

Adult Social Care Committee

Date: **Monday 7 November 2016**
Time: **14:00 or at the rising of Council, whichever is later.**
Venue: **Edwards Room, County Hall, Norwich, NR1 2DH**

SUPPLEMENTARY AGENDA

2. To agree the minutes of the meeting held on 10 October 2016

(Page **A2**)

Chris Walton
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Adult Social Care Committee

**Minutes of the Meeting Held on 10 October 2016
10:00am in Edwards Room, County Hall, Norwich**

Present:

Mr B Borrett (Chairman)

Mrs J Brociek–Coulton

Mr D Crawford

Mrs S Gurney

Mr T Garrod

Mr M Kiddle-Morris

Mr J Mooney

Ms E Morgan

Mr R Parkinson-Hare

Mr J Perkins

Mr W Richmond

Mr M Sands

Mr E Seward

Mr B Spratt

Mrs M Stone

Mr B Watkins

Ms S Whitaker

1. Apologies

1.1 There were no apologies.

2. To confirm the minutes of the meeting held on 5 September 2016

2.1 The minutes of the meeting held on 5 September 2016 were confirmed as an accurate record and signed by the Chair.

3. Declarations of Interest

3.1 There were no interests declared.

4. Urgent Business

4.1 There were no items of urgent business.

5. Public Question Time

5.1 Public questions and responses can be found at Appendix A to these minutes.

6. Local Member Questions / Issues

6.1 There were no local Member questions / issues raised.

7. Chairman's Update

- 7.1 The Chairman reported that he had attended the Health and Wellbeing Board in his capacity as Chairman of Adult Social Care Committee. The Sustainability and Transformation Plan (STP) would greatly impact the role of the Committee. It was fortunate to have the Managing Director leading the work and working with the providers which would be key to delivering the outcomes. It was disappointing that key players were not present at the last meeting of the Board due to attending another STP meeting. It was important that the Committee was fully engaged with the work and the process of the STP.
- 8. Update from Members of the Committee regarding any internal and external bodies that they sit on**
- 8.1 Mrs M Stone reported she had attended the Norse Care Liaison Board and observed a working group on repackaging of care.
- 8.2 Mr B Watkins reported that he had chaired a meeting of the Health and Wellbeing Board where the Sustainability and Transformation Plan had been the main focus. A clash of meetings had occurred and concern had been expressed to the Managing Director. The Children's Mental Health Plan had been discussed and endorsed for the coming year, as well as the three year strategy for the Board being refreshed until 2020. Mr B Watkins had also attended the Annual General Meeting of the Norfolk and Norwich University Hospital Trust where the main issue discussed was the financial situation.
- 8.3 Mrs J Brociek-Coulton had attended a meeting of the Carer's Council.
- 8.4 Mr J Perkins had attended a meeting of the Queen Elizabeth Hospital Trust where it had been stated that they were confident of meeting the financial obligations by the end of the financial year.
- 8.5 Ms E Morgan reported that w/c 12th September was the safeguarding adults week where a programme of events was run. She had attended a session on self-neglect and hoarding strategy and a partnership event on safeguarding. She had also attended the Learning Disabilities Partnership Board where a new commissioning strategy was being co-produced with service users and carers.
- 8.6 Ms S Whitaker reported that she had attended the Annual General Meeting of the Norfolk Community Health and Care NHS Trust. She had also attended the Annual General Meeting of Age UK where the chief speaker from Manchester University had spoken about dementia. She had also attended a Council of Governors meeting for the Mental Health Trust.
- 9. Executive Director's Update**
- 9.1 The Acting Executive Director of Adult Social Services reported that considerable work was being carried out on the Sustainability and Transformation Plan which included engaging work with the NHS.
- 9.2 With regard to the recent developments on the Henderson Unit, the Director informed the Committee that the staff employed at the Unit would be employed

elsewhere in the Council.

- 9.3 The social care system re-procurement work continued at pace.
- 9.4 A transport review was being carried out which was being jointly led by Janice Dane and Tracy Jessop. A report would be brought to the Committee in January 2017.
- 9.5 The supplier for meals for those in housing with care was changing and a phased handover was in place through to the end of November.

10. Adult Social Care Finance Monitoring Report Period 5 (August) 2016-17

- 10.1 The Committee received the annexed report (10) by the Acting Executive Director of Adult Social Services which provided the Committee with financial monitoring information, based on information to the end of August 2016. It provided an analysis of variations from the budget and the actions being taken by the service to reduce the overspend.
- 10.2 The Committee expressed concern that the learning disabilities forecast outturn was significantly above budget and queried what plans were in place to reduce this. The Acting Executive Director confirmed that the new Head of Learning Difficulties was in post and was setting out a priority plan to understand and identify where the service could make a real impact. There was work to undertake on the culture and it would all be considered within the wider promoting independence package.
- 10.3 The overspend on NorseCare related to savings in previous years but there had not been the capacity to realise these savings.
- 10.4 There was concern expressed at the level of overspend and how it was planned to be clawed back as the high level care packages were expensive and service user income was falling.
- 10.5 The Committee was disappointed to have learnt in recent days about the closure of the Henderson Unit. It was regarded as an innovative initiative and Members considered that the idea to close the unit was based on the short term deficit and not the long term gains.
- 10.6 The funding allocated for the assessments for supported people had been adjusted in the budget from £10 million to £9million which caused concern as there were already delays with some taking 8 hours to complete. It was confirmed that the budget adjustment purely reflected the realignment of the funding and did not impact on the service as it did not affect the gross budget. With regard to the length of time taken for the assessments, the intensity of the reviews depended on the needs of the individuals and whether those needs had changed since the last assessment.
- 10.7 The Committee **RESOLVED** to;
 - a) Note the forecast outturn position at period 5 for the 2016-17 Revenue Budget of an overspend of £8.914m
 - b) Note the planned actions being taken by the service to reduce the overspend

- c) Note the planned use of reserves and adjustments made within the Period 5 forecast
- d) Note the forecast outturn position at Period 5 for the 2016-17 Capital Programme

The Committee took a 10 minute break.

11. Budget and Medium Term Financial Planning 2017-18 to 2019-2020

- 11.1 The Committee received the annexed report (11) by the Acting Executive Director of Adult Social Services which provided an update on the Service Committee's detailed planning to feed into the Council's budget process for 2017-18. The report formed part of the strategic and financial planning framework for Service Committees and set out details of the actions required by Service Committees to enable the Council to set a balanced budget for 2017-18.
- 11.2 The Committee discussed the remodelling of housing-related support, the mental health contracts and the linen service in particular.
- 11.3 The Acting Executive Director set out the proposal that would require formal consultation prior to a decision being made.
- 11.4 The Chair reiterated that alternative savings would need to be identified if the Committee chose not to agree the proposals set out in the report.
- 11.5 The Committee **RESOLVED** to;
1. Note that the Council's budget planning included;
 - a) An overall increase in spending on adult social care in 2017-18
 - b) An assumed increase in council tax of 2% for the Adult Social Care precept, and an inflationary increase of 1.8% in 2017-18;
 2. Recommend to Policy and Resources the use of the £4.6m 2016/17 transitional grant monies to help ameliorate the level of savings required in 2017/18.
 3. In order to help close the 2017-18 budget gap as set out in section 2 of the report, the Committee;
 - a) Agreed the proposed remedial actions for 2016-17 which would help ensure the budget was deliverable
 - b) Agreed the proposed new savings for 2017/18 as set out in Section 3
 - c) Agreed to consult where necessary, on proposals to balance the budget for 2017/18.

12. Risk Management

- 12.1 The Committee received the annexed report (12) from the Acting Executive Director of Adult Social Services which provided Members with an update on the recent changes to the refreshed Adult Social Care Risk Register as well as any changes to the Corporate Risk Register that were relevant to the Committee.
- 12.2 The risk relating to transformation and safeguarding had changed from amber to a red rating, but by next March it was estimated that it would return to amber. Risk 13931 was specifically about issues which related to delayed transfer of care and

the change reflected the work which had already been carried out throughout the year. Risk 13926 was a reflection of the failure to meet the budget savings and the return to an amber risk reflected the aspiration the service had to meet future budget savings.

- 12.3 The service was the first County to introduce a computerised system around Deprivation of Liberty Safeguard (DOLS) (e-DOLS) which would introduce desktop assessments in order to reduce risks and the backlog. There was currently a significant waiting list but an imminent white paper could change rules which would reduce the pressure. The Committee was assured however that this was a statutory duty with a potential legal risk.
- 12.4 The Committee **RESOLVED** to;
- Note the departmental risks since 4 July 2016
 - Note the updates on the risks as detailed at 2.4.1 in the report

13. Usual Price of Residential and Nursing Care in Norfolk

- 13.1 The Committee received the annexed report (13) from the Acting Executive Director of Adult Social Services which set out the steps taken since the Committee's meeting in April 2016 to arrive at the recommended usual process for residential and nursing care for older people in Norfolk for 2016/17 including the recommended fee uplift to those prices to reflect inflationary pressures having effect in 2016/17. The report also set out the previously agreed phased approach to such prices for the years 2017/18 and 2018/19, as well as giving consideration to the treatment of third party top ups.
- 13.2 Although there could be no hard guarantees that there wouldn't be a challenge, the Committee believed that the process had been carried out robustly and methodologically and all necessary steps had been taken to ensure that there would not be any credence given for a legal challenge.
- 13.3 The Committee **RESOLVED** to;
- **AGREE** to the usual prices for residential and nursing care for older people in Norfolk in 2016/17 which include inflationary pressures as set out in Table A of the report
 - **AGREE** to the proposed treatment of third party top up agreements in 2016/17 as set out in the report

Meeting finished at 12.20pm.

CHAIR



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**PUBLIC QUESTIONS TO ADULT SOCIAL CARE COMMITTEE
MONDAY 10 OCTOBER 2016**

1a. Question from Derek Player; General Manager, St Martins Housing Trust

Will the County Council guarantee that, if the proposed 50% cut to programmes supporting vulnerable young people and adults living in supported housing go ahead, they will inform colleagues in the seven housing authorities in the county, the NHS and the criminal justice system in order that those authorities can assess the impact on their services?

1b. Response from Chairman

The proposal to reshape the remaining spending for assisting people requiring housing related support is centred on working with a coalition of stakeholders to consider and develop how best these resources should be used in future. The proposal is that a group is drawn from a wide range of stakeholders including providers. Agreed actions will be communicated widely.

2a. Question from Tim Sweeting; Chief Executive, YMCA

What criteria will the Committee use to determine whether to accept the recommendations made by the proposed group, paying particular attention to the level of impact that they deem is acceptable on non-statutory vulnerable people, and the services that support them, to achieve the very significant cost savings proposed?

2b. Response from Chairman

The Adult Social Care Committee will consider the recommended approach as part of the budget planning timescale. The timeline planned is that full recommendations will be available to Full Council in February 2017. The Council is required to evaluate all savings proposals alongside the wider planning assumptions facing the Council. The Council will assess the proposals based on a wide range of considerations, including alignment to the Councils strategic aims, financial constraints and full equality impact assessment and mitigation of risk.

3a. Question from Jo Huxtable; Head of Client Services, Norfolk and Suffolk Home Group

Norfolk CC is currently delivering non-statutory services which may be more expensive than if they were delivered by the third sector; for example, Family Focus starting salaries are £28,000 compared to an average third sector starting salary for the same role of £18,000. Are the non-statutory services directly delivered by the Council, such as NorseCare and Family Focus, also subject to the 50% funding cut being proposed for housing-related floating and accommodation-based support services which have already been subject to funding cuts and are likely to close if further savings are required?

3b. Response from Chairman

With the exception of Norfolk First Response all direct service provision is commissioned with the private, independent and voluntary sector. NorseCare is a private limited company that is wholly owned by the County Council. The Council procures statutory services from NorseCare, with a contract value of £33m in 2016/17. The Council is working with NorseCare to reduce costs and the provider is

subject to the impact of savings required to reduce purchase of care, which is part of the existing savings programme for the service.

Family Focus is a non-statutory service provided by Children's Services. The salary reflects the responsibilities of this specific service and skills required.

The Council continues to review all areas of spend, including opportunities for delivering services through other provider routes. The current savings plans include £49m savings, which are predominately focussed on reducing demand for statutory services. The additional savings required by the Council have necessarily required further review of all non-statutory services and the proposal is to work closely with stakeholders to ensure that the reduced funding is refocused to maximise the benefit that is achieved for people from the £4.5m that is proposed to be invested in housing related support in 2017/18.

4a. Question from John Durrant; Chief Executive, Solo Housing

Recipients of housing related support services were engaged in a consultation exercise last year when these services were under threat due to County Council proposals to reduce the HRS budget. The outcome of this exercise was that the County felt that there were compelling reasons not to cut the budget. Given that the County must have been aware of the financial shortfalls projected for future years, what has now changed for cuts to again be proposed?

4b. Response from Chairman

The Council's budget plans agreed in February 2016 identified a three years savings plan, but recognised that the plans included an unmet funding gap in 2017/18, which was agreed would be reviewed as part of the planning process during 2016. This shortfall has been increased by additional cost pressures that were not part of the budget plans agreed in 2016, including the impact of the National Living Wage and the outcome of a cost of care exercise, which has increased prices paid to providers.

Whilst the Council will be planning to spend more on adult social care in 2017/18, the increase in pressures for the Council have required additional savings for 2017/18, towards which Adult Social Services, together with all NCC departments, have put forward further savings proposals. The Council continues to review all areas of spend. The current savings plans include £49m savings, which are predominately focussed on reducing demand for statutory services. The Council recognises the importance of prevention, which was reflected in the decision to protect these services in 2016/17. However, the additional savings required by the Council have necessarily required further review of the limited non-statutory services provided and it is necessary to challenge how the outcomes can be achieved through different ways of focusing spend. The proposal is to work closely with stakeholders to ensure that the reduced funding is refocused to maximise the benefit that is achieved for people from the £4.5m that is proposed to be invested in housing related support in 2017/18.

5a. Question from Anjum Hussain; Director, Norfolk Care Homes Limited

With respect to Agenda Item 13, please can you explain exactly how the council arrives at its own assessment of care hours for each care band (reference 3.3.3 in the report), given that the local evidence from care homes across the county (referred to in Appendix A) shows much higher staffing levels exist and are required to deliver the care that the council commissions?

5b. Response from Chairman

As previously explained in the report to the 29 April Adult Social Care committee the Council reviewed its approach to determining the average number of care hours required per person per week in residential and nursing care. The Council determined the ratios of staff required for safe good quality care having full regard to the additional provider information supplied to the Council following the consultation and to benchmarking data. The review resulted in increases in all care bands between 5.16% and 21.22%. The Council will keep its assessment of care hours under review to reflect any changes in the needs of people entering residential and nursing care in the future.

6a. Question from Tim Armitage; Woodspring House, Fakenham

The proposal before the council in dealing with 3rd party top-ups (item 3.3.2.5) appears to contradict the letter sent to providers on 20th June.(appendix D) Can the consultation be valid and therefore **recommendation B** be adopted when providers were not given clear information on a major issue for many. The current proposal regarding 3rd party top-ups seems irrational - it will not save the council money, the top-up payers will receive unsolicited rebates and in many cases even if the top-up was paid in full the total fee would still be below the cost of care (including reasonable returns) as computed by the council.

6b. Response from Chairman

Following full consideration of all the feedback received regarding this issue the Council has set out its position in relation to third party top ups in the report at paragraphs 3.3.2.2 to 3.3.2.6. In paragraphs 3.3.2.3 and 3.3.2.4 the Council reiterates its consistent position regarding prices that exceeded its revised usual prices in 2015/16 which would receive no increase above the previous inflationary increase. The agreements that third parties entered into with the Council set the value of the top up as the difference between the gross price and the Council's usual price. The Council acted in accordance with those agreements. For the avoidance of doubt the Council's arrangements in 2016/17 and onwards will not require any reductions in the value of third party top-ups as a result of the cost of care phased increase to its usual prices. The Council will apply inflationary uplifts to the full value of these contributions.

7a. Question from Bharat Raghu; Managing Director, East Anglia Care Homes Limited

How does an effective £30 per week capital return meet the council's statutory obligations for fee levels to allow for a reasonable rate of return by independent providers that is sufficient to allow the overall pool of efficient providers to remain sustainable in the long term?

7b. Response from Chairman

The Council's position has been to set its usual prices between the lower and upper cost limits in its indicative actual costs model. In doing so the Council has had full regard to the likely impact of its prices on quality in the market and long term sustainability. The Council has set out its aspiration to increase prices above the cost of inflation in both 2017/18 and 2018/19.

8a. Question from John Bacon; Director of Operations, Keys Hill Park, Wroxham

Given that the latest NMDS data shows care worker turnover of c45% in the private sector, how does the council's usual price allow for retention of staff commensurate with delivering services to the agreed quality, and encourage innovation and improvement where providers are only able to pay 1p above the NLW or 9p below the NLW for the median care worker in the council's model?

8b. Response from Chairman

The latest NMDS dashboard shows that care worker turnover in private sector residential care is 28.1% and in nursing care 38.3%. The Council wishes to see improvements in these rates and has set out its aspiration to provide above inflation price increases in both 2017/18 and 2018/19.

9a. Question from Joseph Greiner; Company Director, Burgh House RCH Ltd

How much money was refunded and lost to the independent sector due to the council's decision to issue windfall refunds and ongoing reductions to third party payments, where the third party had signed an agreement to pay towards the care in the care home of their choice?

9b. Response from Chairman

The Council's policy in relation to the 2015/16 cost of care exercise was that there would be no increase in the prices that it paid to providers in that year if those prices already exceeded the revised usual price. The Council's view was that the gross price paid to providers at the time consisting of the then usual price and a third party top up was a price agreed with providers and that there were no in year increases in provider costs to justify any increase. The increase in usual price was only applied to prices that were below the new usual price for 2015/16.

Our agreement with the families paying third party top-ups is for the top up to reflect the difference between the council's usual price and the gross price paid and the adjustment was to reflect this. The cost of the adjustment is expected to be £100,000.

All prices above the usual price received an inflationary increase for 2015/16.

10a. Question from Dennis Bacon; Chair, Norfolk Independent Care

Why did and what is the rationale for the council to change its position on third party top-up payments from that communicated to providers on the eve of the consultation deadline (?) and what work has been undertaken to evaluate the adverse effects on the financial sustainability of services where third party top-up payments are to be limited?

10b. Response from Chairman

As per response to Tim Armitage

Following full consideration of all the feedback received regarding this issue the Council has set out its position in relation to third party top ups in the report at paragraphs 3.3.2.2 to 3.3.2.6. In paragraphs 3.3.2.3 and 3.3.2.4 the Council reiterates its consistent position regarding prices that exceeded its revised usual prices in 2015/16 which would receive no increase above the previous inflationary increase. The agreements that third parties entered into with the Council set the value of the top up as the difference between the gross price and the Council's usual

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