services Prevention	RM13923	Uncertainty around the shift towards investment in prevention services	There is uncertainty around achieving a general shift towards investment in prevention services by health care and housing organisations, meaning that key strategic strategies for older and disabled people were not met in line with Living Longer, Living Well. This results in poorer outcomes for service users and higher expenditure.	3	4	12	8	31/03/2016	Amber	⇔	Janice Dane
Adult Social Services Transformation	RM13929	The speed and severity of change	The speed and severity of the changes in work activities and job cuts across all areas of the department outlined necessary to achieve budget savings targets could significantly affect the wellbeing of staff. This results in increased sickness absence, poor morale and a reduction in productivity.	3	4	12	8	31/03/2016	Green	⇔	Lucy Hohnen

Area	Risk Number	Risk Name	Risk Description	Current Likelihood	Current Impact	Current Risk Score	Target Risk Score	Target Date	Prospects of meeting Target Risk Score by Target Date	Direction of travel from previous review	Risk Owner
Adult Social Services Transformation	RM14150	Impact of DNA	Impact of DNA: temporary pausing of customer portal/self service ; impact on work to integrate with NHS; resources required to deliver departmental elements; impact on resources with DNA implementation and funding of DNA.	3	4	12	3	31/03/2016	**Green**	⇧	John Perrott
Information Management	RM14085	Failure to follow data protection procedures	Failure to follow data protection procedures can lead to loss or inappropriate disclosure of personal information resulting in a breach of the Data Protection Act and failure to safeguard service users and vulnerable staff, monetary penalties, prosecution and civil claims.	3	4	12	3	31/03/2016	**Green**	⇧	Harold Bodmer
Adult Social Services Transformation	RM13936	Inability to progress integrated service delivery	Inability to progress integrated service delivery between NCC and Health due to; different governance regimes, the lack of management capacity and the on-going NHS changes. This could result in the programmes objectives not being fully met.	2	5	10	5	31/03/2016	**Green**	⇔	Harold Bodmer
SMT	RM14237	Deprivation of Liberty Safeguarding	The Cheshire West ruling March 2014 has significantly increased referrals for people in care homes and hospital. The demand outstrips the capacity of the DOLS team to assess, scrutinise, process and record the workload. Significant backlog has developed and priority cases are no longer met within timescales. Specific areas of risk are: • 222 of priority 1 cases not seen • Priority 2 and 3 cases not being seen at all • Staff unable to complete tasks appropriate to role c/o capacity issues • Outstanding reviews not being addressed • Litigation risk • Reputational risk • Delays in appointing paid reps • DOLS team staff wellbeing • Increased cost to the department	3	4	12	8	31/03/2016	**Amber**	⇔	Alison Simpkin
Adult Social Services Prevention	RM14238	Failure in our responsibilities towards carers	The failure of Adult Social Services to meet its statutory duties under the Care Act will result in poorer outcomes for service users and have a negative impact on our reputation.	2	3	6	1	30/11/2015	**Green**	⇧	Lorna Bright
Adult Social Services Commissioning	RM012	Negative outcome of the Judicial Review into fee uplift to care providers	A successful Judicial Review being brought by a group of residential care providers may result in additional costs for 2015/16 which were not anticipated in budget planning for the year.	3	4	12	4	31/03/2016	**New**		Harold Bodmer
Adult Social Services Commissioning	RM?	Failure in the care market	The council contracts with independent care services for over £200m of care services. Risk of failure in care services would mean services are of inadequate quality or that the necessary supply is not available. The council has a duty under the Care Act to secure an adequate care market. If services fail the consequence may be risk to safeguarding of vulnerable people. Market failure may be faced due to provider financial problems, recruitment difficulties, decisions by providers to withdraw from provision, for example.	4	3	12	6	31/03/2016	**New**		Catherine Underwood

Adult Social Care Committee

Item No. 12.

Report title:	**Adult Social Care Finance Monitoring Report Period 4 (July) 2015-16**
Date of meeting:	**7 September 2015**
Responsible Chief Officer:	**Harold Bodmer, Executive Director of Adult Social Services**

Strategic impact

This report provides the Committee with financial monitoring information, based on information to the end of July 2015. It provides an analysis of variations from the revised budget and recovery actions taken in year to reduce the overspend.

Executive summary

As at the end of July 2015 (Period 4) the forecast revenue outturn position for Adult Social Services for 2015-16 is an overspend of £5.608m, after application of a proportion of Care Act Funding and recovery actions.

	Budget 2015/16 £m	Forecast Outturn £m	Variance @ P4 £m	*Previously Reported £m*
Net Expenditure	**242.105**	**252.913**	**10.808**	***10.808***
Application of Care Act Funding (included in budget)	0	(5.200)	(5.200)	*(5.200)*
Revised Net Expenditure	**242.105**	**247.713**	**5.608**	***5.608***

a) Adult Social Services has a net revenue budget for 2015/16 which is £6.3m less than for 2014/15
b) Forecast expenditure for 2015/16 is £10.8m over budget before use of new funding but nearly £10m less compared to the actual outturn for last year
c) Significant pressures remain as a consequence of the numbers of people receiving social care services, particularly the numbers of people under the age of 65
d) There is a projected shortfall of £5.235m on the department's saving target for 2015/16 of £16.296m
e) The additional funding for the implementation of the Care Act of £8.2m for 2015/16 though included in the budget is not fully committed. Taking account of assumptions about future costs, £5.2m of the total funding can be allocated now
f) The revenue budget does not take account of spending the £1.753m allocated to the department from the 2014/15 Council underspend

Adult Social Services reserves at 1 April 2015 stood at £10.336m. The service plans to make a net use of reserves in 2015-16 of £6.162m therefore it is estimated that £4.471m will remain at 31 March 2016. Included in the planned use of reserves is £3.156m approved by Full Council in setting the revenue budget for 2015/16 and estimated use of £0.580m of the £1.753m agreed by the Policy and Resources Committee in June to support transformation of Adult Social Services.

Recommendation:

Members are invited to discuss the contents of this report and in particular to note:

a) **The forecast outturn position at period 4 for 2015-16 Revenue Budget of an overspend of £5.608m**
b) **The planned recovery actions being taken in year to reduce the overspend**
c) **The planned use of reserves**
d) **The forecast outturn position at period 4 for the 2015-16 Capital Programme**
e) **The Overspend Action plan at 2.6**

1 Introduction

1.1 The Adult Social Care Committee has a key role in overseeing the financial position of the department including reviewing the revenue budget, reserves and capital programme.

1.2 This is the second monitoring report for 2015-16 and includes a forecast for the financial year. The forecast is based on a detailed review of the impact of the outturn position for the 2014/15 budget and is based on assumptions about the achievement of savings targets. It also includes the allocation of £5.2m of £8.2m of the funding provided for the implementation of the Care Act.

2 Detailed Information

2.1 The table below summarises the forecast outturn position as at the end of July 2015 (Period 4).

Actual 2014/15 £m	Expenditure Area	Budget 2015/16 £m	Forecast Outturn £m	Variance @ P4 £m	*Previously Reported £m*
8.125	Business Development	10.609	10.298	(0.311)	*(0.351)*
71.428	Commissioned Services	70.388	71.706	1.318	*1.309*
9.522	Early Help & Prevention	6.416	6.605	0.189	*0.780*
174.780	Services to Users (net)	155.076	164.864	9.788	*9.317*
(1.605)	Management, Finance & HR	(0.384)	(0.560)	(0.176)	*(0.247)*
262.250	**Total Net Expenditure**	**242.105**	**252.913**	**10.808**	***10.808***
(5.572)	Use of reserves & one-off funding to support revenue spend	0	0	0	*0*
0	Application of Care Act Funding (included in budget)	0	(5.200)	(5.200)	*(5.200)*
(1.000)	Other Management Actions	0	0	0	*0*
255.678	**Revised Net Expenditure**	**242.105**	**247.713**	**5.608**	***5.608***

2.2 As at the end of month four (July 2015) the revenue outturn position for 2015-16 after use of new funding for implementing the Care Act of £5.2m is a £5.608m overspend.

2.3 The detailed position for each service area is shown at **Appendix A**, with further explanation of over and underspends at **Appendix B**.

2.4 The overspend is primarily due to the net cost of Services to Users (purchase of care) and risks associated with the delivery of savings resulting in a forecast overspend of £9.788m

2.5 **Services to Users**

2.5.1

Actual 2014/15 £m	Expenditure Area	Budget 2015/16 £m	Forecast Outturn £m	Variance @ P4 £m	*Previously Reported £m*
107.803	Older People	107.294	106.935	(0.359)	*(1.838)*
23.325	Physical Disabilities	24.053	23.846	(0.207)	*0.052*
87.350	Learning Disabilities	79.239	85.942	6.703	*8.302*
12.814	Mental Health	11.834	14.074	2.240	*0.998*
7.196	Hired Transport	4.581	7.190	2.609	*2.609*
14.948	Care & Assessment & Other staff costs	15.734	15.058	(0.676)	*(0.803)*
253.436	**Total Expenditure**	**242.735**	**253.045**	**10.310**	***9.320***
(78.656)	Service User Income	(87.659)	(88.183)	(0.524)	*(0.004)*
174.780	**Revised Net Expenditure**	**155.076**	**164.862**	**9.786**	***9.316***

2.5.2 Key points:

a) The number of permanent residential placements of older people has been successfully reduced to bring the forecast spend within budget

b) Reducing the number of working age adults in residential placements is challenging but longer terms plans to achieve this are in place.

c) The review and refocus of transport savings is underway to achieve reduction

d) The personal budget savings target is proving extremely challenging with at best only 50% of the £6m target likely to be achieved in 2015/16

e) The Learning Disability and Physical Disability savings are off target as it is taking longer than anticipated to deliver the changes required. It is anticipated that £1m will be delivered of the £2m target in the financial year.

f) Further detailed modelling of income from charges to service users has been carried out and is forecast to be £0.300m less than budget. As the numbers of service users in residential care reduce there will of course be a corresponding reduction in income from charges.

2.5.3 **Commissioned Services**

2.5.3.1

Actual 2014/15 £m	Expenditure Area	Budget 2015/16 £m	Forecast Outturn £m	Variance @ P4 £m	*Previously Reported £m*
1.224	Commissioning	1.402	1.322	(0.080)	*(0.081)*
10.337	Service Level Agreements	11.000	10.970	(0.030)	*(0.014)*
1.836	Integrated Community Equipment Service	2.599	2.599	(0.000)	*(0.003)*
32.922	Norsecare	31.212	32.648	1.436	*1.442*
10.092	Supporting People	9.282	9.295	0.013	*(0.001)*
13.292	Independence Matters	13.151	13.151	0.000	*0.000*
1.896	Other Commissioning	1.742	1.721	(0.021)	*(0.034)*
71.428	**Total Expenditure**	**70.388**	**71.706**	**1.318**	***1.309***

2.5.3.2 Key points:

a) The Integrated Community Equipment Service budget has been pooled alongside funding from four of the five CCGs in Norfolk

b) Whilst there is a risk in delivering the savings against the Norsecare contract, work is in hand with Norsecare to minimise the shortfall

2.5.4 **Savings Forecast**

2.5.4.1 The department's budget for 2015/16 includes savings of £16.296m. As previously reported to the Adult Social Care Committee on 29 June 2015 and to the Policy and Resources Committee on 1 June 2015, there are significant risks to the delivery of £5.235m of these savings. This shortfall has been built into the forecast outturn figures in paragraph 2.1 above. At period 4 the position remains largely the same.

Savings	Saving 2015/16 £k	Forecast £k	Variance @ P4 £k	*Previously Reported £k*
Savings off target (explanation below)	9,835	4,600	5,235	*5,235*
Savings on target	6,461	6,461	0	*0*
Total Savings	**16,296**	**11,061**	**5,235**	***5,235***

For those savings that are off target, Sections 2.5.4.1 to 2.5.4.8 below provide a brief explanation of the reasons why they are off target and any planned recovery action that is in place.

2.5.4.2 **Review Care Arranging Service (target £140k, forecast £0, variance £140k)**

This proposal predated the introduction of the Care Act which gives the council increased responsibilities for arranging care for people who fund their own care. There

will in fact be additional workload responsibilities for this team and alternative means of achieving this saving are being sought within the department.

2.5.4.3 **Change the type of social care support that people receive to help them live at home (target £200k, forecast £100k, variance £100k)**

A tender for the re-procurement of home care services in West Norfolk and in Yarmouth and Waveney has been advertised. The Great Yarmouth and Waveney tender is being run jointly with Suffolk County Council to deliver a more integrated and efficient service. However this has resulted in a delay in the original procurement timetable. Full year savings will not be achieved in 2015-16 as the new contract will commence on 1 November 2015.

2.5.4.4 **Renegotiate contracts with residential providers, to include a day service as part of the contract, or at least transport to another day service (target £100k, forecast £0, variance £100k)**

This has been further examined in detail and it has been concluded that these savings will not be achieved. Residential providers will increase their prices if they have to provide day service. Compensating savings are being sought, in particular through a new model of care to meet the needs of people with Learning Disability.

2.5.4.5 **Changing how we provide care for people with learning disabilities or physical disabilities (target £2,000k, forecast £1,000k, variance £1,000k)**

The saving involves re-assessing the needs of existing service users and where appropriate providing alternative and more cost effective accommodation, or means of supporting them in their current accommodation. While the total saving will be achieved over time, this project does have a longer lead in time. This project is under review to ensure that all possible savings can be achieved.

2.5.4.6 **Reduce funding for wellbeing activities for people receiving support from Adult Social Care through a personal budget (target £6,000k, forecast £3,000k, variance £3,000k)**

The time lag in implementing the change for existing service users, which was agreed following the consultation exercise, along with pressure on the reviewing capacity in the teams means it is uncertain whether the full £6.000m saving will be achieved in 2015-16. Additional reviewing capacity has been brought in to speed up this process and the project is being reviewed to seek alternative means of reducing costs from the purchase of care budget.

2.5.4.7 **Redesign Adult Social Care pathway (target £395k, forecast £0, variance £395k)**

This saving was about using data and information better to manage voids in Supported Living. Initially this was linked to the sprint and development of the iHub but the work done manually to improve data quality and processes alongside the sprint has delivered significant benefits and this saving is therefore being incorporated into the wider Adult Social Care Committee saving from Changing Models of Care.

2.5.4.8 **Norse care rebate (target £1,000k, forecast £500k, variance £500k)**

Based on the current Norsecare strategic financial plan, there is a shortfall against the current Adult Social Services target, work is underway with Norsecare to reduce the gap and deliver the saving in full.

2.6 **Overspend Action Plan**

2.6.1 The department is taking rigorous recovery action to reduce in-year spending as far as possible. A number of actions were initiated by the Director to mitigate the reported overspend to March 2015 and further actions listed below have been identified to deal with the forecast position for 2015/16. These actions have been re-enforced by an e-mail from the Executive Director of Adult Social Services to all Adult Social Services Staff on 12 August 2015 with additional points covered in the e-mail highlighted in bold below:

	Action	Progress
1	No new under 65 placements in residential care, as default position.	Progress is monitored on a weekly basis with numbers no longer increasing
2	Targets for locality teams to reduce the numbers of older people in residential care by 25%	Targets in place and monitored on a weekly basis, linked with 2 for 1 flow
3	**Prioritise the use of Norsecare block purchased beds**	Target to achieve a 95% occupancy on average for the remainder of the year
4	**To manage our funding flows we will only fund a residential or nursing home placement in each locality when two placements have been released**	Target newly introduced with potential saving still to be quantified
5	**Temporary residential placements should only be used where a clear plan exists for the service user to return home and the placement only authorised for the period in the plan.**	Will contribute to overall reduction in cost of older people placements
6	**Reinforce our practice on Personal Budgets. These should only be used to meet any unmet eligible social care need. Working on the basis of least spend to deliver the best outcomes**	Will contribute to overall reduction in cost of packages of care.
7	Reviewing all care packages which involve two carers, to ensure that use of additional equipment or assistive technology has been considered.	Work still ongoing to quantify savings benefit
8	Reviewing packages of care of up to 10 hours per week, to ensure that there are no informal alternatives that could be used.	Work still ongoing to quantify savings benefit
9	Reviews of last 100 placements in residential care to make sure that decision making about access to residential care is robust.	Learning from the reviews is being fed into refocused PB reviews to be rolled out next month
10	Scrutiny of all personal budgets reviews where the service remains unchanged	Learning from the reviews is being fed into refocused PB reviews to be rolled out next month
11	Weekly Panels to scrutinise proposed overrides of the RAS (Resource Allocation System) funding for indicative Personal Budgets for younger adults	Panels commenced w/c 17th August.

	Action	Progress
12	Urgent review of the Resource Allocation System (RAS), which sets the size of personal care budgets.	Part of an ongoing review to reconsider the Personal Budget process and the RAS, particularly in light of Promoting Independence. No saving has been quantified at this stage. All other local authorities in England have been asked to share their Resource Allocation System
13	A freeze on Learning and Development spending, except for statutory training and training on the Care Act.	Review has been undertaken and savings of £200k have been incorporated into the current forecast
14	Appoint an Interim Head of Learning Disability, who will be drive forward improvements in the Learning Disabilities services to reduce expenditure.	Kerry Wright now in post.

2.7 **Reserves**

2.7.1 The department's reserves at 1 April 2015 were £10.336m. The service is forecasting a net use of reserves in 2015-16 of £6.162m to meet commitments. This does not assume use of reserves to offset general overspend. The 2015-16 forecast outturn position for reserves and provisions is therefore £4.174m. The projected use of reserves and provisions is shown at **Appendix C.**

2.8 **Capital Programme**

2.8.1 The department's capital programme for 2015/16 is £8.7m though at this stage £7.0m has yet to be committed. The priority for use of capital is Housing with Care and the development of alternative housing models for younger adults. These schemes will have benefits for revenue spend. There are no adverse variances to be reported at this stage. Details of the current capital programme are shown in **Appendix D**.

3 Financial Implications

3.1 There are no decisions arising from this report. The forecast outturn for Adult Social Services is set out within the paper and appendices and the Action Plan aims to address the overpsend.

4 Issues, risks and innovation

4.1 This report provides financial performance information on a wide range of services monitored by the Adult Social Care Committee. Many of these services have a potential impact on residents or staff from one or more protected groups. The Council pays due regard to the need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations.

4.2 This report outlines a number of risks that impact on the ability of Adult Social Services to deliver services within the budget available. These risks include the following:

a) Pressure on services from a demand led service where number of service users continues to increase, and in particular the number of older people age 85+ is increasing at a greater rate compared to other age bands with the same group becoming increasingly frail and suffering from multiple health conditions

b) The ability to deliver a savings target of £16.296m where major transformation change is taking longer to deliver than anticipated resulting in a potential savings shortfall of £5.235m
c) Based on the level of back payments processed to date the forecast level is estimated to be higher than previous years and even though the current forecast accounts for the higher level of back payments there is a risk that more will be required than has been allowed for. The need for these payments arise where there has been a dispute with other authorities, and where the council has to pick up the costs of care for people whose capital has dropped below the threshold level. The locality teams prioritise people who are at risk and so there are sometimes delays in undertaking these assessments
d) The current Judicial Review and the Cost of Care exercise currently underway may result in increased costs
e) In the last monitoring report reference was made to work to analyse the impact of service user income this year. Detailed work has now been completed and a projected shortfall of £0.300m has been built into this forecast. This is being kept under review as there is always a risk that service user income will fluctuate across the remainder of the financial year

5 Background Papers

5.1 There are no background papers relevant to the preparation of this report.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

If you have any questions about matters contained in this paper please get in touch with:

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IN TRAN communication for all

/ou need this report in large print, audio, Braille, ernative format or in a different language please ntact 0344 800 8020 or 0344 800 8011 (textphone) d we will do our best to help.

Adult Social Care 2015-16: Budget Monitoring Period 4 (July)

Actual 2014/15 £m	Expenditure Area	Budget 2015/16 £m	Forecast Outturn £m	Variance @ P4 £m	*Previously Reported £m*
8.125	Business Development	10.609	10.298	(0.311)	*(0.351)*
71.428	Commissioned Services	70.388	71.706	1.318	*1.309*
9.522	Early Help & Prevention	6.416	6.605	0.189	*0.780*
174.780	Services to Users (net)	155.076	164.864	9.788	*9.317*
(1.605)	Management, Finance & HR	(0.384)	(0.560)	(0.176)	*(0.247)*
262.250	**Total Net Expenditure**	**242.105**	**252.913**	**10.808**	***10.808***
(5.572)	Use of reserves & one-off funding to support revenue spend	0	0	0	*0*
0	Application of Care Act Funding (included in budget)	0	(5.200)	(5.200)	*(5.200)*
(1.000)	Other Management Actions	0	0	0	*0*
255.678	**Revised Net Expenditure**	**242.105**	**247.713**	**5.608**	***5.608***

Summary	Revised Budget	Forecast Outturn	Variance to Budget @ P4		Previously Reported
	£m	£m	£m	%	£m
Services to users					
Purchase of Care					
Older People	107.292	106.935	-0.358	0%	*-1.838*
People with Physical Disabilities	24.053	23.846	-0.207	0%	*0.052*
People with Learning Difficulties	79.239	85.942	6.704	8%	*8.302*
Mental Health, Drugs & Alcohol	11.834	14.074	2.240	19%	*0.998*
Total Purchase of Care	222.418	230.797	8.379	4%	*7.514*
Hired Transport	4.581	7.190	2.610	57%	*2.609*
Staffing and support costs	15.735	15.058	-0.676	-4%	*-0.803*
Total Cost of Services to Users	**242.734**	**253.045**	**10.313**	4%	*9.320*
Service User Income	-87.659	-88.143	-0.525	0%	*-0.004*
Net Expenditure	**155.075**	**164.902**	**9.788**	**6%**	***9.316***
Commissioned Services					
Commissioning	1.402	1.322	-0.080	-6%	*-0.081*
Service Level Agreements	11.000	10.970	-0.030	0%	*-0.014*
ICES	2.599	2.599	-0.000	0%	*-0.003*
Norse Care	31.212	32.648	1.436	5%	*1.442*
Supporting People	9.282	9.295	0.013	0%	*-0.001*
Independence Matters	13.151	13.151	0.000	0%	*0.000*
Other	1.742	1.721	-0.021	-1%	*-0.034*
Commissioning Total	**70.388**	**71.706**	**1.318**	**2%**	***1.309***
Early Help & Prevention					
Housing With Care Tenant Meals	0.692	0.702	0.010	1%	*0.024*
Personal & Community Support	0.173	0.173	0.000	0%	*0.000*
Norfolk Reablement First Support	2.823	2.525	-0.298	-11%	*-0.243*
Service Development, including N-Able	0.559	1.391	0.832	139%	*0.862*
Other	2.169	1.814	-0.355	-16%	*0.137*
Prevention Total	**6.416**	**6.605**	**0.189**	**3%**	***0.780***

Adult Social Care
2015-16 Budget Monitoring Forecast Outturn Period 4
Explanation of variances

1. Business Development, forecast underspend £-0.351m

Business Support vacancies, especially in the Southern and Norwich teams.

2. Commissioned Services forecast overspend £1.309m

The main variances are:

Norsecare, overspend of £1.442m. Shortfall on budgeted reduction in contract value compared the 2014/15 outturn together with risk around achieving savings target. Work is underway working with Norsecare to minimise or reduce the level of overspend.

3. Services to Users, forecast overspend £9.788m

The variances are:

Purchase of Care (PoC), forecast overspend £8.379m.

Older People, forecast underspend of £-0.358m. the work to reduce the level of permanent residential placements in the last four months of 2014/15 has continued in to 2015/16 as a result the early forecast for 2015/16 suggests that there may be an underspend on the budget. There are however significant savings to be delivered across the year, with the £6m planned to be delivered on the reduction in personal care budgets at risk. As a result the saving is being refocused to reconsider the Resource Allocation System and to ensure that service reviews are being conducted in a consistent way.

Learning Difficulties, forecast overspend £6.704m. The projected overspend in this area is at the same level in 2014/15. It is relevant to note that the bulk of the personal care budget savings have been set against this budget. The numbers of residential placements for younger adults has reduced but remains high relative to comparator councils. The department has set out as a default position that there should be no residential placements for younger adults, except for in rare and particular circumstances. The savings target for Learning Difficulties is exacting but revised plans suggest that whilst there will be a shortfall in 2015/16 against target and possibly a further shortfall in 2016/17 that the saving will be achieved in full by 2017/18.

Hired Transport, forecast overspend £2.610m. Revised plans to deliver savings carried over from 2014/15 are being put in place but the development of the plans are being hindered by the lack of detailed accurate information about transport use across the county and where there may be opportunities to reduce or replan the transport the amount of transport available.

Service User Income, forecast over recovery £0.525m. There is a forecast shortfall on income from charges to service users of £0.311m offset by income of £0.836m received to cover care packages for service users previously funded directly by the Independent Living Fund. The Independent Living Fund (ILF) closed on the 30th of June 2015 and the Council has received ring fenced funding for the period 1st July 2015 to 31st March 2016 to cover the cost of care for those individuals previously funded directly by the ILF. The forecast for period 2 included the expenditure but not the income.

4. Early Help and Prevention, forecast overspend £0.189m

The main variances are:

Norfolk Reablement First Support forecast underspend £0.298m, this is primarily because of the allocation of a Department of Health grant to assist with helping with hospital discharge.

Service Development forecast overspend £0.832m. The savings target for N-able (the reablement service run by Norse remains off target from 2014-15. Work is continuing to implement the saving which is based on N-Able making increased profits.

Other forecast underspend £0.356m. There is a forecast overspend of £0.144m as a result of the savings target for the Care Arranging Services not being achieved, this is offset by an underspend on the Transformation budget, £0.500m, as it is planned drawdown from reserves rather than use the revenue budget.

Adult Social Services Reserves and Provisions 2015/16

	Balance 1 April 2015	Planned Usage 2015/16	Balance 31 March 2016
	£m	£m	£m
Doubtful Debts provision	1.572	0.000	1.572
Redundancy provision	0.016	0.000	0.016
Prevention Fund - Living Well in Community	0.006	0.000	0.006
Prevention Fund – General - As part of the 2012-13 budget planning Members set up a Prevention Fund of £2.5m. To mitigate the risks in delivering the prevention savings in 2012-13 and 2013-14, particularly around reablement and Service Level Agreements, and the need to build capacity in the independent sector.	0.734	-0.309	0.425
Repairs and renewals	0.043	0.000	0.043
IT reserve - For the implementation of various IT projects and IT transformation costs.*	0.876	-0.876	0.000
Residential Review - Required in future years for the Building Better Futures programme, including the transformation of the homes transferred to Norse Care on 1 April 2011.*	2.278	-2.278	0.000
Unspent Grants and Contributions- Mainly the Social Care Reform Grant which is being used to fund the Transformation in Adult Social Care	3.058	-1.822	1.236
The Council underspend at 31st March 2015 of £1.753m has been included in the opening balance, £580k has been committed to support the early implementation of an expanded NFS, linked to the budget saving for 2016-18 and the engagement of a temporary Learning Difficulties Manager to drive forward improvements in that services	1.753	-0.580	1.173
Total ASC reserves and provisions	**10.336**	**- 5.865**	**4.471**

* Use of reserves agreed by Full Council in setting the revenue budget for 2015/16

Adult Social Care Capital Programme 2015-16

Summary	2015/16		2016/17	2017/18
Scheme Name	Current Capital Budget	Actual outturn at Year end	Draft Capital Budget	Draft Capital Budget
	£'000s	£'000s	£'000s	£'000s
Failure of kitchen appliances	18	18	12	
Supported Living for people with Learning Difficulties	17	17		
Adult Social Care IT Infrastructure	141	141		
Improvement East Grant	60	60		
Prospect Housing - formerly Honey Pot Farm	318	318		
Young Peoples Scheme - East	200	200		
Great Yarmouth Dementia Day Care	162	162		
Adult Care - Unallocated Capital Grant	6,075	6,075	2,000	2,000
Strong and Well Partnership - Contribution to Capital Programme	252	252		
Bishops Court - King's Lynn	198	198		
Dementia Friendly Pilots	1	1		
Lakenfields	125	125		
Autism Innovation	19	19		
Cromer Road Sheringham (Independence Matters	199	199		
Winterbourne Project	50	50		
Humberstone	24	24		
Baler Press	32	32		
Care Act Implementation	871	871		
TOTAL	**8,762**	**8,762**	**2,012**	**2,000**

Adult Social Care Committee

Item No. 13.

Report title:	**Strategic and Financial Planning 2016-19 – Re-Imagining Norfolk**
Date of meeting:	**7 September 2015**
Responsible Chief Officer:	**Harold Bodmer, Executive Director of Adult Social Services**

1 Background

1.1 Re-Imagining Norfolk, agreed by Policy and Resources Committee in June, sets out a direction for the County Council which will radically change its role and the way it delivers services. It commits the Authority to delivering the Council's vision and priorities for Norfolk making it clear that the future lies in working effectively across the whole public service on a local basis.

1.2 As an early step in the Council's approach to service and financial planning for 2016-19, Committees were asked to consider the impact of re-modelling their services based on 75% of their current addressable spend.

1.3 At the last meeting, Members had the opportunity to comment on a high level strategy for the services covered by this committee. Committee agreed that 'Promoting Independence' should be the Adult Social Services response to Re-Imagining Norfolk, agreed to ask the Executive Director to develop potential models of services for the future and prepare options of what these services could look like in three years' time, with 75% of addressable spend.

1.4 Promoting Independence requires very significant remodelling of services, a change of practice within Adult Social Services and also a change in the culture for citizens in Norfolk, stakeholders and partners. This paper sets out further detail about new service models, and includes initial savings proposals for consideration. The budget savings are high level at this stage and more detail will be available for the October Committee meeting.

2 Strategic and financial Planning 2015-19 - Re-Imagining Adult Social Services,' Promoting Independence'

2.1 The financial challenges facing the Council are on such a scale that incremental budget cuts to existing services are unlikely to deliver the significant change required. For this reason, Committees have been asked to re-imagine their services and to set out how the Committee's spending power will be used in the future.

2.2 This Committee has already been provided with financial information setting out 75% of its current addressable spend. As previously explained, this would address the forecast shortfall, and allow 'headroom' and choices for Members in making budget decisions. Figures for 85% of addressable spend are also included in

Appendix 1 – the spending figure which would close the shortfall, but not give choices or headroom.

2.3 The current addressable spend budget for Adult Social Services in 2015-16 is £298.324m. The gross budget (2015-16) is £358.963m. The budget for Adult Social Services with a reduction of 25% of addressable spend over three years would be £308.170m in 2018-19. A reduction of 16% of addressable spend over three years would mean a budget in 2018-19 of £333.902m. More detail is shown in section 3 below.

2.4 Addressable spend excludes activities funded by external income such as the costs associated with the Care Act implementation. It also excludes Service Level Agreements and grant funded activities. Appendix 1 shows how the addressable spend budget figure has been calculated.

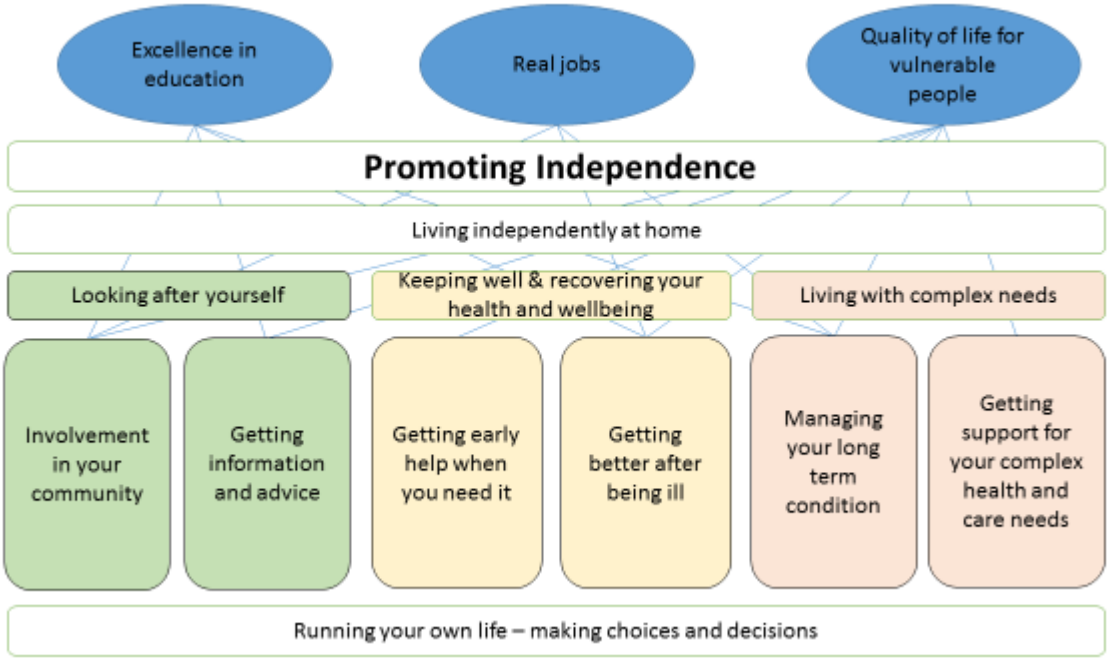
2.5 Given the statutory nature of the authority's social care responsibilities and the increasing level of demand on the service it is difficult to see how a reduction of the levels outlined above can be achieved without significant risk. However, the service can be run with less cost if there is major change in the way in which it operates. The key to addressing the reductions in cost which are required in adult social care services is to fundamentally change the model which underpins social care for adults in Norfolk.

2.6 We have compared our services with other similar councils and know that our pattern of service indicates we have more contacts to the Council, we do more assessments and we have more people receiving services. It is clear that the substantial change we need to make is in how we respond to people's needs to reduce their call on formal services from the Council.

2.7 Work has been undertaken to understand the best practice from around the country and to consider how lessons and models could be applied in Norfolk. There is good evidence from other authorities, that approaches which promote independence and community support can be effective in managing the demand for services and therefore costs.

2.8 Our approach therefore is to manage demand for services more effectively by ensuring that our approach restores and retains independence from public services where possible and that people are provided with community and preventative alternatives to formal social care where appropriate. This approach would be consistent with the responsibilities relating to wellbeing and prevention in the Care Act.

2.9 When people do need formal services our approach will always be to maximise their independence as far as possible. This quite simply is the key principle of the Promoting Independence Strategy. The aim is to support as many people as possible to live safely at home and to recognise that at different stages people need different types of interventions, hence distinguishing three cohorts in the model. The strategy is set out in diagrammatic form below.



2.10 **Looking after yourself - Involvement in Your Community**

2.10.1 There is good evidence that people's wellbeing can be sustained through connections to supportive communities, for example approaches to reduce loneliness and its impact on physical health, models which connect people to local networks such as local area co-ordination. We will work with partners to ensure people can connect to the local networks of support where this is appropriate to their needs.

2.10.2 We expect that the new approach will mean that when people approach adult social services for help, either directly or through their GP surgery, there would be a renewed emphasis on connecting them with an informal and community-based response to their needs if at all possible. We are in discussion with District Councils about this approach because of their connection with local communities and the interdependency of our services with their housing responsibilities. We will work closely with voluntary groups, District Councils, Children's Services, other partners and service user groups in communities to find the best way to coordinate local solutions to need.

2.10.3 The department is also going to be visiting Shropshire County Council to see how they have improved outcomes for people whilst reducing the number of packages of care they put in place by focusing on local community connections.

2.11 **Looking after yourself - getting information and advice**

2.11.1 Key to retaining health and wellbeing is that people can find information and advice easily where and when they need it to inform the decisions they make. Currently about a third of assessments the department carries out result in only information and advice. This means delay in people getting the information they need and an unnecessary cost. We will address this.

2.11.2 We are improving the Adult Social Services part of the Council's website, having worked with service users and citizens, so that people can find what they need more easily. We already have all day services listed on the whereilive site, so that

people can put in their postcode and see what is available near them. The Trusted Traders model helps to provide endorsement of services. It is in place for meals and we will have Trusted Traders for transport and for financial advice. This means that people or their family/friends will be able to find out more information for themselves, without needing to contact the Council.

2.11.3 A key priority will be to ensure connections between information sources, so that people can easily find what they need, for example working with District Councils and their local directories.

2.12 **Keeping well/recovering your wellbeing - getting early help when you need it**

2.12.1 When people's independence is at risk, it is crucial that they have the right support to restore their wellbeing or at least to minimise their dependency. For example, when someone's mobility is deteriorating, ensuring that their home is adapted, or getting advice about coping with the early stages of dementia to allow someone to keep living safely at home. Equipment, adaptations and assistive technology can play a crucial part in helping people to manage at home and we will identify and implement best practice in this regard.

2.12.2 We will consider how we can ensure that people who would benefit from early help can get it, such as making it simple for all sorts of workers to identify and act on signs of concern using common assessment tools. GPs are likely to be in contact with many people who may benefit from early help and Adult Social Services are part of a pilot in South Norfolk working with GP surgeries to provide early help and information.

2.13 **Keeping well/recovering your wellbeing - getting better after being ill**

2.13.1 To avoid unnecessary dependence, it is vital to help people restore the functioning and independence which they have lost or risk losing. For example, following an admission to hospital for a fall it is important that people access specialist support to restore their mobility and confidence at home.

2.13.2 We have an effective reablement service, Norfolk First Support, through which people receive specialist support to restore their independence. This service is currently provided to about 76% of people who are thought to need care at home and who could benefit from reablement. By increasing the capacity of the service so that we can reable everyone thought to need care at home, we will deliver more savings and make optimum use of the new home care services which are being commissioned across the county.

2.13.3 We also intend to develop reablement approaches specifically for people with mental health issues or learning disability, including people who are currently in residential care and have the potential to be more independent. We will ensure that planning beds, which are used where people have been in hospital but cannot go home straightaway, have a strong focus on reablement. We will maximise the impact of specialist roles such as physiotherapists in developing non-domiciliary reablement approaches.

2.14 **Living with complex needs - managing your long term condition**

2.14.1 By ensuring that people are given locally based solutions and preventative measures wherever appropriate, fewer people should need formal services. Where people have complex long term conditions, people's ability to manage their

own care makes a critical difference. We will work with partners to promote and facilitate effective ways to help people to manage their own needs, such as peer networks, health coaching and educational programmes.

2.14.2 Where people need formal services and are not in crisis, the department meets their social care needs by giving them a personal budget and agreeing a social care support plan. As part of the Promoting Independence work the department is going to review its Personal Budget Questionnaire and Resource Allocation System (RAS) to ensure it fits with the new strategy. Personal Budgets will be provided for a person's eligible social care needs that have not been met in other ways. We will work with people so that their Personal Budget supports them in managing their condition and in maximising their independence.

2.14.3 In the future we anticipate that fewer people will get Personal Budgets and the amount of funding that some people get will be reduced, as some of their social care needs will have been met by community solutions or they have been enabled to be more independent. This may cause some concern initially to existing service users, their carers, relatives and advocacy groups.

2.15 **Living with complex needs - Getting support for your complex health and care needs**

2.15.1 Where people need both health and care services it is important that these are well co-ordinated and efficiently organised, for example we are looking at how we can undertake single assessments between agencies. We will be redesigning the hospital discharge pathway and urgent care pathway with NHS partners and at every stage we will be seeking to promote independence.

2.15.2 We have already set out our target to reduce the numbers of people placed in permanent residential care by 25% because we place more people, particularly working age people, in residential care than comparator councils. This is consistent with the strategy to promote independence but requires new models of delivering care, building on the work we already have in hand to increase the supply of Housing with Care units for people of all ages.

2.16 **Wider changes which underpin the new approach**

2.16.1 We anticipate that Promoting Independence will see social workers working more closely with communities and offering a more therapeutic service, where this is appropriate, and a move away from the current social work model where there is a rapid turnover of work with emphasis on arranging formal care services. Where people have severe needs or are at risk, with significant safeguarding needs or issues relating to mental capacity, they will of course be offered appropriate formal services, always in a way that maximises their independence.

2.17 **Views of people with care needs:**

2.17.1 We recently asked the Making it Real group, a group of user representative organisations, to provide us with some initial feedback on what in their experience supports independence or puts it at risk. Feedback relating to the model included the following:

a) the importance of local community connections in helping people stay independent: "…social activities and education opportunities in the local neighbourhood, a good network of friends in the local area, close to a place of religious worship…" and support from local networks: "a personal alarm

which helps her to feel safe. Local neighbours are aware and one has a key…"

b) the importance of having easy access to information to help people to manage their changing needs: "…easily accessible information. I had to do a lot of research to find any useful information..."
c) the importance of being able to access reliable services to manage household and home repair tasks was clear: to stop "everyday life becoming overwhelming".
d) the importance of adapting the home environment to make it accessible as needs change, so that people can continue to self-care and to be safe: "much as they want to remain in their own home, they could get forgetful around the house."
e) the importance of getting help easily: "help to find care easily, a sort of one stop shop."
f) concerns about affordability of the kind of support people would need: "having care that is sensitive to needs, reliable and affordable"

2.17.2 The full feedback report will be considered by the department to inform development of the model.

2.18 **Delivering the new service within available resources:**

2.18.1 It is difficult at this stage to anticipate the level of savings that this new approach will deliver over time and detailed work is underway to refine the model based on best practice from around the country and to then test the impact this would have if implemented in Norfolk.

2.18.2 To implement the new strategy will require a shift of resources from acute to prevention services and to maximise benefits will require investment in community based informal and voluntary sector care. An invest to save fund will make it more likely that services can be delivered within 85% of existing budgets over time.

3 Update on financial context

3.1 The Summer Budget announced by the Chancellor on 8 July 2015 indicated that the pace of deficit reduction over this parliament would be similar to that experienced under the Coalition. This represents a longer and slower reduction of the deficit than that suggested by the previous budget in March 2015. A budget surplus is now forecast in 2019-20 – one year later than previously planned, with average reductions in the deficit of 1% of GDP a year.

3.2 Limited detail about the implications for Local Government was provided in the Summer Budget, but it did confirm that £37bn of savings need to be delivered over the life of this parliament, with £12bn from welfare and £5bn from tax-related measures being announced. The remaining £20bn of savings are expected to come mainly from Government departments, and will be announced at the Spending Review on 25 November 2015.

3.3 The key headlines from the Summer Budget which are likely to impact on Local Government are:

a) The introduction of a new National Living Wage for the over 25s. The National Living Wage is set to reach £9.00 an hour by 2020, starting at £7.20 from April 2016. Work is currently underway to assess the full implications of the National Living Wage for the County Council. The impact on the Council's directly

employed workforce is initially likely to be small (although it will increase up to 2020), however there is potential for significant cost pressures to be experienced in contracted services particularly within social care and waste

b) Further progress is to be made to deliver devolution to a local level. The first County devolution deal has been agreed with Cornwall and plans to give Local Authorities powers to set Sunday trading hours were confirmed
c) The standard rate of Insurance Premium Tax will increase from 6% to 9.5%
d) The Chancellor announced plans for public sector pay increases to be limited to 1% for the next four years. This is likely to be taken into account in national pay negotiations
e) The Chancellor indicated that local authority pension funds will be forced to pool investments if they do not achieve agreed savings targets. The government will invite local authorities to propose their own plans to deliver "common criteria for savings", suggesting that authorities that do not come forward with sufficiently ambitious proposals will be required to pool investments
f) The Chancellor confirmed the £15bn of funding for new roads for the rest of the decade announced in the last parliament. A new Roads Fund is to be established from an updated Vehicle Excise Duty system

3.4 There remains considerable uncertainty about how the £20bn of savings from Government departments will be achieved ahead of the Spending Review, although the Chancellor confirmed in the Summer Budget that Defence is to be added to the list of protected spending, joining Education, the NHS and International Aid. The effect of this continuing protection is to increase the impact of deficit reduction plans on the remaining unprotected areas. The Spending Review has directed Government departments to plan for reductions of 25% and 40% over the term of the parliament.

3.5 The County Council's individual funding allocation will not be known until the publication of draft Local Government Settlement figures, which are expected to be released in late December.

3.6 Following the Summer Budget, limited additional information to inform financial planning has been forthcoming. As reported to Policy and Resources Committee in July, a projected budget 'gap' of £148.849m over the three years 2016-17 to 2018-19 has previously been identified. After taking account of savings agreed in the 2015-16 budget round totalling £33.875m, and a forecast council tax base increase of £4.381m, this leaves a net budget gap of £110.593m. Policy and Resources Committee has also agreed that additional 'headroom' of £58.000m should be built into the budget planning process to allow choices and options to be considered, as well as providing a contingency for adverse funding decisions by the Government. This total savings requirement of £168.594m represents a 25% reduction in "addressable" spend (the expenditure within the budget which can be influenced or controlled by services, which excludes items such as depreciation, pension amounts and long-term contractual commitments such as PFI).

3.7 Details of initial savings proposals to close the budget gap for 2016-17 are set out for Adult Social Care Committee consideration in this paper. Policy and Resources Committee has recommended that Committees continue to plan on the basis of the overall gap, but also consider the savings required to close the baseline gap of £110.593m. These positions are set out in Table 1 and 2 below.

3.8 It should be noted that the budget figures set out in this paper are based on an assumption that planned budget savings for 2015-16 and future years will be delivered. It is therefore highly important that achievement of current year budget plans remains a key priority for the remainder of the financial year. The Executive Director of Finance is in the process of undertaking an assurance exercise on the deliverability of the previously budgeted savings for 2016-17 and 2017-18. Any shortfall or anticipated non-deliverability will be reported to a future meeting of the Policy and Resources Committee.

3.9 There are a number of risks to the delivery of budgeted savings in the current year. As such Policy and Resources Committee has recommended that Committees in September focus particularly on consideration of savings proposals which have the potential to be implemented in-year, to support the delivery of a balanced position for 2015-16.

3.10 The tables below provide illustrative budgets for the next three years, based on current planning assumptions. For planning purposes the supplementary tables set out details of what these budgets would require in respect of the budget gap identified for each year, by Committee. Table 1 provides details of the budgets including "headroom", allowing for greater Member choice in delivering a balanced budget, Table 2 sets out the budgets without that headroom.

Table 1: Illustrative budgets with reduction of 25% of addressable spend over three years

	Gross Expenditure			
Committee	**2015-16**	**2016-17**	**2017-18**	**2018-19**
	£m	**£m**	**£m**	**£m**
Adults	358.963	332.535	315.686	308.170
Children's (Non Schools)	208.605	190.304	183.790	180.738
Communities	103.321	94.219	86.642	81.573
EDT	179.153	172.647	167.442	164.873
P&R (inc. Finance General)	156.698	152.859	148.080	144.592
Grand Total	**1,006.739**	**942.564**	**901.640**	**879.947**

The gross expenditure figures in Table 1 assume the following budget gap by Committee in each year:

Table 1.1 **Budget Gap (with headroom for Member choice)**

Committee	**2016-17**	**2017-18**	**2018-19**	**Total**
	£m	**£m**	**£m**	**£m**
Adults	27.223	27.943	19.631	74.796

Children's (Non Schools)	11.595	11.902	8.361	31.858
Communities	8.167	8.383	5.889	22.440
ETD	8.288	8.507	5.976	22.771
P&R (inc. Finance General)	6.089	6.250	4.391	16.729
Grand Total	**61.361**	**62.985**	**44.248**	**168.594**

Table 2: Illustrative budgets without headroom (reduction of 16% of addressable spend over three years)

	Gross Expenditure			
Committee	**15-16**	**16-17**	**17-18**	**18-19**
	£m	**£m**	**£m**	**£m**
Adults	358.963	341.112	332.840	333.902
Children's (Non Schools)	208.605	193.957	191.097	191.698
Communities	103.321	96.792	91.788	89.293
EDT	179.153	175.259	172.664	172.707
P&R (inc. Finance General)	156.698	154.777	151.917	150.347
Grand Total	**1,006.739**	**961.897**	**940.307**	**937.947**

The gross expenditure figures in Table 2 assume the following budget gap by Committee in each year:

Table 2.1 Budget Gap (without headroom for Member choice)

Committee	**16-17**	**17-18**	**18-19**	**Total**
	£m	**£m**	**£m**	**£m**
Adults	18.646	19.366	11.053	49.064
Children's (Non Schools)	7.942	8.249	4.708	20.898
Communities	5.594	5.810	3.316	14.720
ETD	5.676	5.896	3.365	14.937
P&R (inc. Finance General)	4.170	4.331	2.472	10.974
Grand Total	**42.028**	**43.651**	**24.914**	**110.593**

3.11 Appendix 3 provides details of the underlying assumptions for pressures and savings included in the illustrative budget figures set out in Tables 1 and 2. The outcomes of Service Committees consideration of initial savings proposals in their September meetings will be used to inform the preparation of an updated position

to be reported to the Policy and Resources Committee at its meeting on 28 September 2015.

4 Initial Savings proposals

4.1 The activity and budget impact of the changes which are being proposed under Promoting Independence are being developed and further detail will be available in October.
Initial proposals are set out for consideration at this stage:

4.2 Revised Customer Pathway

As outlined earlier in this paper the department aims to reduce the number of contacts made to the Council for adult social services, and more importantly to reduce the number of social care assessments and the number of packages of care. Savings will be made by carrying out fewer assessments but mainly by providing fewer packages of care. The department is carrying out a review of what other counties have done, focussing on the efficacy of the models in terms of reducing the volume of assessments and provision of services, to help inform the new model. The Shropshire model appears to provide a consistent and effective solution, evidencing a significant reduction in reliance on council services and a greater engagement with services provided by the voluntary sector. Some further savings may also be found by holding assessment clinics, rather than arranging home visits for all assessments.

	Potential department Savings £m
2016-17	3.120
2017-18	4.490
2018-19	5.280
Total	**12.890**

4.2.1 It is anticipated that there will need to be some increase in the investment in the voluntary sector so that more information and advice can be provided locally and also in ensuring more community facilities are available so that more peoples' needs can be met close to where they live.

4.2.2 No savings are proposed to be made from the budgets for assessment and care management staff because savings of over £2m have already been made through the past Assessment and Care Management Reviews and the teams currently have waiting lists for assessments and reviews. The model will not require extra social care staff. However, the department is considering revising the model of social work to focus on strengths and achievable outcomes, and is discussing the Signs of Safety approach with Children's Services.

4.2.3 This requires a significant cultural change for staff, Members, partners and citizens and is therefore not a short term saving, but medium term. The model of social work required to deliver the change means a shift away from the service-focused care management approach towards an enabling, strengths-based model. There will be less traditional residential service provision. The department will need to

work with partners such as District Councils, voluntary organisations, GPs and communities to deliver this change and therefore this takes time.

4.3 Investment in Norfolk First Support (NFS) to increase the number of people being reabled.

4.3.1 Currently Norfolk First Support (NFS), the in house Reablement Service, have to refuse approx. 24% of referrals (1,461 cases) in a year due to lack of capacity. If the Council invested so that the team could deal with 100% of appropriate referrals, then for an investment of approx. £1.3m a year the department could potentially save at least £1.7m each year and maybe as much as £3m. The detailed business case is being worked on.

4.3.2 It will mean the department needs to recruit additional staff who will have to be trained as there is no additional capacity within the existing staff. The invest to save case is based on the fact that 51% of people who go through reablement do not need a package of care at the end of it and of the other people who go through reablement, 21% have a home care package at the end and the average reduction in packages of home care for these people at the end of the six weeks is 24.36%.

4.3.3 In approving the new model of home care for Norfolk in 2014, the Committee recognised the benefit of ensuring all people receive reablement as the gateway to the home care service.

4.4 Review of Planning Beds

4.4.1 Closely associated with the increased investment in Reablement is the review of the existing Planning Beds arrangements. Planning beds are used where a person is medically fit to leave hospital but is not yet able to manage at home or it is not possible to put a home care package in place due to lack of capacity. Currently the Council purchases planning beds in residential homes. However research across the UK shows that a high proportion of people going into planning beds in residential homes become permanent residents. The department wants to look at a different more reabling and multi-disciplinary model for planning beds, so that more people are helped to return to their home and live independently. The review will include the evaluation of the Henderson Unit, a reablement unit set up jointly with the NNUH which has been successful in getting people back home.

4.5 Housing with care

4.5.1 This is about delivering a programme to develop significantly more housing with care (HWC) in Norfolk. Under the Building a Better Future strategy people told us they would prefer not to use residential care but would like to be able to access housing with care – owning or holding a tenancy for a property 'with its own front door' in a scheme where a base level of 24 hour care is available and additional care can be provided according to need. This is a key part of the strategy for changing the mix between residential care and care at home.

4.5.2 The key benefits of the HWC model are:

a) Care needs can vary as people's needs change up and down, providing a preventative approach which avoids over or under provision. It supports the avoidance of crises which can tip people into institutional care settings
b) It is a more cost effective model than residential or nursing care: housing costs are not funded by the Council as they are in residential care

c) c) Accessible environments, not necessarily care, can be a significant factor in enabling and maintaining independence

4.5.3 HWC can provide an engaging, communal and community connected atmosphere which improves quality of life and avoids isolation which is such a risk to older people. Having a 24/7 care presence on site for unplanned needs can lead to a reduction in the level of planned homecare that is required for occupants.

4.5.4 Savings will be made from the purchase of care budget by paying only for care not for housing costs and by encouraging people to access a preventative service, including people funding their own care which will prevent and delay the escalation of need.

4.5.5 HWC schemes are significant capital developments which represent a medium term strategy for providing viable and cost effective alternatives to residential care. The scale of efficiencies to be achieved in Norfolk is being developed.

4.5.6 Development of housing with care for younger people and for people with mental health or learning disabilities provides more a cost effective means of care and accommodation potentially over a lifetime. This a key part of the current project to review packages of care for people with learning disabilities, mental health problems and physical disabilities, which is an existing saving.

4.6 Review of Personal Budgets and RAS (Resource Allocation System)

4.6.1 The Care Act 2014 places personal budgets into law for the first time, making them the norm for people with care and support needs.

4.6.2 To decide the amount of Personal Budget funding to provide to someone to meet their social care needs the service user and the Council complete a Personal Budget Questionnaire of their needs. The Resource Allocation System (RAS) then converts the answers (points) from the questionnaire to an indicative Personal Budget allocation of funding. Many social care Councils have a RAS.

4.6.3 As part of the 2014-17 savings the department has reduced the funding elements in the RAS for transport and well-being/community activities. For new service users this was applied from 1 April 2014. For existing service users the transport reduction is applied from the date of their 2014-15 annual review and the well-being reduction is applied 12 months from the date of their 2014-15 annual review, in accordance with Members' commitment to the people of Norfolk. It has proved difficult to make the savings and this piece of work will help to contribute to achieving them.

4.6.4 The review will look at how other local authorities allocate personal budget funding, eg whether they use a RAS or not, and how to improve the questionnaire and the RAS so that the aims of Promoting Independence are incorporated such that funding is only provided for those remaining eligible social care needs that are not being met in other ways such as universal services.

4.6.5 As the comparative work has not been carried out with other authorities it is too early to estimate the savings. This saving also needs to be calculated in line with the saving from the Review of the Customer Pathway.

4.6.6 There is a risk of legal challenges from existing service users, advocates and representative groups.

4.7 Residential Care and Discharges from Hospital

4.7.1 A key area of focus is the purchase of care budget and the amount of permanent residential care which is used.

4.7.2 For older people we have analysed 100 plus cases and examined why they entered care and what might have prevented it. Actions from this include: intensive, skilled intervention from occupational therapists and social workers to work with people at risk of permanent placement; ensuring that people leaving an acute hospital cannot enter permanent care but instead receive reablement and working closely with partners to ensure all parts of the system function as they should to avoid re-admission and support rehabilitation and reablement.

4.7.5 The department is working with Children's services colleagues on the period of transition from childhood to adulthood. This is a particularly crucial time to work with individuals and families to make plans which provide the best outcomes and life opportunities. Early planning also ensures that services can be commissioned to promote independence into adulthood and avoid permanent residential care.

5 Further potential areas for savings

5.1 Over the last eight years the department has made significant savings in areas such as:

a) Outsourcing over 1m home care hours previously provided by in house services, saving at least £6m a year
b) Setting up the Norfolk First Support service and the Swifts service (24/7 response service) which prevent people needing long term care and going into hospital
c) Carrying out a priority based budgeting exercise in learning disability services, reducing the demographic growth pressure in this area
d) Reviewing the assessment and care management structure (the social worker structure), including making savings of approximately £2m pa
e) Achieving £1.750m of savings p.a. from in-house day services, respite services, supported living and personal assistants before these were transferred to the newly created Independence Matters community interest company
f) Reviewing the reablement and Swifts service in 2012-13 to provide improved service and make savings of approx. £1m p.a.
g) Changed the provision of meals on wheels model to non-subsidised Trusted Trader meals – saving £1.2m p.a.

5.2 Savings already in the budget for the four years 2014-18 include:

a) reductions in the wellbeing/community activity and transport elements of personal budgets
b) reassessments and different accommodation solutions for people with learning difficulties, mental health problems and people with physical disabilities
c) reviewing transport by locality: training people to use public transport where appropriate; only funding provision closest to home; making sure suitable provision available locally; ensuring people use their mobility allowance or

mobility vehicle; and setting up Trusted Traders for Transport so people can arrange their own transport where possible

d) Remodelling of home support and re-procuring services

5.3 More detail about the current three years, 2015-18, is available in Appendix 2.

5.4 Further modelling will take place on the future adult social services model, Promoting Independence, over the coming month, to set out how a new approach to social care will deliver within a reduced budget.

5.5 As proposals are developed and finalised, equality impact assessments will be developed for proposals that potentially have an impact on identified groups with protected characteristics. A full equality impact assessment report will be published alongside the Policy and Resources budget papers for 8 February 2016.

5.7 **Investments to Save**

5.7.1 Promoting Independence is strongly based on moving to early help and prevention to avoid unnecessary demand on higher level services. Initial investment would facilitate the delivery of these changes, outcomes for individuals and savings for the Council. The following have been identified by the department as initial areas where investment by the Council would help to deliver savings in Adult Social Services in the future:

Proposal	Revenue		Capital Funding £m	Annual Revenue Saving £m	Notes
	Recurring Funding £m	One Off Funding £m			
Transforming the system					
Community based prevention and support	3.000	0.100	1.000	tbc	Recurring investment in creating transformed prevention opportunities to manage demand – we will work with the LGA prevention model to develop this.
Accelerating change					
Increase reablement service capacity	1.100-1.400	-	-	3.000	To increase capacity to take 100% of appropriate referrals in order to reduce the cost of packages of care.
Upskilling of reablement staff	0.300	0.100	-	tbc	To provide specialist reablement to younger adults in order to reduce packages of care.
Planning beds solution	0.600	-	1.000	0.750	To provide reablement and a multi-disciplinary team for planning beds. Reviewing the benefits of the Henderson Ward located nearby the acute. Based on the current year's information we spend annually approximately £750k on planning beds. Savings are derived from preventing residential placement and a community based solution being found.
Housing With Care	-	0.390	4.000	tbc	Investment in accelerated development of HWC, NCC support could be though providing the land for the scheme or being an investment partner to support the construction of the building. A 77 one and two bed HWC scheme would cost approximately £8m to construct if the council supported the project with 10% and developed five schemes. Savings are derived from the difference between the costs of HWC (care costs) and residential care (care and hotel costs).

Proposal	Revenue		Capital Funding £m	Annual Revenue Saving £m	Notes
	Recurring Funding £m	One Off Funding £m			
Community equipment and assistive technology	1.500	0.060	-	tbc	Increased investment in community equipment and assistive technology. Savings are derived from reducing the cost of packages of care e.g. avoiding need for double visits, avoiding the need for 24 hour services. Also from stronger systems to review and recall of equipment, advice and training with providers.
Market and Supplier Management	0.060	0.200	-	tbc	Work with providers to develop and sustain performance improvement approaches, this will cover training, quality standards and outcome based service delivery. Savings come from maximising the preventative impact of contracted services.
Total	**6.560 – 6.860**	**0.850**	**6.000**	**3.750**	

5.7.2 Please note that all the above figures are initial estimates that require further work and refinement and will be included in the report to October Committee. Further invest-to-save amounts may be identified as the Promoting Independence strategy is taken forward.

6 Key decisions/recommendations that Committee need to make:

Next Steps

6.1 Committee Chairs will be asked to update Policy and Resources Committee on service and financial planning when it meets on **28 September 2015**. In line with its constitutional role, Policy and Resources Committee may at this point need to provide further guidance for service committees in the light of any updated financial forecasts.

6.2 All service committees are meeting during October and will be requested to finalise and agree a future model of services and a set of savings proposals for 2016-19, highlighting those which require formal public consultation.

6.3 The full set of proposals will be considered by Policy and Resources Committee at its meeting on **26 October 2015**. At this meeting Policy and Resources Committee will receive advice and recommendations from Committees and will:

a) Review all proposals from Committees to ensure that collectively they will enable the Council to achieve a balanced, sustainable budget
b) Agree any proposals which require more detailed formal consultation because of their impact on specific users or residents
c) Agree arrangements for assessing the impact of any proposals in line with Equalities legislation, ensuring there are sound arrangements for individuals and groups directly affected by potential proposals to have an opportunity to voice their views

6.4 In November, Committees will be able to consider feedback from statutory consultation and engagement so far. The consultation will close at **midnight 14 January 2016.** At their meetings in the last week of January, Committees will review the findings and public consultation, the outcome of the local government settlement, other risk and impact assessments and agree final proposed budget savings.

6.5 It is the role of Policy and Resources Committee to recommend a set of proposals to Full Council. This will take place at its meeting on **8 February 2016** and Full Council on **22 February 2016** will agree the Council's budget.

7 Recommendations:

a) Note the savings proposals set out in section four for further development
b) Note the investment proposals set out in section six for consideration by Policy and Resources Committee
c) Ask officers to bring back further savings proposals in October which will contribute to the development of budgets based on 75% of the Committee's addressable spend, to allow for choices and options

to be considered, and to support the delivery of a balanced budget for 2016-17, for subsequent consideration at Policy & Resources Committee in October

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

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Appendix 1: Summary of Gross Budget and Addressable Spend

	Adults	Children's (Non DSG)	Communities	EDT	P&R (including Finance General)	Total NCC Non Schools
	£m	£m	£m	£m	£m	£m
Non-Schools Gross Expenditure Budget 2015-16	**358.963**	**208.605**	**103.321**	**179.153**	**156.698**	**1,006.739**
Less:						
Accounting Adjustments	**5.760**	14.554	0.577	-0.580	13.389	**33.701**
Adults Related - S256, S75, Probation, Blue Badges	**0.772**	0.000	0.000	0.000	0.000	**0.772**
Budgets with Contracts in Place	**9.234**	0.000	0.000	0.000	0.000	**9.234**
Capital Financing Costs	**0.614**	18.288	3.797	24.794	61.205	**108.698**
Care Act Implementation Budgets	**8.204**	0.000	0.000	0.000	0.000	**8.204**
Demand Led Expenditure	**0.018**	0.000	0.416	0.000	0.000	**0.434**
Departmental Recharge (mainly ETD Recharge of Transport to Services)	**5.975**	30.323	0.966	48.808	0.512	**86.582**
Eastern Inshore Fisheries Conservation Authority Levy	**0.000**	0.000	0.000	0.000	0.546	**0.546**
Fire Service Related - Leases, Equipment and Training	**0.000**	0.000	1.967	0.000	0.000	**1.967**
Insurance Related	**0.095**	0.042	0.461	1.852	-0.569	**1.882**
Museum functions funded by external Grant	**0.000**	0.000	2.133	0.000	0.000	**2.133**
Partnership Related	**0.051**	0.000	0.009	0.545	0.132	**0.736**
Pension Fund and Pension Related	**0.216**	4.155	3.148	0.254	12.082	**19.855**

PFI Related	**0.000**	5.671	0.000	8.702	0.000	**14.373**
Second Homes Payments	**0.000**	0.000	0.000	0.000	2.201	**2.201**
Traded Service	**0.000**	6.732	0.481	0.000	0.000	**7.214**
Transfer Payments	**29.365**	1.663	0.000	0.000	0.016	**31.044**
Transfer to Reserves	**0.328**	0.101	0.028	3.890	0.200	**4.548**
Miscellaneous other amounts less than £100,000	**0.007**	0.008	-0.162	0.067	0.260	**0.180**
Sub-total Non-addressable Expenditure 2015-16	**60.640**	**81.538**	**13.821**	**88.332**	**89.974**	**334.304**
Gross "Addressable" Expenditure Budget 2015-16	**298.324**	**127.067**	**89.500**	**90.820**	**66.724**	**672.435**
Gap Target (25%)	**74.796**	**31.858**	**22.440**	**22.771**	**16.729**	**168.594**

In respect of the Adults Committee budgets, a total of £298.324m from the gross budget of £358.963m has been categorised as addressable spend. Addressable spend excludes activities funded by external income such as the costs associated with the Care Act implementation. It also excludes Service Level Agreements and grant funded activities. Addressable spend includes £193.066m relating to Purchase of Care, out of gross Purchase of Care expenditure budgets of £226.999m.

Appendix 2

Budget Changes Forecast for 2015-18 Adult Social Care Committee					
Con Ref	**Savings Ref**		**2015-16 £m**	**2016-17 £m**	**2017-18 £m**
		Cash Limited Base Budget	**248.597**	**236.903**	**240.270**
		GROWTH			
		Economic			
		Basic Inflation - Pay (1% for 15-18)	0.303	0.306	0.309
		Basic Inflation - Prices	4.763	4.861	4.962
		Demand / Demographic			
		Demographic growth	6.035	6.134	6.134
		Purchase of Care cost for leap year	0.400	-0.400	
		Purchase of Care (recurring overspend)	4.156		
		New burdens: Social Care in Prisons	0.371		
		New burdens: Adult Social Care	5.629		
		New burdens: Care Act	2.204		
		Total Growth	**23.861**	**10.901**	**11.405**
		SAVINGS			
14	1a	Further Savings from PCSS (Personal Community Support Service)	-0.250		
14	1b	Review Care Arranging Service	-0.140		
30	1b	Change the type of social care support that people receive to help them live at home	-0.200		
06	1b	Electronic Monitoring of Home Care providers		-0.500	
04	1d	Reducing the cost of business travel	-0.099	-0.090	
06	2a	Review block home care contracts	-0.100		

Budget Changes Forecast for 2015-18 Adult Social Care Committee					
Con Ref	**Savings Ref**		**2015-16 £m**	**2016-17 £m**	**2017-18 £m**
06	2a	Review of Norse Care agreement for the provision of residential care	-1.000	-1.500	
04	2a	Renegotiate contracts with residential providers, to include a day service as part of the contract, or at least transport to another day service	-0.100		
04	2a	Renegotiate the Norse bulk recharge	-0.106		
18	2b	Integrated occupational therapist posts with Health	-0.100		
18	2b	Assistant grade posts working across both health and social care	-0.050		
20	3a	Trading Assessment and Care Management support for people who fund their own care		-0.050	
08	3a	Decommission offices, consolidate business support	-0.150		
33	4a	Changing how we provide care for people with learning disabilities or physical disabilities	-2.000	-3.000	
35	4a	Scale back housing-related services and focus on the most vulnerable people	-1.200		
36	4a	Reduce the number of Adult Care service users we provide transport for	-0.150	-0.150	
31	4b	Reduce funding for wellbeing activities for people receiving support from Adult Social Care through a personal budget	-6.000	-3.000	
		Sub-total Savings from 2014-17 Budget Round	**-11.645**	**-8.290**	**0.000**
1a	1b	Residential care. Process improvements for more effective management of residential care beds	-0.100		
3c	1b	Redesign Adult Social Care pathway. Work with Hewlett Packard and procurement on areas of the pathway to drive out further efficiencies	-0.395	-1.500	
1b	2a	Norse care rebate. The proposal is for the rebate to be allocated to the Adult Social Care revenue budget on an ongoing basis, rather than to the	-1.000		

Budget Changes Forecast for 2015-18 Adult Social Care Committee					
Con Ref	**Savings Ref**		**2015-16 £m**	**2016-17 £m**	**2017-18 £m**
		Adult Social Care Residential Care Reserve as previously.			
5a	4a	Service users to pay for transport out of personal budgets, reducing any subsidy paid by the Council	-0.100	-0.900	-0.800
NA	4c	One Off: Use of Earmarked Reserves (Adults)	-3.156	3.156	
		Sub-total new savings	**-4.751**	**0.756**	**-0.800**
		Total Savings	**-16.396**	**-7.534**	**-0.800**

		BASE ADJUSTMENTS			
		New burdens adult social care funding	-5.629		
		Local reform and community voices: Independent Mental Health Advocacy	0.162		
		Local reform and community voices: Guaranteed Income Payments for veterans	0.030		
		Local reform and community voices: New Social Care in Prisons	-0.371		
		Increased NHS Social Care Funding	-13.351		
		Total Base Adjustments	**-19.159**	**0.000**	**0.000**

		Cash Limited Base Budget	**236.903**	**240.270**	**250.875**

2015-16 Provisional Local Government Settlement

19 December 2014

Key Facts

Norfolk County Council

£0.494m Less funding than planned for 2015-16	£42.093m Settlement funding reduction compared to 2014-15
1% 2015-16 Council Tax Freeze Compensation worth £3.542m	0.9% Reduction in spending power (including Health monies)

Nationally

12.7% Reduction to Settlement Funding Assessment 2015-16	25.6% Reduction to Revenue Support Grant 2015-16	2% 2015-16 Council Tax Referendum Limit

1.8% Reduction in spending power 2015-16 (including Health monies)

A complete and full explanation is within the briefing paper attached. If you want to follow up any points within this document please contact the Finance team:

Simon George 01603 222400

Harvey Bullen 01603 223330

Maria Marsh 01603 222165

Appendix 3: Budget planning assumptions 2016-17 to 2018-19

	Adults	Children's (Non Schools)	Communities	EDT	P&R (including Finance General)	Grand Total
	£m	£m	£m	£m	£m	£m
Gross Expenditure 2015-16	358.963	208.605	103.321	179.153	156.698	1,006.739
Inflation on gross expenditure 2016-19	17.367	9.785	2.430	9.942	2.735	42.260
Legislative changes impact on gross expenditure 2016-19	0.000	0.000	0.000	0.000	9.068	9.068
Demand and demographic growth on gross expenditure 2016-19	18.076	6.108	0.000	0.000	0.000	24.184
County Council Plan changes on gross expenditure 2016-19	0.000	0.000	-0.030	0.000	1.250	1.220
Previously identified savings on gross expenditure 2016-19	-11.440	-11.901	-1.709	-1.451	-8.430	-34.931

Savings to be identified 2016-19	-74.796	-31.858	-22.440	-22.771	-16.729	-168.594
Gross expenditure 2018-19	**308.170**	**180.738**	**81.573**	**164.873**	**144.592**	**879.947**
Add back budget gap "headroom"	25.732	10.959	7.720	7.834	5.755	58.000
Gross expenditure 2018-19 without headroom	**333.902**	**191.697**	**89.293**	**172.707**	**150.347**	**937.947**

Adult Social Care Committee

Item No. 14a.

Report title:	**The cost of care in Adult Social Services - interim report**
Date of meeting:	**7 September 2015**
Responsible Chief Officer:	**Harold Bodmer, Executive Director of Adult Social Services**

Strategic impact

One of the Council's top priorities is to promote wellbeing and safeguard vulnerable adults and this includes the provision of residential and nursing care where people's assessed needs are best met in this way. The Council relies upon its contractual arrangements with the market as a means of providing these key services.

The outcome of the cost of care exercises which are currently underway to establish what the Council would usually expect to pay for residential and nursing care may impact upon the cost of these services.

Executive summary

The Adult Social Care Committee considered an interim report on 29 June 2015 on the cost of care exercise being carried out to enable it to set fee rates for residential and nursing care for its next planning period, beginning in 2016/17.

At the same meeting, and in the light of legal advice, the Committee resolved that the decision it had previously made on 9 March 2015 concerning the fee rates for the current financial year should be retaken.

In order to enable the Committee to retake its 9 March decision it has been necessary to devise and implement a robust process that will ensure that the Council:

a) undertakes early market engagement and gathers sufficient information to take into account, amongst other things, the actual costs of providing residential and nursing care in Norfolk so that it can set a series of proposed rates to be used as its 'usual prices

b) consults with every residential provider in Norfolk on the proposed rates, its explanations and reasons for its 'usual prices', giving sufficient opportunity for providers to set out whatever they think is appropriate (further evidence, criticism of methodology, additional reports etc), their comments and concerns including any data that they might want to share to support their arguments

c) determines the final 'usual prices' for the financial/ planning period concerned, having regard to all information and any feedback received from the consultation

The process has been designed having full regard to legal advice, including the amount of time needed for the data collection and consultation phases. The timescales are planned to enable a report to be brought to the Committee meeting on 9 November for a decision to set the final 'usual prices' for 2015/16 financial year. This timescale includes an extension of three weeks in the data collection phase.

The Committee is aware that the process for establishing the usual cost for the next planning period, beginning in 2016/17, is already underway. This process is planned to be completed in early December in preparation for the Committee meeting in January when budgets will be considered.

Recommendations

The Committee is recommended to:

Consider the proposed process to enable it to retake its decision of 9 March regarding the prices the Council would usually expect to pay for residential and nursing care in Norfolk for the 2015/16 financial year.

1. Proposal

1.1 The proposal is to carry out a robust process to enable the Committee to retake its 9 March decision regarding the prices it would usually expect to pay for residential and nursing care to meet assessed needs in Norfolk for the 2015/16 financial year (the 'usual prices').

2. Evidence

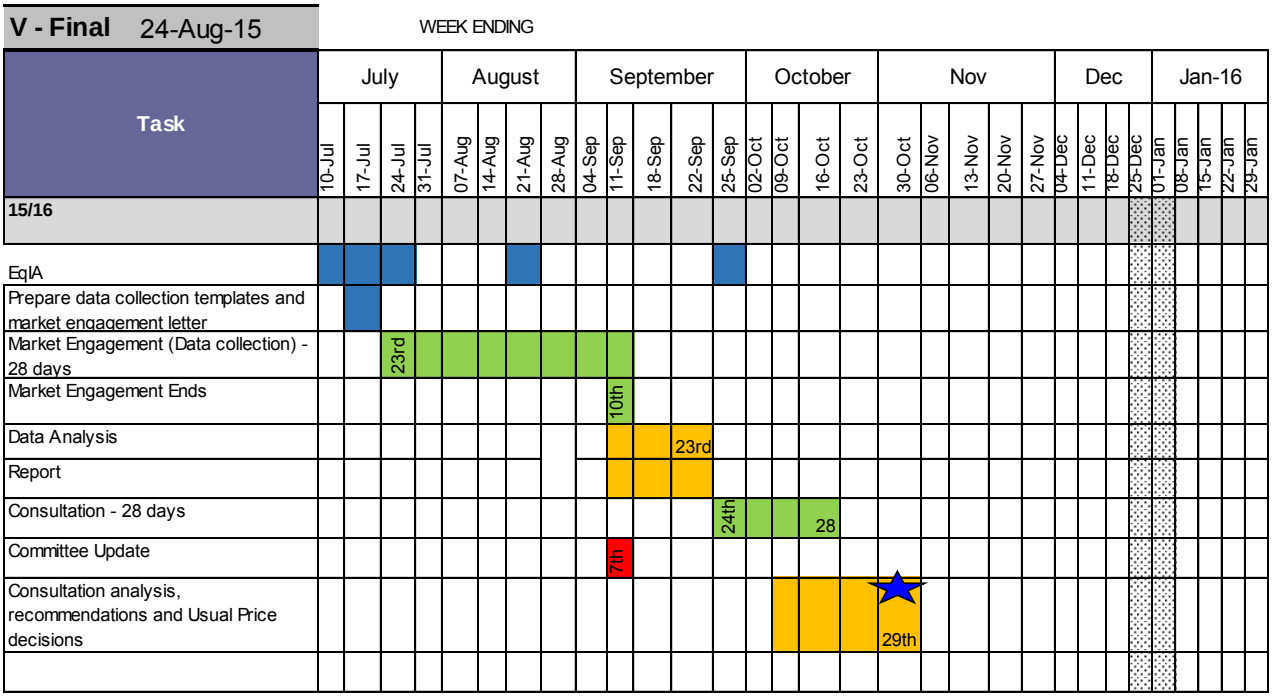
2.1 On 29 June the Committee resolved to retake the decision that it had previously taken at its 9 March meeting regarding setting its 'usual prices' for the financial year 2015/16. This was due to a legal challenge.

2.2 This has required the development and implementation of a new Cost of Care process as described below.

2.3 **Cost of Care 2015/16**

The Cost of Care process 2015/16 consists of a number of key distinct phases as set out in the high level project plan shown below:

2.3.1



2.4 **Equality Impact Assessment**

A Cost of Care Equality Impact Assessment (EqIA) has been undertaken. Because of the nature of the cost of care proposal the impact in this instance is on 'service providers', rather than service users. Regular EqIA review points have been incorporated into the project plan to ensure that when information from providers is received, at the market engagement and consultation stages, these will be considered as part of ongoing

equality assessment work.

2.5 **Data Collection**

The data collection phase began on 23 July when we emailed every provider with whom we contract for services, an engagement letter explaining the process and requesting that they complete a workbook and provide the Council with information about their actual costs of care. A special email address costofcare@norfolk.gov.uk has been created to enable providers to send the information electronically. There is also the option to post information if providers prefer to keep information anonymous.

2.5.1 We are also using space on the Adult Social Care section of the Council's website to promote participation and understanding on the part of providers by posting answers to provider queries on an ongoing basis and providing updating information on the process as a whole. All providers have been notified of this.

2.5.2 In addition, we are engaging with provider representatives involved in the 2016/17 process to ensure that the 2015/16 process is understood and supported as much as possible.

2.5.3 Data will be collected from providers at the same time as the Council gathers other relevant cost data that it already possess or may reasonably obtain to assist with its understandings.

2.5.4 Since commencing the data collection process, a number of providers and representatives have requested that the Council extend the deadline for providers to return their information as the time for completion has fallen over the holiday period. The timeline has been extended by three weeks to 10 September to accommodate this concern and to facilitate replies from providers. This has impacted on the overall timeline and completion of the exercise.

2.6 **Data Analysis**

At the conclusion of the data collection phase officers will analyse the information about actual costs supplied by providers together with other information relevant to actual costs in the Council's possession or that it obtains from its own investigations described above. They will further be considered alongside any local or other relevant factors, as well as the Council's duty of Best Value and its obligations under the Care Act 2014, to which the Council will have due regard.

2.6.1 The Council will also prepare and consider an equality impact assessment.

2.6.2 The Council will determine what it calculates the 'usual prices' that the Council would expect to pay for residential and/or nursing care services should be for 2015/16 and produce a detailed report for consultation by 23 September.

2.7 **Consultation**

A 28 day consultation phase will begin on 24 September to consult with every provider of residential and/or nursing services in the County on the 'usual prices' which the Council will propose following its data analysis.

2.7.1 All providers will be sent a consultation pack that will transparently set out:

(a) the process followed; and
(b) the report prepared and described above detailing the proposed 'usual price(s)' and an explanation as to how the Council calculated the proposal; and
(c) the equality impact assessment; and
(d) the timelines; and
(e) who can be contacted in case of queries; and

(f) the ability for providers to set out whatever they think is appropriate, including but not limited to further evidence, criticism of methodology, additional reports, comments and concerns, including any data that they might want to share to support their arguments

2.7.2 It has been explained to providers that this is their opportunity to make any comments and are strongly urged to participate.

2.8 **Determining the 'usual prices'**

The consultation phase will end on 23 October and there will be a period of analysis. Once an analysis is undertaken, a report will be brought to the Committee for a decision. That report will set out the process, the results of the consultation, how that and other relevant factors have been taken into account and the proposed 'usual prices'.

2.9 **Retaking the decision**

The timescales for the process enables officers to complete the process in time for the Committee to receive the report described above and to retake its earlier 9 March decision at its meeting on 9 November 2015.

3. Financial Implications

3.1 It has already been reported that the decision relating to the 2015/16 financial year will mean that any changes to the original award that may be necessary would be effective from 6 April 2015. For the avoidance of doubt, this means that should there be an increase, for example, the difference would also be paid from that date.

3.2 Officers will be able to estimate the actual financial implications of implementing any changes to the 'usual prices' for 2015/16 following consideration of the consultation responses and establishing a final rate that will be recommended to Committee in November.

4. Issues, risks and innovation

4.1 **Actual Costs**

There is a risk that the providers do not engage at the data collection stage. This risk will be mitigated by building a follow up communication into our process and by gathering other relevant cost data that the Council already possess or may reasonably obtain to assist with its understandings.

4.1.1 If it is felt at the November Committee meeting that a decision should be deferred there is scope to do so.

4.2 **Legal challenge**

Risk of further legal challenge could arise if we not follow our established process or if the decision is not sound. We are mitigating these risks by taking and acting on legal advice.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

Steve Holland:	**01603 638635**	steve.holland@norfolk.gov.uk
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Adult Social Care Committee

Item No. 14b

Report title:	**Towards meeting the new market development responsibilities for Adult Social Care**
Date of meeting:	**7 September 2015**
Responsible Chief Officer:	**Harold Bodmer, Executive Director of Adult Social Services**

Strategic impact

A well-functioning care market is essential to delivering Norfolk County Council's priority for the quality of life of vulnerable people in Norfolk and the Care Act places new market development duties on the council to promote the market so that it is effective and efficient, provides choice and quality and is resilient. The council invests over £260m a year in the care market and its effective development is therefore critical to the strategic needs of the council

Executive summary

The Care Act now places duties on local authorities to facilitate and shape their markets for adult care and support as a whole, so that they can efficiently and effectively meet the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves, or in other ways.

This requires local authorities not only to continue to invest in care services through commissioning and procurement but also to influence their care market more widely to ensure there is available a sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and cost-effective outcomes that promote the wellbeing of people who need care and support.

The Adult Social Care Committee (the committee) has recently endorsed the Promoting Independence strategy as part of Reimagining Norfolk and we will develop a market development framework within the strategy to enable us to continuously review our commissioning intentions and financial investments in the care market. This will require engagement with providers and customers and the production of an annual Market Position Statement for consideration by the Adult Social Care Committee.

The council cannot optimise the development of the market on its own and recognises the importance of mobilising the leadership, innovation and knowhow of providers themselves through effective engagement and support for provider led market development programmes that will complement the council's own programmes.

In 2013 the council, with the agreement of Norfolk Independent Care (the representative organisation of care providers) made a fund available (the Market Development fund) to support engagement and sector led development of the care market in Norfolk.

On 9 March 2015 the committee agreed to the continuation of the market development fund pending further consideration of future arrangements for engagement and sector led support covering the remainder of 2015/16 and the period 2016/17 to 2018.

This report summarises the overall approach to the new market development duties and also proposes the development of a concordat or blueprint for future engagement with the market and support for sector led programmes.

Recommendations:

(a) To endorse the development of a market development framework within the Promoting Independence strategy that enables the Council to develop and set out its programmes in future Market Position Statements

(b) To endorse the development and implementation of new arrangements for effective provider engagement and sector led market development programmes

1. Proposal

1.1 The Care Act gives the council new statutory duties in relation to promoting an efficient and effective market in adult care and support services. We do so primarily through the significant investments we make in commissioning and purchasing care and support services but we need to go further than this to become really effective at market shaping including effective provider engagement arrangements and support for sector led market development programmes that are complementary to the council's own programmes.

1.2 The proposal is therefore to:

a) Develop a market development framework within the Promoting Independence strategy that enables us to develop and set out the council's programmes in its future Market Position Statements
b) Develop and consult the market on a blueprint for new arrangements for effective provider engagement and support for sector led market development programmes that are complementary to the council's own programmes and in the meantime to enter into interim arrangements based on the current model

2. Evidence

2.1 The new market development duties are set out in section 5 of the Care Act and require the council to:

Promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market:

a) has a variety of providers to choose from who (taken together) provide a variety of services
b) has a variety of high quality services to choose from
c) has sufficient information to make an informed decision about how to meet the needs in question

2.2 The Act goes on to add that in discharging the duties the council must have regard to the following matters in particular:

a) the need to ensure that the authority has, and makes available, information about the providers of services for meeting care and support needs and the types of services they provide
b) the need to ensure that it is aware of current and likely future demand for such services and to consider how providers might meet that demand
c) the importance of enabling adults with needs for care and support, and carers with needs for support, who wish to do so to participate in work, education or training
d) the importance of ensuring the sustainability of the market (in circumstances where it is operating effectively as well as in circumstances where it is not)
e) the importance of fostering continuous improvement in the quality of such services and the efficiency and effectiveness with which such services are provided and of encouraging innovation in their provision
f) the importance of fostering a workforce whose members are able to ensure the delivery of high quality services (because, for example, they have relevant skills and appropriate working conditions)

2.3 Importantly and in addition the Act places new duties on the council in relation to securing market resilience and dealing with provider failure that are key to the effective operation of the market.

2.4 Although the Adult Social Services Department is active to a greater or lesser extent across all these areas we recognise that the council more widely plays an important part, for example in public health, economic development and business continuity. In addition other public bodies make significant investments in the market including the NHS and other councils and people who fund their own care. Therefore a more joined up and strategic approach needs to be taken to the council's new market development duties.

2.5 We propose, therefore, to devise a market development framework within which all the council's work to support the care market and respond to its new duties can be understood and developed as a coherent programme. We have appointed an experienced officer in a business lead role to take this work forward under the direction of the Head of Quality Assurance & Market Development in the Adult Social Services Department.

2.6 We will develop and agree a comprehensive joined up approach to market development with key stakeholders in the department, across the council, with colleagues in other councils, health and key stakeholders in Norfolk and publish and promote our programmes in Market Position Statements which will be brought to committee for approval each year.

2.7 We will, wherever possible and where there is agreement to do so, pool budgets to support the council's market development programmes in line with Reimagining Norfolk principles building on the £200k contribution that the department is able to make from funding provided for implementation of the Care Act. (see 3.1 below).

2.8 This is not a task and finish piece of work and the council will need to keep its approach under ongoing review to ensure that it is discharging its duties to the best of its abilities. We propose to enable the council to do so through the approval process already agreed for its Market Position Statements under the Care Act.

2.9 **Provider engagement and sector led market development**

The council recognises that it cannot optimise the operation of the care market on its own or even with robust arrangements with the wider public and community sectors. Providers themselves are key to a successful care market and effective engagement with providers and effective support to mobilise sector led innovation, expertise, ideas and knowhow are key elements in our framework.

2.9.1 The fund has operated as a grant to a not for profit company, Norfolk Care Link Ltd, to administer a programme of sector led market support and has been a foundation stone in the successful strategic partnership established between the council and Norfolk Independent Care (NIC) the benefits of which were set out in the previous report to the committee on 9 March 2015.

2.9.2 On 9 March the committee asked officers to produce a further report on governance arrangements for the market development fund in the light of the new Care Act responsibilities. Given the legal challenge on care home fees, and the current consultation process which is underway, we have agreed with Norfolk Independent Care that these new arrangements should also be subject to consultation.

2.9.3 Given the considerable financial pressure facing the department it is proposed that the fund be reduced by £50k to £200k this financial year.

For this year, Norfolk Care Link is spending the fund on business development advice, the annual Norfolk Care Conference and the Norfolk Care Awards. A report on the use of the fund in 2015/16, compiled by Dennis Bacon, Chair of Norfolk Independent Care, is attached at appendix 1.

2.9.4 In discussion with Norfolk Independent Care and provider representatives it is proposed to develop and consult on a concordat that sets out a proposed method for enabling the council to engage with the market in a structured way and that would develop and deliver sector led support to the market.

The draft concordat is attached at appendix 2.

2.9.5 It is proposed, given the operational nature of this work, that the non-executive director representing the council should be an officer rather than an elected member.

2.9.6 Building on these early discussions we will develop the detailed proposals working with Norfolk Independent Care and provider representatives over the coming months and expect to be in a position to consult the market as a whole early in early 2016 and to implement the new arrangements in time for the start of the new financial year.

3. Financial Implications

3.1 The proposals in this paper envisage a market development fund of £200k which will be financed from additional funding provided to the council to implement the Care Act. We will also consider pooling other funding which supports providers including workforce development funding with the market development fund so that we can efficiently manage our total investment in provider support.

4. Issues, risks and innovation

4.1 In common with other councils, Norfolk's care provision is largely sourced through independent care businesses. It is critical, therefore, that this market works well in providing a choice of sustainable high quality services which offer good value for money.

4.2 The market in Norfolk, as elsewhere, relies upon investment from councils for much of its income. Care services are facing pressures across the country and this is reflected in Norfolk. It will become increasingly important for care businesses to understand where councils intend to place their investments to reflect changing customer needs and related commissioning priorities and to source income from privately funded customers to remain viable.

4.3 Failing to develop and implement an effective market development strategy will increase the risk of market failure resulting in the worst case scenario in the inability of the council to discharge its statutory duties in relation to social care and for people to access the care they need.

4.4 The longstanding partnership with Norfolk Independent Care and work with provider representatives provides a sound basis for developing innovative sector led solutions to a range of problems including the financial and business challenges facing independent care providers in a changing care market.

4.5 The proposed approach to market development will require new ways of working both within the Adult Social Services Department and with colleagues across the council, including in particular economic development, public health and business continuity functions, as well as other councils, the health system and key stakeholders.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

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Appendix 1

Norfolk Care Link (NCL) – Reviewing progress and looking forward

During 2014/15 NCL had 19 key areas of work, addressed though three main work streams. Each of these has been subject to regular review in meetings between NCL and Norfolk County Council (NCC).The following provides a useful summary:

- Work with commissioners to develop commissioning strategies which support the development of a sustainable social care market place in the short, medium and longer term
- Empower providers to meet the support needs of people in our communities by identifying the key issues and to then help develop solutions in partnership with key stakeholders
- Being a persuasive voice for influencing change and celebrating success

Headline achievements 2014/15
Work with commissioners to develop commissioning strategies which support the development of a sustainable social care market place in the short, medium and longer term

- We supported and promoted the Locality Forums across Norfolk – often providing updates and inputs at the meetings
- We led an action plan to support the development and efficient use of Learning Difficulties and Mental Health services
- We worked with commissioners and providers to progress new initiatives (e.g. Trusted Carer, Care Options, Eclipse project, Telecare)
- We led the multi sector Task and Finish Group - Recommendation 18 of the Norfolk Stroke Report – We coordinated the response to this recommendation, worked with partners to develop information for care workers, and liaised with the Stroke Association
- We convened the Recruitment and Retention Task and Finish Group
- We supported care providers to engage with the Norwich GP and Care Home project
- We supported the Norfolk and Suffolk Palliative Care Academy to link more effectively with care providers across Norfolk
- We supported commissioners to manage falls prevention work in care homes more effectively

Empower providers to meet the support needs of people in our communities by identifying the key issues and to then help develop solutions in partnership with key stakeholders

- We have visited **280** care providers across Norfolk. During these visits we have provided business development support, mentoring, helped providers to resolve Care Quality Commission (CQC) issues and identified key themes/concerns

- We have developed a care provider improvement toolkit
- We have provided a vast range of master classes which have been attended by over **200** care providers
- We have supported the work of the Norwich Dementia Task and Finish Group and promoted models of excellence across Norfolk
- We have supported the 'Getting on in Norwich' successful lottery bid
- We have conducted a comprehensive survey of 60 Nursing Homes to explore the areas of concern linked to recruitment and retention, worked with care providers to deliver a successful campaign and engaged with education providers to support the development of programmes to support returning to work nurses
- We have worked to develop and extend the NCL care provider offer. Care Providers now have a greater choice of services at more cost effective prices
- We supported care providers to understand the implications of the Care Act 2014 upon their businesses. We engaged with the national Department of Health provider engagement consultant to brief providers. Over **95** providers attended these events
- We have introduced the 'Welcome to the Week' e mail; a weekly e mail which alerts care providers across Norfolk to national, regional and local information which will help them to develop and enhance their businesses. Feedback from care providers has been very positive.

Being a persuasive voice for influencing change and celebrating success

- We have delivered a successful Care Awards for Norfolk, securing £2 sponsorship for everything £1 invested.
- We have identified issues of concern across the care providers of Norfolk and sought to address these issues at a local, regional and national level (this includes the difficulties related to the recruitment of nurses in nursing homes)
- We have supported the Norfolk Care Conference
- As part of the Care Association Alliance we have influenced national thinking and showcased the best practice across Norfolk

Moving Forward – 2015/16

Norfolk Independent Care (NIC) have a long established working relationship with Norfolk County Council to support care providers across Norfolk to deliver the best possible care and support. The introduction of the Care Act 2014 provides an excellent opportunity for this work to continue with a clear brief linked to Section 5 of the Care Act 2014. One of the clear ambitions of this new legislation is for Local Authorities to influence and drive the pace of change for their whole market, leading to a sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and cost effective outcomes that promote the wellbeing of people who need care and support.
The principles and implementation of market-shaping and commissioning are the main thrust of Section 5 of the Care Act 2014, these principles/implementation plans are addressed through a range of key areas of focus these are as follows:

- Focusing on outcomes
- **Promoting quality**
- **Supporting sustainability**
- Ensuring choice
- **Co-production with stakeholders**
- Developing local strategies
- **Understanding the market**
- **Facilitating the development of the market**
- **Promoting integration with local partners**
- Securing supply in the market and assuring its quality and value for money through contracting

Our work plan for 2015/16 has been influenced by our knowledge of the sector in Norfolk and builds upon the work we have undertaken in 2014/15. The work plan focuses upon the areas contained in Section 5 of the Care Act 2014 where it has been agreed that there is greater value in joint working; these are outlined in bold (above).

Early achievements for quarter 1 of 2015/16 include:

- The development of second series of 15 master classes. These continue to be well used and valued by care providers. Topic areas are wide and varied (infection control to social media)
- Planning for the Care Awards is well underway – nominations open 1st Sept
- Planning for the Care Conference
- The mentoring framework for care providers has been piloted and we are making some final adjustments to the model.
- Working with commissioners in West Norfolk to look at culture between health and care home providers
- We are working in partnership with the local college to deliver a stakeholder event which will encourage more young people to work in health and social care
- Supporting employers to provide student placements on the Level 3 Advance programme and apprenticeship
- We continue to support the sector in relation to the shortage of nurses issue; we have spoken on Radio Norfolk and worked with the EDP to highlight the issues
- Supporting the development of nurse mentors for student nurses and nurses who are returning to work following a career break
- We lead the Stroke group – the Stroke Association will be attending the Sept meeting and we are on track to deliver the action plan submitted to the Norfolk Health Scrutiny Board.
- We continue to support the development of the Locality Forums in all 5 areas.
- We have worked in partnership with the Infection Control team to support their care home audits

- We have supported ARMC and NHCG to develop and implement their strategies to maximise provider engagement
- The development of a Leadership Behaviour strategy that includes a Leadership Behaviours model to support care providers to meet the Care Quality Commission (CQC) 'Well Led' Key Line of Enquiry. The Leadership Behaviours model is being piloted by 5 businesses.

Conclusion

Norfolk Care Link remains best placed to deliver the business development support care providers require. Care providers feel comfortable sharing their concerns and working with the business development team to develop workable solutions. Our business development team visits approximately **25** care providers every month. Feedback about the support offered is positive and indicates that care providers really value the support provided by Norfolk Care Link.

Appendix 2

The Market Concordat Proposal
Market Engagement and Sector Led Market Development

Why do we need a Market Concordat with Providers in the Care Market?

Norfolk County Council and Norfolk Independent Care (NIC) have worked together successfully over a number of years and this has helped tackle a range of issues and concerns. The Norfolk Care Conference, the Norfolk Care Awards and the work of Business Development Advisers have all arisen from this joint work. However, financial pressure on the council and the scale and complexity of the challenges faced by care providers along with the new responsibilities of the Care Act make it an appropriate time to refresh this arrangement with a new agreement or Concordat.

The council has new duties under the Care Act to promote the effective and efficient operation of the market in care and support services in order to promote wellbeing and independence. The council also has new duties to ensure that the market is resilient and sustainable and to manage market failure if it occurs.

The council will continue to invest significant amounts of money in the care market through commissioning care and through developing the market in other ways. However the operation of an effective and efficient care market in Norfolk can only be maintained through sector led work, harnessing the skills, knowhow and innovation of providers. This means clear and sustainable arrangements for engagement between the council and the sector on key issues.

This will require some investment to support joint work between the council and the sector.

Engagement

The agreement will set out the way in which the council engages with the market in a structured way, to promote dialogue and discussion about key issues such as workforce development, the cost of care and market sustainability. This engagement is distinct from consultations that the council may need to undertake with the market or parts of the market on more specific issues.

This engagement will take place through quarterly meetings which will replace the current Health and Social Care Consultative Forum.

Sector Led Market Development

The council will invest in a vehicle to direct provider driven programmes of support for the market

This will be set up in such a way that providers can be confident that their views will be represented and so that it can deliver the most effective support to the social care market.

The vehicle will be a limited company to protect providers from liabilities and to provide an appropriate entity in which public funding can be transparently invested.

The company should be non-profit making and established for the purposes of engagement with the council and delivering sector led support as described above.

The company will have a Board of Directors that represents their common and sector specific interests and that is constituted following an election process.

Norfolk County Council will have a seat on the Board in a non-executive capacity with no voting rights. Other opportunities for non-executive membership will be explored.

The company will have a small executive function consisting of a Chief Operating Officer or similar role and administrative support and office accommodation. The council will fund this from a Provider Market Development Fund of £200k. It will be for providers to determine how much of this fund they wish to use to support the executive function with the remainder used to support programmes agreed by the company.

The recruitment and selection of executive officers and the choice of office accommodation will be determined by the company. The council would like to pool its investments in external organisations that support providers including workforce development and wants to explore how we might do so perhaps with some initial ring fencing to protect current programmes of work.

Providers will be consulted on the proposed concordat and the proposal to set up a new company for this purpose or other modifications they might want to see to the exiting arrangements.