

Adult Social Care Committee

Item No.....

Report title:	Strategic and Financial Planning 2019-20 to 2021-22
Date of meeting:	8th October 2018
Responsible Chief Officer:	James Bullion - Executive Director of Adult Social Services

Strategic impact

This report provides an update on the Service Committee's detailed planning to feed into the Norfolk County Council's (the Council) budget process for 2019-20. The Council's budget setting activity is informed by a range of documents including the Medium Term Financial Strategy, and the Council's Vision and Strategy. Together these documents help to set the context for medium term service and financial planning, which support the development of a robust, balanced budget for 2019-20.

In particular, the report sets out Adult Social Care Committee's (Committee) specific proposals for savings in the context of the approach to developing options that was agreed at the Committee's meeting in September 2018. Savings are now presented for consideration and recommendation to Policy and Resources Committee, which will agree the savings to go into the consultation process for 2019-20 budget setting later in October 2018.

The report also provides the latest information about the Council's overall budget planning position, including the forecast budget gap for 2019-20 to 2021-22.

Executive summary

This report forms part of the strategic and financial planning framework for Service Committees. It provides an update on the Council's budget setting process and sets out details of the actions required by Service Committees to enable the Council to set a balanced budget for 2019-20. The report details the link between the Council Strategy, the Norfolk Futures transformation programme, and the development of transformation and savings plans relevant to this Committee.

For Adult Social Services, the demographic trends and the patterns of demand are significant factors in service and budget planning. The growth in the number of older people is a strength because older people are often an asset to our communities. However projections produced by the Office of National Statistics (ONS) show that Norfolk's population is ageing more rapidly when compared to other places, and it is people aged 85 and over who often have complex needs which affects their health and wellbeing as well as impacting on demand for health social care. Collectively, health and social care are supporting more people with learning disabilities who are living longer. Wider social factors are also influencing demand, for example people's general health and wellbeing, loneliness and isolation.

The report confirms Adult Social Service's strategy for changing and improving services for residents, but also living within demand. It describes the protection and expansion of prevention services and reablement services, the embedding of strengths based working, ambitious housing development and exploitation of digital innovations. Alongside this, integration continues to be a priority, strengthening collaboration between our integrated health and social care teams and primary care to help people maintain their independence.

Adult Social Care Committee is recommended to:

- 1) Consider the continuing progress of change and transformation of adult social care services**
- 2) Note the Council's latest budget assumptions and pressures, including revised council tax planning assumptions, and the resulting revised forecast budget gap of £45.322m, which has been updated by Policy and Resources Committee to reflect the latest available information and following Service Committee input in September 2018 (paragraph 4.3 and table 1)**
- 3) Approve the proposed savings for the 2019-20 budget round for recommendation to Policy and Resources Committee in October (table 6), in particular confirming those savings that are recommended to require consultation as set out in paragraph 6.4**
- 4) Consider and identify any further key areas of risk in relation to 2019-22 budget planning for the Committee's budgets, including any additional pressures and the robustness of existing planned savings as set out in table 4, noting that any changes may impact on the overall budget gap and will require additional offsetting savings to be found**
- 5) Agree the budget planning timetable (section 7)**

Appendix A - Detail of existing 2018-19 to 2021-22 Savings programme already agreed by County Council (p241)

1. Introduction

- 1.1 The County Council agreed the 2018-19 Budget and Medium Term Financial Strategy (MTFS) to 2022 at its meeting 12 February 2018, at the same time as it agreed a new Strategy for the County Council, Norfolk Futures. The Council has a robust and well-established framework for strategic and financial planning which updates the MTFS position through the year to provide Members with the latest available financial forecasts to inform wider budget setting work across the organisation.
- 1.2 In July 2018, Policy and Resources Committee considered how the 2019-20 budget planning process would be aligned with the Council's Strategy, Norfolk Futures. The Committee agreed: budget assumptions and key areas of risk in relation to 2019-22 budget planning, the budget planning principles and guidance for 2019-20, and commissioned Service Committees to begin developing savings proposals.
- 1.3 In September, Adult Social Care Committee:
 - a) Agreed the proposed approach and key themes to focus on in developing savings proposals for 2019-20 to 2021-22, including how the principles of the Council's Strategy, Norfolk Futures, would inform and shape budget planning activity, having regard to the existing savings for 2019-20 and beyond which were agreed as part of the 2018-19 budget round
 - b) Commissioned officers to develop detailed savings proposals to be presented to the Committee for consideration at this meeting in order to help close the forecast 2019-20 to 2021-22 budget gap
- 1.4 This report builds on the position reported to Service Committees in September 2018 and represents the next stage of the Council's budget planning process. In particular, the paper sets out details of the saving proposals identified for 2019-20 and subsequent years, for the Committee's consideration.

2. County Council Strategy and Norfolk Futures

- 2.1 The report to Policy and Resources Committee sets out how the Council's Vision and Strategy will inform the development of the 2019-20 Budget.
- 2.2 Caring for our County, the vision for Norfolk, approved by Members in February 2018, outlines the Council's commitment to playing a leading role in:
- a) Building communities we can be proud of
 - b) Installing infrastructure first
 - c) Building new homes to help young people get on the housing ladder
 - d) Developing the skills of our people through training and apprenticeships
 - e) Nurturing our growing digital economy
 - f) Making the most of our heritage, culture and environment
- 2.3 The Council's Strategy for 2018-2021 – Norfolk Futures – will provide the mechanism to enable these ambitions for the County across all its activities.
- 2.4 Norfolk Futures will deliver these transformational commitments in a context where demand for our services is driven both by demographic and social trends, and where increasingly complex and more expensive forms of provision are becoming prevalent.
- 2.5 Norfolk Futures is guided by four core principles that will frame the transformation we will lead across all our work:
- a) Offering our help early to **prevent and reduce** demand for specialist services
 - b) **Joining up** work so that similar activities and services are easily accessible, **done once and done well**
 - c) Being **business-like** and making best use of **digital technology** to ensure value for money
 - d) Using evidence and data to **target our work** where it can make the most difference
- 2.6 Under the banner of Norfolk Futures we will deliver sustainable and affordable services for the people who need them most. The whole Council needs to change to keep up with increasing demands and ever better ways of working.
- 2.7 These principles frame the transformation that we must lead across all our services and activities. This is all underpinned by evidence and political support, to change how the Council works and how we work with the people of Norfolk.
- 2.8 By 2021 the strategy and underpinning Service Plans will have moved the Council towards a more sustainable future with affordable, effective services. This means that we will have radically changed the ways we do some things. We will know our citizens and manage their needs effectively using the best evidence to enable the most appropriate outcomes. We will be working jointly across the Council on our biggest challenges by default, and changing the way we work to reflect new technology and ways of working. This will enable us to work smarter, better and plan long term to be the Council the County needs.
- 2.9 These principles frame the transformation across all our services and activities and we currently have seven priorities to help us to deliver the strategy:
- a) Safer Children and Resilient Families
 - b) Promoting independence for Vulnerable Adults
 - c) Smarter Information and Advice
 - d) Towards a Housing Strategy
 - e) Digital Norfolk
 - f) Local Service Strategy

g) Commercialisation

- 2.10 Further information about the Norfolk Futures priorities relevant to this Committee, and how they will inform and support 2019-20 budget planning, are set out below.

3. 2019-20 Budget Planning

- 3.1 The Medium Term Financial Strategy (MTFS) was agreed in February 2018 including £78.529m of savings and with a remaining gap of £94.696m. The MTFS provided the starting point for the Council's 2019-20 Budget planning activity. Full details of cost pressures assumed in the Council's MTFS are set out in the 2018-19 [Budget Book](#).¹ The September report to this committee set out:

- a) Budget planning principles 2019-20
- b) Budget assumptions 2019-20
- c) Council tax assumptions
- d) Budget risks identified
- e) Indicative savings requirements

3.2 2018-19 budget position

- 3.2.1 The latest information about the 2018-19 budget position is set out in the budget monitoring report elsewhere on the agenda. Budget planning for 2019-20 is based on the assumption that the 2018-19 Budget is fully delivered (i.e. that all savings are achieved as planned and there are no significant overspends). Further pressures in the forecast 2019-20 Budget have been provided for as detailed later in this report.

3.3 Latest forecast budget gap 2019-20 to 2021-22

- 3.3.1 In September, following feedback from Service Committees, Policy and Resources Committee then considered the latest planning information and an updated budget position. The current position, taking into account the changes agreed by Policy and Resources Committee, and assuming that new savings can be identified at the required level of £22.089m for 2019-20, is shown in Table 1 below. Changes in the Council's funding assumptions have mitigated some of the identified pressures.
- 3.3.2 Assuming that collectively Service Committees are successful in identifying savings at the indicative level required for 2019-20 (as identified in the July Policy and Resources report), the latest gap position indicates **a reduced forecast gap of £45.322m for the period 2019-20 to 2021-22, with a small £0.609m gap remaining to be closed in 2019-20.**
- 3.3.3 Policy and Resources Committee will receive a further update on the overall gap position for the County Council in October. The budget position and the associated assumptions are kept under continuous review, and will be updated to reflect any changes arising from the Government's Autumn Budget, or further information about the Council's funding position as it becomes available up until budget-setting by County Council in February 2019.

¹ <https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en>

Table 1: Latest forecast budget gap 2019-20 to 2021-22²

	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m
Forecast gap as reported to September Service Committees (agreed at 16 July 2018 Policy and Resources)	22.089	48.454	24.153	94.696
Pressures				
Children's Services budget pressures including LAC	5.000	2.000	2.000	9.000
Children's Preventing Radicalisation pressure	0.120	0.000	0.000	0.120
Children's Centres saving delay	1.700	-1.700	0.000	0.000
Adult market pressures	2.000	0.000	0.000	2.000
Leap year pressure in Adult Social Care	0.550	-0.550	0.000	0.000
Property savings (including income targets) at risk	1.500	1.000	0.500	3.000
Pressure from 2019-20 national pay award and associated salary scale changes	0.345	0.000	0.000	0.345
Total new pressures	11.215	0.750	2.500	14.465
Proposed mitigations				
Collection Fund	-4.688	0.000	0.000	-4.688
Council tax tax base (additional 1.5%)	-5.918	-6.305	-6.341	-18.564
MRP pressure reprofiled	0.000	-5.000	5.000	0.000
Additional capital receipts	0.000	-10.000	0.000	-10.000
2% Council Tax increase 2021-22	0.000	0.000	-8.498	-8.498
Total mitigations	-10.606	-21.305	-9.839	-41.750
Delivery of 2019-20 savings target (as identified at 16 July 2018 Policy and Resources)	-22.089	0.000	0.000	-22.089
Latest forecast gap for planning purposes (24 September 2018 Policy and Resources)	0.609	27.899	16.814	45.322

3.3.4 In view of the budget gap and the difficulty in identifying future year savings, Policy and Resources Committee has been recommended to consider incorporating a planning assumption that council tax in 2021-22 be increased by 1.99% as shown in Table 1 above. The level of council tax is ultimately subject to agreement by Full Council each year, and there will be an opportunity to consider the required level of council tax in light of any future Government announcements relating to the Fair Funding Review and Comprehensive Spending Review. The MTFs planning position set out in this paper is therefore based on the following council tax increase assumptions (and also assumes there is no scope to increase the Adult Social Care precept in 2019-20 under the current terms set out by Government):

² As presented to Policy and Resources Committee September 2018 (please note this does not reflect any amendments arising from Policy and Resources Committee decisions in September).

Table 2: Council Tax assumptions (as per Policy and Resources Committee 24 September 2018)

	2019-20	2020-21	2021-22
Assumed increase in general council tax	2.99%	1.99%	1.99%
Assumed increase in Adult Social Care precept	0.00%	0.00%	0.00%
Total assumed council tax increase	2.99%	1.99%	1.99%

3.3.5 The planned 2.99% increase in council tax is based on the current understanding of updated assumptions and flexibility offered by the Government in the 2018-19 local government finance settlement. Any reduction in this increase will require additional savings to be found. The assumed council tax increases are subject to Full Council's decisions on the levels of council tax, which will be made before the start of each financial year.

3.3.6 Assumptions around increases in the council tax base have been increased to 2.0% (from the original assumption of 0.5% annual growth), based on recent trends.

3.4 **Key budget risks 2019-20**

3.4.1 Uncertainties remain about a number of items **which have not currently been reflected in the budget planning assumptions**, but which could potentially result in an increase in the overall gap. As a result, additional pressures, which have not currently been provided for, may arise in 2019-20 relating to:

- a) Further pressures arising within Service Committee budgets including:
 - i. SEN High Needs pressures (Children's)
 - ii. Pressures relating to the Health system (Adults)
- b) Increasing the level of the General Fund reserve
- c) Changes in the forecast 2018-19 level of savings delivery to allow for any mitigation of undeliverable savings

3.4.2 The risks and assumptions relating to the 2019-20 Budget will continue to be monitored and updated as budget planning activity proceeds.

4. **Savings allocation**

4.1 The following Table 3 sets out indicative savings required to close the identified gap by Committee which were agreed by Policy and Resources Committee and reported to Service Committees in September 2018. As set out above, there may be an opportunity for the level of savings required in 2020-21 and 2021-22 to be reduced in future years based on the latest budget planning position.

Table 3: Indicative savings by Committee based on original forecast gap

	2019-20 £m	2020-21 £m	2021-22 £m	Total £m	Proposed share of new savings %
Adult Social Care	-9.626	-19.527	-9.745	-38.898	41%
Children's Services	-5.726	-12.064	-6.037	-23.827	25%
Environment, Development and Transport	-2.820	-5.988	-2.962	-11.770	12%
Communities	-1.647	-6.262	-3.115	-11.025	12%
Digital Innovation and Efficiency	-0.369	-0.736	-0.373	-1.477	2%
Business and Property	-0.154	-0.180	-0.045	-0.379	0%
Policy and Resources ³	-1.747	-3.697	-1.875	-7.319	8%
Total	-22.089	-48.454	-24.153	-94.696	

- 4.2 Existing savings in the Council's MTFs are shown by Committee in Table 4 below. These are the savings agreed as part of the 2018-19 (and earlier) budget process and will need to be delivered **in addition** to any new savings proposed to close the remaining budget gap.

Table 4: Planned net recurring savings 2018-19 to 2021-22

Committee	2018-19 Saving £m	2019-20 Saving £m	2020-21 Saving £m	2021-22 Saving £m	Total Saving £m
Adult Social Care	-27.290	-9.351	-13.700	-3.900	-54.241
Children's Services	-2.641	-4.342	-2.000	-2.000	-10.983
Environment, Development and Transport	-1.440	-0.310	-0.350	-1.850	-3.950
Communities	-1.803	-0.435	-2.786	-1.500	-6.524
Business and Property	-1.051	-2.075	-2.050	-1.150	-6.326
Digital Innovation and Efficiency	-0.726	-1.000	-0.700	0.000	-2.426
Policy and Resources ⁴	4.952	1.356	-0.387	0.000	5.921
Grand Total	-29.999	-16.157	-21.973	-10.400	-78.529

³ Including Finance General

⁴ The net savings position for Policy and Resources Committee reflects the reversal of a number of significant one-off savings from 2017-18, such as the use of the Insurance Fund and the use of Capital Receipts totalling £11.299m. The gross savings to be delivered by Policy and Resources Committee budgets in 2018-19 are £6.347m.

5. Adult Social Services Transformation

- 5.1 The strategy for Adult Social Care has embedded the core principles set out within Norfolk Futures and firmly works towards the agreed vision for Norfolk.
- 5.2 We have a clear vision – to support people to be independent, resilient and well. To achieve our vision, we have a strategy – Promoting Independence – which is shaped by the Care Act with its call to action across public services to prevent, reduce and delay the demand for social care. We want to move to a way of working across the service – and with our partners – which supports people earlier before their ability to manage deteriorates. In the past we recognise that we have relied heavily on formal services, focusing on what people cannot do, rather than looking at their strengths and the existing support around them. Across health and social care, we are seeking a shared ‘home first’ culture which helps people keep and regain independence.
- 5.3 Promoting Independence has these main elements:
- 5.3.1 **Prevention and early help** – empowering and enabling people to live independently for as long as possible through giving people good quality information and advice which supports their wellbeing and stops people becoming isolated and lonely. We will help people stay connected with others in their communities, tapping into help and support already around them – from friends, families, local voluntary and community groups. For our younger adults with disabilities, we want them to have access to work, housing and social activities which contribute to a good quality of life and wellbeing.
- 5.3.2 **Staying independent for longer** – for people who are most likely to develop particular needs we will try and intervene earlier. Certain events, such as bereavement or the early stages of an illness like dementia can be a trigger for a rapid decline in someone’s wellbeing, but with some early support we can stop things getting worse and avoid people losing their independence and becoming reliant on formal services. Our social care teams will look at what extra input could help people’s quality of life and independence – this might be some smart technology, some adaptations to their homes to prevent falls, or access via telephone or on-line to specialist tailored advice. When people do need a service from us, we want those services to help people gain or re-gain skills so they can live their lives as independently as possible. This could mean, for example, a spell of intensive reablement after a stay in hospital to restore their confidence and their ability to do as many day to day tasks as possible.
- 5.3.3 **Living with complex needs** – for some people, there will be a need for longer term support. This might mean the security of knowing help is available for people with conditions like dementia, and that carers can have support. We will look at how we can minimise the effect of disability so people can retain independence and control, after say a stroke or period of mental illness. For some people, moving into residential care or to housing where there are staff close by will be the right choice at the right time, but such decisions should be made with good information and not in a crisis.
- 5.4 The key focus areas will be:
- a) **Building capacity and living well** - the Living Well - 3 conversations approach and the recruitment and project activity that will provide the capacity to delivery this model and remove the backlogs

- a) **Learning disabilities** - the range of projects focused on promoting independence and delivering savings for individuals with learning disabilities
- b) **Integrated short-term support** - the establishment of schemes to deliver against the Better Care Fund and High Impact Change Model alongside other projects that are targeting reductions in Delayed Transfers of Care and improvements to the interface between Health and Social Care
- c) **Technology enabled service** - the development of the Technology Enabled Care Strategy including the future role of assistive technology will ensure that decisions to commit future savings targets to these areas are based on robust evidence
- d) **Housing** – 10 year Programme to stimulate the development of 2,842 Extra Care units, investing NCC land and capital where appropriate, to meet future forecast need and support older people to stay independent in their local communities. This is in partnership with district councils, social landlords, developers and providers

5.5 The four core principles of Norfolk Futures are embedded in Promoting Independence:

- a) Offering our help early to **prevent and reduce** demand for specialist services – we have sustained our early help and prevention so that we engage with people sooner and because we see this as an invest to save for the future. Through social prescribing, community development workers, support for loneliness, better advice and information we are supporting people to keep their well-being and stay independent. Our reablement service is core to helping to prevent and reduce demand; we know that 61% of people who benefit from reablement need no further services from us, so investment in this service gives savings for the future as well as delivering better outcome for people by helping them to stay in their own home
- b) **Joining up** work so that similar activities and services are easily accessible, **done once and done well** – our integration and collaboration with the NHS is designed to join up skills and care for people who use our services. We have a network of schemes across Norfolk for avoiding admission to hospitals through joint working with teams of professionals from the NHS, social care and the voluntary sector
- c) Being **business-like** and making best use of **digital technology** to ensure value for money. We already have an assistive technology service which supports people to stay independent, and we see an expansion of this service – and new innovations – as critical for helping to transform care for people in the future
- d) Using evidence and data to **target our work** where it can make the most difference – working with health partners to join up evidence and exploit benefits to wider health and social care system. For example, using public health data to target early help and prevention work within the community and primary care to reduce crisis events and admissions to hospital

6. Committee response

6.1 Service Committees considered service-specific budgeting issues in September 2018. These include:

- a) The forecast outturn position for the service at the end of August 2018 is a £1.990m overspend. This risk is mitigated on a one-off basis by the business risk reserve, but recurrent cost pressures will need to be managed within the forward plans for the service
- b) Risk of part non-delivery of 2018-19 savings on a recurrent basis. The in-year financial pressures, include delivery of £27m of savings to deliver a balanced budget position. Currently the service is on track to deliver £21.8m of savings in 2018-19. Savings that cannot be achieved in full or recurrently will place additional pressure on the budget in 2019-20 and budget plans will need to be adjusted to reflect revised forecasts
- c) Cost of care provision. The costs facing the market continue to be monitored and reviewed and will form part of the decision for the annual uplift of prices. Issues affecting quality and market capacity can affect the cost of securing care and additional pressures have been identified.
- d) Financial pressures across the local health system could have a negative impact on the adult social care budget. At present there is no financial pressure built into the social care plans for the impact of health savings targets

6.2 2019-20 Budget proposals

6.2.1 Adult Social Care has already committed to delivery of savings for 2019-20 of £9.351m, which was part of the 2019-22 £26.951m savings for the service agreed by County Council in February 2018. The existing programme of savings is shown at **Appendix A**.

6.2.2 Our financial strategy for achieving these savings is:

- a) To invest in early intervention and targeted prevention to keep people independent for longer
- b) To invest in excellent social work which helps people regain and retain independence, and reduces, prevents and delays the need for formal social care
- c) To commission services which enable and re-able people so they achieve and maintain as much independence as they can and reducing the amount of formal social care they need
- d) To reduce the proportion of people who are placed in permanent residential and nursing care
- e) To lead and develop the market for social care so that it is stable and sustainable and aligns with the ambitions of Promoting Independence
- f) To work with health partners to reduce system demand and improve outcomes
- g) To increase the use of technology to enable more people to live independently for longer
- h) To charge people appropriately for their care and providing welfare rights support
- i) To strengthen the contract management of our commissioned contracts, and pursuing efficiencies in all areas of our work

6.2.3 Our planning suggests that whilst hugely challenging, given the trends and pressures, this financial strategy avoids an inevitable retreat to providing statutory minimum services and helps achieve a sustainable model of service for the medium term.

6.2.4 Alongside this strategy, Committee has already recognised the importance of continued lobbying central government to address the longer term funding issues associated with providing social care. The Council has responded to calls for evidence surrounding the long term financial sustainability of adult social care and the service has engaged with local government groups ahead of the Government's Green Paper on the future of both health and social care, which is now expected later in the financial year.

6.2.5 Our financial strategy takes account of the need to be a strong partner in the health and social care system, and the additional funding announced by the Government is critical to protect social care, provide stability in the care market and play a significant role in reducing delayed discharges of stay in hospitals – acute, community and mental health.

6.2.6 **Additional savings proposal for 2019-20**

In order to address the increase in pressures previously agreed, and to meet this Committee’s share of the additional overall council budget gap, further savings are required. Table 5 below sets out the revised position including existing and proposed savings.

Table 5: Overall savings for Adult Social Care 2019-22

	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m
Existing savings programme	-9.351	-13.700	-3.900	-26.951
Additional savings proposals	-8.543	-1.557	-1.800	-11.900
Total new savings target	-17.894	-15.257	-5.700	-38.851

6.2.7 The existing savings programme is largely through demand management savings and maximising the benefits to social care of new technology. Additional savings have avoided focus on reducing demand from existing services and have focussed on large scale preventative invest to save proposals; efficiency savings and income.

6.3 **Helping people to return home through accommodation based reablement to prevent long-term residential; 2019-20 £1.000m savings.**

6.3.1 *Why is this being considered?*

In line with the Council’s Promoting Independence Strategy, there is an aim to maximise the independence of more people and reduce the number of people going into residential care. During the last twelve months the service has piloted two models of accommodation based reablement, which provides an alternative for people who are medically fit to be discharged from hospital but not well enough to go straight home and also people who are living at home but at risk of going into residential care. A commissioned service and in-house service has been developed. The service works with people to regain their independence in a safe environment, usually after an illness or injury and return home following the reablement programme. Previously this could have meant a stay in a residential setting and potential permanent loss of independence. The pilots were initially funded through the improved better care fund, but have demonstrated a return on the investment through more people being able to return home and a reduction in needs. This proposal would see a continuation of this saving.

6.3.2 *What would be required?*

The proposal is based on creating a permanent service, with a continuation of the mix of in-house and commissioned services, as well as some increase in provision in line with need.

6.3.3 *What are the implications of the proposal?*

There has been a positive response to the accommodation based reablement services, both in relation to positive outcomes for individuals, which have led to increased numbers of people able to return home and service user feedback. The proposal will embed the service within the offer for people in Norfolk as well as enable increased provision. It will enable more people to be re-abled and stay in their own homes.

6.4 Helping people to stay at home through home based reablement to prevent, reduce and delay long-term home care packages; 2019-20 £2.000m savings

6.4.1 Why is this being considered?

Following review of outcomes and identification of the need for increased capacity the service is expanding the in-house home based reablement service to increase capacity by 15%. The joint investment with Clinical Commissioning Groups in additional staffing has been made in 2018-19 working with people to reduce the ongoing level of care and support required. This extra supply will enable an estimated additional 800 people to be re-abled each year, with existing outcomes suggesting that 61% of people are full re-abled and do not require long term services or readmission to hospital, providing a saving for both health and social care. Those people that do need ongoing care need smaller packages.

6.4.2 What would be required?

The proposal is for the continuation of the expansion of home based reablement service. Recruitment is ongoing and along with retention is a challenge for the service as for the whole health and social care system.

6.4.3 What are the implications of the proposal?

The proposal is an invest to save and will enable more people in Norfolk to be re-abled and supported to remain independent in their home for as long as possible.

6.5 Start of a ten-year housing development programme to develop Extra Care Housing across Norfolk to prevent need for long-term residential care; 2021-22 £0.200m savings

6.5.1 Why is this being considered?

The Council's priorities include on a focus on housing. To help people to remain independent, the service has developed a new housing strategy for older people. This identified that there will be a shortage of extra care housing with care in Norfolk over the next ten years, with the need for an additional 2,842 units. Extra Care Housing is the term used nationally to describe housing for people that supplies some care provision and offers self-contained accommodation with staff available 24 hours a day. Schemes include apartments that are rented or owned by individuals who require a level of care. Individuals renting a flat may be able to claim housing benefit if eligible. Having the right type of housing options available for older people is key for helping people to remain in their own home and prevent crisis and can prevent or delay the need for residential care. Savings are generated from the prevention of spend.

6.5.2 What would be required?

A full business case has been developed setting out the aims of the programme. This is presented to Committee elsewhere on this agenda in the report titled Living Well –Homes for Norfolk. The programme will work with a range of developers in the market to build schemes and has developed a business model, which will allow some financial support to enable the development of affordable homes in some areas. This is a ten-year programme and due to the lead in times for build and implementation, revenue savings will not be deliverable until 2021-22, but will increase after that with the potential for an annual £2m revenue savings by the completion of the programme.

6.5.3 What are the implications of the proposal?

The proposal is to increase the number of extra care housing with care units in Norfolk. This would increase the availability of alternative housing for people who are experiencing increasing care needs or reduction in mobility and provide an earlier preventative alternative to residential care.

6.6 Making changes to our Adult Social Care charging policy to come in line with the national guidance; 2019-20 £1.000m savings; 2020-21 £1.000m savings.

6.6.1 Why is this being considered?

In Norfolk, we have not reviewed some parts of our policy since the introduction of the Care Act in 2014 and we are now out of step with the national guidance and with our neighbouring councils. We plan to consult on moving to the national guidance for the minimum income guarantee – this is the minimum amount that people are guaranteed to be left with each week before any charge for care can be made.

6.6.2 In Norfolk we are already in line with the minimum income guarantee level for older people, but we do not follow the guidance for younger adults which sets a lower rate. We therefore propose to consult on moving to the nationally set lower rates for people aged 18-24 and 25 to pension age, but not change the rate for older people.

6.6.3 We would use around £1m of the additional income to support this change, including to build up new services for working age adults. This would include better support and advice for. We would also invest in employment support, since we are out of step with other areas on the number of people with learning disabilities in work.

6.6.4 As part of this charging review, we would also seek to align with Government guidance about people in receipt of Personal Independence Payments (PIP). A change in legislation means that the council is now able to take into account a higher level of payment – known as enhanced PIP – when calculating someone's income. Previously, this has been excluded.

6.6.5 What would be required?

Subject to the outcome of the consultation and final proposals, the council would develop new services to improve financial advice and access to employment for working age adults, to enable enhanced services to be up and running prior to any changes. Some people will see no change to their charges or would continue to not contribute towards the care costs, due to their particular circumstances. However, others would see an increase in the amount that they are asked to contribute towards their care costs. We would ensure that everyone affected is contacted to discuss the impact for them. The implementation process, such as timescale, would be determined following the responses from the consultation.

6.6.6 What are the implications of the proposal?

The proposal will bring Norfolk's charging policy more in line with other councils in the region, but would increase the amount that some service users pay towards their care costs. The proposal would enable some of the additional income to be reinvested to improve services to support working age adults into employment opportunities and to improve financial advice for individuals.

6.7 Full year effect of invest to save increasing support for people to claim welfare benefits and reduce the number of people that do not make a contribution towards their care; 2019-20 £1.400m savings

6.7.1 Why is this being considered?

As part of service improvement, adult social care has invested resources within the welfare benefits and income teams to increase capacity to ensure that our charging policy is consistently applied and to provide support for people to claim welfare benefits. This is increasing the number of people that are able to contribute towards their care costs, in line with the current charging policy.

- 6.7.2 *What would be required?*
The invest to save is increasing the capacity of the team to provide support to individuals and ensure that assessments are completed at least annually and individuals are supported when circumstances change. The saving reflects the full year effect from this investment. The proposal supports the consistent application of the current charging policy and does not make any changes to the process or assessment.
- 6.7.3 *What are the implications of the proposal?*
Initial work identified that reviewing financial assessments annually benefits service users by making sure that their circumstances are kept up to date, meaning that any contributions are fair and affordable and that service users are supported to claim any benefits to which they are entitled.
- 6.8 **Review of budgets, risks, and inflation assumptions to deliver a saving without a direct impact on services; 2019-20 £1.000m savings**
- 6.8.1 *Why is this being considered?*
There are a number of budgets where requirements and needs have changed for the next financial year. The budget review has identified opportunities to reduce budgets and release previously allocated resources where spend is no longer needed or where assumptions, including inflation assumptions, have been revised.
- 6.8.2 *What would be required?*
The budget review has been completed and the adjustments can be made as part of the budget setting process.
- 6.8.3 *What are the implications of the proposal?*
The review will not lead to a reduction in services, however, this will reduce overall flexibility to mitigate financial risks.
- 6.9 **Reducing staff travel costs; 2019-20 £0.100m saving**
- 6.9.1 *Why is this being considered?*
The service has delivered underspend within staff travel budgets. New ways of working, use of Skype rather than travelling and use of pool cars will enable this reduction to be sustained.
- 6.9.2 *What would be required?*
No further action is required.
- 6.9.3 *What are the implications of the proposal?*
There are no adverse implications from the proposal.
- 6.10 **Shift to prevention within the health and social care system; 2019-20 £1.000m saving; 2020-21 £1.000m saving; 2021-22 £1.000m saving**
- 6.10.1 *Why is this being considered?*
The health and social care system in Norfolk and Waveney has a clear vision for transformation. This is based around supporting people to enjoy good health for as long as possible and stay independent and in control of their lives. Key to this is strengthening primary and community services so that people can stay in their own homes, and return to their usual place of residence after a stay in hospital.
- 6.10.2 The Norfolk and Waveney Sustainable Transformation Programme (STP) is currently reviewing patterns of demand and care across the whole health and social care system. It is recognised that the balance of spend in health and social care needs to 'shift left' to reallocate funding to provide the right level of investment in communities, through social

care, primary care and community health and reduce demands on hospital, which is both the most costly environment in which to support people and also most in demand.

- 6.10.3 There is a compelling case for investment in prevention because of the savings it can achieve across the whole system. Our work has shown that for every £1 spent on prevention there is a return of around £3.50 elsewhere in the system. This proposal therefore seeks a transfer from health spending within the Norfolk and Waveney system to social care. The proposal is a cautious view of the invest to save potential in social care to deliver savings elsewhere in the system.
- 6.10.4 *What would be required?*
The investment could be through a number of preventative measures, including building capacity, focussed work to target the people most at risk – including frailty and falls prevention and continuing to develop the preventative offer across Norfolk.
- 6.10.5 *What are the implications of the proposal?*
The shift in the system is placing more pressure on social care. The proposal is seeking health investment to both protect and enhance services, with ambition to work with health partners to in particular focus on prevention and frailty management to reduce risk of admissions to hospital.
- 6.11 **Saving resulting from impact of social prescribing, where new social prescribers work with GPs to direct people to alternative preventative solutions before they require social care, helping to prevent and delay formal social care needs.; 2020-21 £0.600m saving; 2021-22 £0.600m saving**
- 6.11.1 *Why is this being considered?*
The saving represents the financial benefit being targeted from implementation of social prescribing. Social prescribing and the use of social, as well as purely medical interventions, to address the causes of ill health are increasingly recognised as part of an integrated and preventative approach to improving and transforming health provision. Social prescribing is part of the Norfolk and Waveney STP. Its aim is to build on existing community networks, working with GPs, district councils, social care and the voluntary community sector to identify resources available in a community and act as a referral pathway to housing and welfare advice, mental health support, healthy lifestyles, alcohol services, falls prevention, financial and benefits advice, befriending and community activities to support outcomes for people. The model is transferable and flexible for local needs, providing a co-ordinate range of options for health and care services to refer to, to support patients.
- 6.11.2 *What would be required?*
The programme is being rolled out for people aged 18 years or over, registered with a GP practice and living in the Norfolk and Waveney who have specific needs – i.e. a chronic disease or long term condition, including mental ill health, mild or moderate depression or anxiety; needs that challenge their independence; loneliness or social isolation or frequently attend the GP surgery and have advice and support needs that cannot be adequately addressed by primary care, for example housing needs. Locality schemes are now in place and the pilots will be evaluated in 2019/20 after they have been up and running for a year. In addition, the Council has been successful in gaining a social impact bond through the Life Chances Fund, which will provide further financial support during implementation and evaluation of the invest to save benefits.
- 6.11.2 *What are the implications of the proposal?*
The savings to the system will be derived by the reduction in demand for medical care and formal long term social care services. The expectation is that eventually 1,600

people will be seen within locality focused social prescribing services, reducing, delaying or preventing need to 300 people. The saving is forecast from 2020-21. This is because it is expected that there will be a lead in time due to the early preventative nature of the service.

6.12 Financial adjustment to payment timescales for people in receipt of direct payments to align the income with their outgoings, following an audit recommendation; 2019-20 £1.000m saving; 2020-21 £1.000m cost pressure as one-off saving

6.12.1 *Why is this being considered?*

Where people choose to take their personal budget as a direct payment, payment is made into a direct payment account for the individual, who is then able to manage the use of the funds in line with their care and support plan – i.e. the service user may choose to pay a personal assistant to provide care services. Direct payment accounts remain County Council funds but are not available for other purposes. Currently these payments are transferred into the service user's direct payment account six weeks in advance. So, a payment to support services during the month of August would be made into the account in the middle of June. A previous audit review of direct payments highlighted that balances held within service user's direct payment accounts are higher than the level needed, based on evidence of payments and cashflow. This represented a small financial risk to the Council and did not demonstrate the best use of resources. The proposal will see funds being transferred to direct payment accounts four weeks in advance instead of the current six weeks. This provides a one-off cash flow benefit to the Council, but also ensures that balances held in direct payment accounts are not unnecessarily high.

6.12.1 *What would be required?*

The change would not reduce any personal budgets to service users. All direct payment holders would still have the same amount available to spend monthly. The proposal will require a review of each direct payment account and for one month only, there would be a reduction in the transfer to bring in line with the new timing for payments. All service users would be notified in advance, with clear information and dedicated staff available to discuss any concerns and to enable any alternatives arrangements to be made in exceptional circumstances.

6.12.2 *What are the implications of the proposal?*

The proposal does not change the resources available to service users to meet care needs and represents a cashflow adjustment only. The change will result in a reduction in the balances held in direct payment accounts, which will reduce financial risk and enable better use of resources. Balances that are more than what is needed can be released to spend on other cost pressures for social care.

6.13 One-off saving through the use of repairs and renewals reserve, which is no longer required for the original purpose. 2019-20 £0.043m saving

6.13.1 *Why is this being considered?*

Adult Social Care has had a small amount within reserves for repairs and renewals for a number of years. The original requirement for the fund was to meet the cost of purchasing and repairing specific equipment. The need for the reserve has changed over time as equipment is procured differently via leases and larger equipment needs are capitalised. The proposal is therefore to release this funding for general revenue spend during 2019-20.

6.13.2 *What would be required?*

If approved the reserve would be used towards the cost pressures for the service and reduce the need for additional savings in 2019-20.

What are the implications of the proposal?

As a use of reserves, the benefit will be for 2019-20 only and will result in a cost pressure in the following financial year.

Table 6: New 2019-20 Saving Proposals

Proposal	2019-20	2020-21	2021-22	2019-22 Total	Risk Assessment
Note: savings are shown as a negative figure	£m	£m	£m	£m	RAG
Extending accommodation based reablement offer	-1.000			-1.000	GREEN
Extension of home based reablement offer	-2.000			-2.000	GREEN
Extra care housing programme			-0.200	-0.200	GREEN
Full year effect of invest to save increasing support for people to claim welfare benefits and reduce the number of people that do not make a contribution towards their care	-1.400			-1.400	GREEN
Revise the NCC charging policy for working age adults to apply the government's minimum income guarantee amounts	-1.000	-1.000		-2.000	GREEN
Budget review – reprofile commitments and inflation	-1.000			-1.000	GREEN
Reducing staff travel costs	-0.100			-0.100	GREEN
Shift to community and preventative work within health and social care system – demand and risk stratification	-1.000	-1.000	-1.000	-3.000	RED
Reduction in demand due to social prescribing		-0.600	-0.600	-1.200	AMBER
Adjustment to payment timescale for direct payment to improve cashflow in line with audit recommendations	-1.000	1.000		0.000	GREEN
One off use of repairs and renewals reserves no longer required	-0.043	0.043		0.000	GREEN
Total new savings proposed	-8.543	-1.557	-1.800	-11.900	

6.13.4 The Committee's discussions about proposed new savings will be reported to Policy and Resources Committee in October 2018 and used to inform development of the Council's 2019-20 Budget to enable an overall assessment of the budget position to be made.

6.14 2019-20 Budget proposals requiring consultation

6.14.1 Our budget proposals for 2019-20 assume that council tax will increase overall by 2.99%. As in previous years we are inviting comments on this approach via our consultation hub on Citizen Space

- 6.14.2 Where any of our individual budget saving proposals require consultation, we will publish them on the Council's consultation hub, Citizen Space. We will make any consultation documents available in other formats on request, make extra effort to find out the views of people who may be affected and carry out impact assessments. Our consultation will take place between November and the end of the year. Consultation feedback on both individual budget proposals and council tax will be available for Committees in January 2019.
- 6.14.3 We will promote opportunities for people to have their say on budget proposals and council tax – through the Your Norfolk residents' magazine, news releases, online publications and social media.
- 6.14.5 As part of the 2019-20 budget planning process, it is considered that consultation will be required prior to a decision on reviewing the charging policy and the ways in which support to services users could be improved. This will involve both the corporate budget consultation and stakeholder consultation. All service users will be contacted about the proposals in order to seek the opinions of people more likely to be directly affected.

7. Conclusion

- 7.1 The financial context is challenging for Adult Social Services, not just in Norfolk, but across the country. The need for savings is driven because of a shortfall between our demand and rising costs, and the amount of money we get from tax, grants and income.
- 7.2 In this financial year, we are working to make savings of £27 million and we have pre-existing savings commitments for 2019/20 to 2021/22 amounting to £26.951m; so the new savings proposals of £11.9m over the same period bring the total to £38.851m.
- 7.3 Adult Social Services has a clear strategy for changing and improving services for residents, but also living within demand. It means we have to have priorities and choices. Promoting Independence re-shapes how we work to ensure the way we support people is sustainable in the face of increasing demand and a challenging financial climate.
- 7.4 In identifying how we will meet the short-fall over the next three years, we have been guided by our strategy to increase spending on prevention and reablement where there is a clear benefit in line with Promoting Independence strategy. Our unique non-statutory Swifts services has been sustained; we are continuing to expand home based and accommodation based reablement, some of which is now funded by CCGs, and increasing investment in assistive technology. This is supported by a programme of change for our workforce and the wider care workforce introducing a strengths-based model of working. We are planning for the future with an ambitious programme of housing development to give greater choice and independence for people.
- 7.5 Critical to our strategy is working with partners in health, strengthening our links between integrated community teams and primary care, in line with the Health and Wellbeing Board's strategy and the Sustainable Transformation Partnership (STP) vision In Good Health.

8. Budget Timetable

- 8.1 The Council's overarching budget setting-timetable for 2019-20 was agreed by County Council in February as part of the 2018-19 Budget. The timetable is updated as further information becomes available (for example about the timing of Government announcements). The latest version of the timetable is set out in Table 7 below:

Table 7: Budget setting timetable 2019-20 to 2021-22

Activity/Milestone	Time frame
County Council agree recommendations for 2018-22 including that further plans to meet the shortfall for 2019-20 to 2021-22 are brought back to Members during 2018-19	12 February 2018
Spring Statement 2018 announced	13 March 2018
Consider implications of service and financial guidance and context, and review / develop service planning options for 2019-22	February – June 2018
Member review of the latest financial position on the financial planning for 2019-22	July 2018
Development of savings proposals 2019-22	June – September 2018
Member review of service and budget planning position including savings proposals	Committees in October 2018
Consultation on new planning proposals and council tax 2019-22	November to December 2018
Chancellor's Autumn Budget 2018	TBC November / December 2018
Provisional Local Government Finance Settlement	December 2018
Service reporting to Members of service and financial planning and consultation feedback	January 2019
Committees agree revenue budget and capital programme recommendations to Policy and Resources Committee	Mid-January 2019
Confirmation of District Council tax base and Business Rate forecasts	31 January 2019
Final Local Government Finance Settlement	TBC February 2019
Policy and Resources Committee agree revenue budget and capital programme recommendations to County Council	28 January 2019
County Council agree Medium Term Financial Strategy 2019-20 to 2021-22, revenue budget, capital programme and level of council tax for 2019-20	11 February 2019

9. Financial implications

- 9.1 Potentially significant financial implications for the Committee's Budget are discussed throughout this report. Any implications of the Autumn Budget and the three changes expected to be implemented in 2020-21 will be reflected as far as possible in the Council's 2019-20 budget planning, and these impacts will need to be refined as further information is made available by Government.
- 9.2 Specific financial risks in this area are also identified in the Corporate Risk Register, including the risk of failing to manage significant reductions in local and national income streams (RM002) and the potential risk of failure to deliver our services within the resources available over the next three years commencing 2018/19 to the end of 2020/21.
- 9.3 Risks relating to budget setting are also detailed in the Council's budget papers. There is a risk in relation to the Comprehensive Spending Review and the Fair Funding Review that a failure by the Government to provide adequate resources to fund local authorities could lead to a requirement for further service reductions, particularly where the Fair Funding Review results in a redistribution between authority types or geographical areas.

10. Issues, risks and innovation

- 10.1 Significant risks, assumptions, or implications have been set out throughout the report.
- 10.2 Equality issues were considered in the Equality Impact Assessment of 2018-19 budget proposals. Decisions about significant savings proposals with an impact on levels of service delivery will require public consultation. As in previous years, new 2019-22 saving proposals, and the Council's Budget as a whole, will be subject to equality and rural impact assessments later in the budget-setting process.
- 10.3 The additional savings proposed have sought to avoid significant increase to targets to reduce demand, which based on our cost and demand model would be challenging. However, savings for future years will seek to reduce and shift management of need, as new and expanded early intervention and prevention schemes are implemented. The risk is increased by the level of savings the service is already committed to deliver. The current savings programme is set out in **Appendix A**.
- 10.4 Due to the level of transformation that the service is driving, there is risk from the shift in culture required. This applies to all stakeholders, including staff, the public, the medical profession, service users and their families. The Living Well strengths based approach to social work will drive this from the profession's perspective, but requires support from all areas of the Council and our partners. For example, ensuring health professionals champion supporting people home first from hospital and maximise the opportunities through reablement. Driving cultural change within the organisation will support mobile working as well as embedding a culture of customer first and continuous improvement.
- 10.5 In line with the Norfolk Future priorities, the Promoting Independence programme of work is continuing to implement significant changes, which is transforming practice, workforce capacity, choice for service users and commissioning of new services. The actions to deliver the corporate priorities, targeting promoting independence for vulnerable adults, smarter information and advice, a Norfolk housing strategy, digital Norfolk and commercialisation, will enhance delivery of the adult social care programme and help mitigate delivery risk.

11. Recommendations

11.1 Adult Social Care Committee is recommended to:

- 1) Consider the continuing progress of change and transformation of adult social care services**
- 2) Note the Council's latest budget assumptions and pressures, including revised council tax planning assumptions, and the resulting revised forecast budget gap of £45.322m, which has been updated by Policy and Resources Committee to reflect the latest available information and following Service Committee input in September 2018 (paragraph 4.3 and table 1)**
- 3) Approve the proposed savings for the 2019-20 budget round for recommendation to Policy and Resources Committee in October (table 6), in particular, confirming those savings that are recommended to require consultation as set out in paragraph 6.4**
- 4) Consider and identify any further key areas of risk in relation to 2019-22 budget planning for the Committee's budgets, including any additional pressures and the robustness of existing planned savings as set out in table 4, noting that any changes may impact on the overall budget gap and will require additional offsetting savings to be found**

5) Agree the budget planning timetable (section 8)

12. Background Papers

12.1 [Norfolk County Council Vision and Strategy](#)

[Norfolk County Council Revenue and Capital Budget 2018-22 \(Item 4, County Council 12 February 2018\)](#)

[Norfolk County Council Budget Book 2018-22](#)

[Strategic and Financial Planning 2019-20 to 2021-22 \(Item 10, Policy and Resources Committee, 16 July 2018\)](#)

[Strategic and Financial Planning reports to Committees in September 2018](#)

[Strategic and Financial Planning 2019-20 to 2021-22 \(Item 9, Policy and Resources Committee, 24 September 2018\)](#)

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Detail of existing 2018-19 to 2021-22 Savings programme already agreed by County Council

Saving Description	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Promoting Independence - Reablement	-0.500				-0.500
Promoting independence - younger adults	-6.794	-5.307	-5.000		-15.937
Promoting independence - older people	-4.665	-3.393	-5.000		-10.025
Remodel contracts for support to mental health recovery	-0.275				-0.275
Housing with Care	-0.500	-0.500			-1.000
Promoting Independence - Integrated Community Equipment Service - expand service so through increased availability and access to equipment care costs will be reduced	-0.250				-0.250
Building resilient lives: reshaping our work with people of all ages requiring housing related support to keep them independent	-3.400				-3.400
Radical review of daycare services	-2.500				-2.500
Align charging policy to more closely reflect actual disability related expenditure incurred by service users	-0.230				-0.230
Review charging policy to align to actual disability related expenses	-0.400				-0.400
Transport	-0.700	-1.000			-1.700
Accommodation based reablement	-0.550				-0.550
Prevent carer breakdown by better targeted respite	-0.686				-0.686

Saving Description	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Investment and development of Assistive Technology approaches		-0.300	-0.500	-0.700	-1.500
Maximising potential through digital solutions	-0.049	-0.951	-2.000	-3.000	-6.000
Procurement of current capacity through NorseCare at market value		-0.600	-1.000		-1.600
Capitalisation of equipment spend	-2.300				-2.300
Reduction in funding for invest to save	-0.191				-0.191
One-off underspends in 2017-18 to be used to part fund 2018-19 growth pressures on a one-off basis	-3.000	3.000			0.000
Total Adjusted 2018-22 proposals	-27.290	-9.351	-13.700	-3.900	-54.241