

Adult Social Care Committee

Date: **Monday 22nd September 2014**
Time: **10am**
Venue: **Edwards Room, County Hall, Norwich**

SUPPLEMENTARY A g e n d a

11. **Budget 2015/16 to 2017/18**
Report by the Director of Community Services

(Page **A3**)

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Adult Social Care Committee

Item No...11...

Report title:	Budget 2015/16 to 2017/18
Date of meeting:	22 September 2014
Responsible Chief Officer:	Harold Bodmer, Director of Community Services

Strategic impact

Providing an opportunity for the Adult Social Care Committee to inform the 2015/16 Budget preparation and the County Council Plan.

Executive summary

This paper gives an oversight of the Adult Social Services budget and considers officers' suggestions for additional budget savings for the three year period from 2015-16.

The paper includes:

- The Adult Social Care Budget 2014-15
- An outline of the Transformation of Adult Social Care
- Budget Savings 2011-12 to 2013-14
- Budget Savings 2014-15 to 2016-17
- Key issues and themes consistently raised by residents and stakeholders in the last 2 budget consultations
- The County Council Plan, overall ambition and 3 strategic priorities
- Officer's suggestions for further budget reductions in 2015-16 and later years

Recommendations

Members are invited to consider

- **The summary of key issues and themes consistently raised by residents and stakeholders in the last two budget consultations(section 5)**
- **Opportunities/risks/issues for this Committee, with a particular focus on identifying wherever possible further efficiencies or income generation may be possible**
- **The County Council' overall ambition and three strategic priorities**
- **The budget for 2015/16, the Officers suggestions for further reductions and put forward any other proposals for savings**

1 Adult Social Care Budget 2014-15

1.1 The Adult Social Care Budget for 2014-15 is summarised below:

Summary	Statutory Duty?	£m
Management, Finance and Transformation		-3.994
Commissioning		75.051
Business Development		4.512
Human Resources		1.204
Safeguarding		235.600
Prevention		10.076
Service User Income		-72.832
Total Net Expenditure		249.617
Service Detail		
Commissioning		
Commissioning		1.250
Service Level Agreements		4.411
Aids & Adaptations	Yes	2.601
Norsecare	Yes	32.551
Supporting People		13.443
Learning Difficulties Partnership	Yes	5.594
Independence matters	Yes	13.247
Other		1.954
Commissioning Total		75.051
Safeguarding		
Purchase of Care		
- Older People	Yes	99.685
- People with Physical Disabilities	Yes	23.529
- People with Learning Difficulties	Yes	80.350
- Mental Health, Drugs & Alcohol	Yes	12.015
- Hired Transport	Yes	4.650
Staffing and support costs		15.371
Safeguarding Total		235.600
Prevention		
Housing With Care Tenants' meals		0.673
Personal & Community Support		1.463
Norfolk First Support - Swifts/Owls		5.403
Service Development		0.589
Other		1.948
Prevention Total		10.076
Income from Service Users		
Older People		-61.177
People with Physical Disabilities		-2.243
People with Learning Disabilities		-4.889
Mental Health, Drugs & Alcohol		-4.523
Service User Income Total		-72.832

- 1.2 Please note: The Care Act places a duty on the local authority to make prevention services available.

2 Transformation of Adult Social Care

- 2.1 The department has been successfully transforming services to deliver improvements, better outcomes for people and making savings for a number of years.

- 2.2 This has reduced the cost of the service, delivered better outcomes for people and reduced the requirement for hospital beds.

- 2.3 Examples of completed transformation include:

- Removed the subsidy from Community Meals
- Implemented an Integrated Community Equipment Service, with Health
- Introduced and roll out Personal Budgets
- Restructured care and assessment management (social worker) teams and reduced staff
- Launch of Harwood Care and Support Charter
- Externalised the in house home care service and used the savings to set up the Reablement service and the Swifts team (24/7 emergency response)
- Restructured and re-engineered the reablement service
- Set up Later Life Care Planning service (partnership with Care Aware)
- Transferred the 26 in house residential homes to Norse Care with a redevelopment programme
- Rationalisation of Service Level Agreements with the voluntary sector
- Set up Independence Matters as a social enterprise following the redesign of in house day services and reductions in the staff
- Introduced charging for day services
- Reduced scale and capacity of the Sensory Support Service
- Rationalised offices
- Ensured that people receive the free personal care funded by NHS that they are entitled to (Continuing Health Care)
- Reduced staff in Business Support
- Transferred the Assistive Technology service to Norse (N-able) so that it could be traded to people who fund their own care
- The Living Well in the Community Fund, providing funding for innovative preventative projects in the community
- Rationalised transport routes making efficiencies
- Implemented the finance modules in Care First

- 2.4 Current transformation work being carried out by Adult Social Care includes:

- Refocusing personal budgets - reducing the amount of money people get in their Personal Budget allocation for Well Being and Transport
- Implementation of the Care Act

- Transfer of Mental Health staff to NCC management
- Integration with NCH&C
- Review of Care Arranging Service
- Reviewing packages of care for people with learning difficulties and people with physical disabilities, including housing
- Electronic monitoring of home care providers
- Preparing for the end of the national Independent Living Fund in 2015
- Remodeling of home support/care
- Strengthening joint working with the Health service with the Better Care Fund

3 Big Conversation Savings 2011-14

3.1 In 2011-14 the Council agreed the following savings:

	Big Conversation Savings	2011-12 £m	2012-13 £m	2013-14 £m
A1	Organisational Review	-0.419	0	0
A2	Business Support Review	-0.122	0	0
A3	Reduce scale and capacity of quality assurance service	0	-0.185	0
A4	Ensuring all those entitled to free personal care (Continuing Health Care) receive it	-0.620	-0.620	-0.620
A5	Reduce spend on training	-0.300	0	0
A6	Limiting inflation uplift to the independent and third sector	-4.804	-1.563	0
A7	Rationalising office and building costs	-0.748	0	0
A8	Re-design the assessment service	0	0	-1.500
A9	Re-design hospital discharge process	-0.557	0	0
A10	Remove council subsidy for community meals	-0.600	-0.600	0
A11	Re-design of day services provision	0	-7.707	0
A12	Savings on transport costs as a result of changes to day services	0	-6.141	0
A13	Supporting more people with mental health problems to live independently	-0.500	-0.500	-0.500

	Big Conversation Savings	2011-12 £m	2012-13 £m	2013-14 £m
A15	Reduce the scale and capacity of the sensory support service	-0.464	0	0
A16	Reduction in specialist advice	-0.333	-0.597	0
A17	End the council's HIV/AIDS service	-0.064	0	0
A18	Reduce the scale and capacity of mental health services	-0.511	-1.100	0
A19	Reduce the scale and capacity of some learning difficulty services	-0.410	0	0
A20	Reduced and redesigned management and support arrangements as consequence of service redesigns	0	-0.535	0
A21	Reduce the scale and capacity of the equipment service	-0.913	0	0
A22	Reduction in spending on prevention services	-1.000	-5.500	-6.500
	Other savings			
	Increased income from service user contributions due to the growth in the number of older people	-1.900	-0.998	-1.108
	Increased income from service user contributions due to the growth in the number of people with physical disabilities	-0.023	-0.023	-0.023
	Increased income from service user contributions due to the growth in the number of people with mental health problems	-0.004	-0.004	-0.004
	Total Savings	-14.292	-26.073	-10.255

3.2 **Please note:** The savings from Re-design of day services provision (A11) and on Transport costs as a result of changes to day services (A12) were subsequently reduced to £5.85m in total, following further analysis and work. This was agreed by Cabinet on 8 August 2011: "Use of Personal Budgets for Day Activities".

3.3 2011-12 was the first year the Council was allocated £11.357 million to be transferred from the PCTs in Norfolk to support joint working on social care between the County Council and NHS. This meant that the Council did not have to do implement all the savings that were originally planned, for example the savings from Prevention were £5m less that would otherwise have had to be made in 2011-12.

4 2014-17 Putting People First Savings

4.1 The 2014-17 savings as agreed by Council in February 2014 are:

		2014-15 £m	2015-16 £m	2016-17 £m
4	Re-negotiate contract for buying and leasing mini-buses	-0.090		
4	Reducing the costs of business travel	-0.108	-0.099	-0.090
4	Renegotiate Norse Care recharge		-0.106	
4	Renegotiate residential contracts re day services		-0.100	
6	Electronic Monitoring of Home Care providers			-0.500
6	Review block home care contracts	-0.300	-0.100	
6	Review of agreement with Mental Health Trust	-0.500		
6	Review of Norse Care agreement for the provision of residential care	-2.000	-1.000	-1.500
6	Review of respite care	-0.300		
8	Reduction in Business Support	-0.100		
8	Community Safety	-0.110		
8	Decommission offices, consolidate business support		-0.150	
9	Reducing controllable spend in Community Services	-0.640		
9	Reduce training budget	-0.500		
13	NHS: Invest to save	-1.804		
14	Further Savings from PCSS (Personal Community Support Service)	-0.250	-0.250	
14	Review Care Arranging Service		-0.140	
18	Reducing hospital admissions by increasing investment in care for people most at risk	-4.196	-15.000	
18	Joint senior manager posts with Health	-0.200		
18	Integrated occupational therapist posts with Health		-0.100	
18	Assistant grade posts working across both health and social care		-0.050	

		2014-15 £m	2015-16 £m	2016-17 £m
20	Trading Assessment and Care Management support for people who fund their own care			-0.050
20	Economic Development securing more funding for key care services		-0.750	-0.750
30	Change the type of social care support that people receive to help them live at home	-0.200	-0.200	
31	Reduce funding for non-core social care activities for people receiving support from Adult Social Care through a personal budget	-2.000	-6.000	-3.000
32	Cut the costs of the contract with the provider delivering community health support to people with a learning disability	-0.960		
33	Changing how we provide care for people with learning disabilities or physical disabilities	-1.000	-2.000	-3.000
34	Work better with the NHS to deliver the Reablement and Swifts Services and look to share costs equitably.		-3.000	
35	Scale back housing-related services and focus on the most vulnerable people	-1.200	-1.200	
36	Reduce the number of Adult Care service users we provide transport for	-1.800	-0.150	-0.150
37	Stop ongoing (revenue) spend on the Strong and Well programme	-0.500		
66	Charge transport to self funders	-0.140		
	Putting People First savings	-18.898	-30.395	-9.040

5 Consultation findings to date

- 5.1 Over the last four years the Council has learned a great deal through extensive budget consultations with residents and stakeholders – not just the priorities and concerns that people consistently highlight, but also how they prefer to be consulted. A summary is included below:
- 5.2 **Council efficiency** - Residents expect the County Council to spend their money efficiently. They don't want to be asked to endorse what they see as 'common sense' efficiency improvements and what should be a continuing drive to cut our own costs. There is some support for rationalisation based on

priorities and statutory duties. There is a balance of views on taxation – but consistent desire for value for money.

- 5.3 **Vulnerable people** – there is concern that older people and people with disabilities are being disproportionately affected by reductions in social care and other budgets. There is a feeling that proposals do not recognise the growing number of potentially vulnerable older people and carers and a strong concern that Council priorities do not overtly mention vulnerable people. We received a consistent view that reductions in preventative services are a ‘false economy’.
- 5.4 **Rurality and accessibility** - people are acutely aware of Norfolk’s rurality and expect the Council to be in tune with this. There is a particular concern about changes to mobile services and transport in rural areas and specifically, about the impact on older people and isolation. We received well-articulated and strongly expressed views expressing concern about the costs and dangers younger people face to get to school and college.
- 5.5 **Council Tax** – this was a hot topic during the last two consultations, both of which resulted in a freeze. Last time over a quarter of respondents who expressed a view about Council Tax, overtly supported the freeze and over half supported an increase - albeit in most cases a small rise. Many people are well informed about the difficulties of agreeing Council Tax and Government penalties for increases.

6 County Council Plan

- 6.1 The overarching strategic framework for the County Council Plan already exists in the form of the Council’s agreed **ambition** for Norfolk and **three strategic priorities** that were consulted on last year. They are as follows:
- 6.2 **The Council’s ambition** is for everyone in Norfolk to succeed and fulfil their potential. By putting people first we can achieve a better, safer future, based on education, economic success and listening to local communities.
- 6.3 **The Council’s priorities are:**
- 6.3.1 **Excellence in education** - (We will champion our children and young people’s right to an excellent education, training and preparation for employment because we believe they have the talents and ability to compete with the best. We firmly believe that every single child matters).
- 6.3.2 **Real jobs** – (We will promote employment that offers security, opportunities and a good level of pay. We want real sustainable jobs available throughout Norfolk).
- 6.3.3 **Good infrastructure** – (We will make Norfolk a place where businesses can succeed and grow. We will promote improvements to our transport and technology infrastructure to make Norfolk a great place to do business).

7 Officers suggestions for Further Reductions for 2015-16

7.1 Summary

7.1.1 Officers have forecast budget deficits for the period 2015/16 to 2017/18 and set savings targets for this Committee as shown in the table below alongside officer proposals for new savings:-

	Saving			£m
	2015/16	2016/17	2017/18	Total base cut
ASC Target	3.931	3.931	11.700	19.562
Norse Care rebate	1.000	0.000	0.000	1.000
Service user Transport	0.100	0.900	0.800	1.800
Supporting People	1.000	0.000	0.000	1.000
Redesign ASC pathway	0.000	0.000	0.000	0.000
Residential care	0.100	0.000	0.000	0.100
Proposals	2.200	0.900	0.800	3.900

Policy and Resources Committee were advised that officers would be categorising savings for Committees as follows:-

- Better procurement and commissioning
- Better ways of working including digital transformation
- Income generation

All the savings for Adult Social Care Committee prepared by officers are within the category of “better ways of working”.

7.2 Norse Care Rebate

7.2.1 The agreement with Norse care provides for a rebate of £1m to be paid each year to the Council. In the past the rebate has been allocated to the Adult Social Care Residential Care Reserve to be used to reshape residential provision. The proposal is for the rebate to be allocated to the Adult Social Care revenue budget on an ongoing basis.

7.2.2 The proposal will contribute towards meeting the budget pressure from 2015-16 onwards but will reduce the funding available for the redevelopment of residential care provision. The residential care reserve had a balance of £2.33m at 31 March 2014 and the Adult Social Care capital programme in 2015/16 is estimated to have provision of £7m for capital schemes, with the main emphasis being on the development of Housing with Care schemes.

7.3 Transport

7.3.1 The Council provides transport from home to Day Care facilities for service users who have a care package, if needed. The transport is provided by Norse and taxis. The transport is co-ordinated with Children’s Home to School transport and students transport.

- 7.3.2 The proposal will seek to enable and use existing community based transport solutions paid for from Personal Budgets by service users with reduced or no subsidy from the Council. The concept is based on the success with using local providers for community meals for Adult service users with no subsidy from the Council. A possible benefit of such a scheme would be that, as with meals, this would not necessarily be restricted to our service users.
- 7.3.3 The risk of changes affecting the transport of children and students will be managed by dialogue with officers and the risk of the savings impacting on Norse will be managed by dialogue with Norse. Both risks will be addressed by the phasing of the implementation which is why the savings in 2015/16 are low.

7.4 Supporting People

- 7.4.1 Adult Social Care in Community Services currently spends £13.4m each year on housing support services to vulnerable people. This money is spent via the Supporting People partnership programme. The Council works with its partners on this programme including District Councils, Health, Probation, Norfolk Constabulary, the Youth Offending Team and Norfolk Drug and Alcohol Partnership. This budget was reduced by approximately £2m in 2011-14, £1.2m in the current financial year and a further £1.2m reduction has been agreed for 2015/16.
- 7.4.2 This proposal is for a further £1m reduction ongoing from 2015-16 increasing the reduction target to £2.2m in 2015-16. The Council funds housing support organisations to provide supported housing and other forms of housing support to around 15,000 people in Norfolk.
- 7.4.3 The types of housing support include:
- Sheltered housing
 - Direct access services, hostels and move on schemes for homeless people
 - Supported accommodation for young people at risk or making transitions to independence
 - Refuges for women experiencing domestic abuse
 - Supported housing and independent living schemes for people with long term support needs related to mental health problems, learning difficulties, physical or sensory disabilities and long term conditions
 - Floating support for people who need housing related help and advice in their own homes
 - Home improvement agencies and handypersons services offering access to support with claiming grants and benefits plus help with small repairs around the home.

7.5 Redesign of Pathway and methods of work.

- 7.5.1 This report explains the considerable transformation that has been taking place in Adult Social Care. The only area untouched in the transformation

program is the redesign of the whole pathway, although some of this was picked up in the Assessment and Care Management Review. The Customer Services review is looking at first part of this as part of its testing of redesign work, and we have had discussions with a consultancy firm who have done end to end reviews of this process in other authorities, with a business model that shares a savings target as part of the program costs.

7.5.2 We did not pursue this option this year because the department's capacity for taking on additional major transformation program was limited, given the work in hand to implement the Care Act, agree the Better Care Fund, return the management of Mental Health social work to the council and share management of the locality teams with NCHC.

7.5.3 However, rather than undertake a wholesale program we are engaging on work with HP and the procurement team on areas of the pathway where we believe there to be further efficiencies. This work will take six to eight weeks and will link information from Oracle on spend, with Carefirst information about individuals to focus on high cost care packages. It will also examine differences between localities in spending and will aim to reduce the use of residential care placements by ensuring that full use is made of supported living schemes and community alternatives.

7.5.4 It is unlikely that significant savings will be made until 2016/17 when ongoing savings of £1.500m are estimated. Much of the saving will come from dealing with increased demand without additional resource, ie reducing growth pressures. This estimate will be refined during the course of the work, and a proposed figure for 2015/16 will be worked up.

7.6 Residential Care

7.6.1 Process improvements for the service to be more effective in the management of residential care beds, generally Norse Care and the private sector providing savings in residential care costs of £0.100m per annum.

Officer Contact

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