

Adult Social Care Committee

Item No:

Report title:	Norfolk Adult Social Services – a review of the current position and issues
Date of meeting:	Monday 19 June 2017
Responsible Chief Officer:	James Bullion, Executive Director of Adult Social Services

Strategic impact

Adult Social Services accounts for the largest proportion of spend for Norfolk County Council, and the largest proportion of savings for the council over the next three years. A clear understanding of the legislative framework, the national and local drivers of demand and cost pressures provide the background for the vision and strategy for a sustainable adult social care model.

Executive summary

This report sets out the current 'as is' position for Adult Social Services. It focuses on the main underlying issues that influence and drive demand and costs, and also highlights some other pressing issues that shape the direction of travel for the service for the medium term. The issues covered are:

- a) Demography – particularly the implications of Norfolk's 85+ population
- b) Demand – what drives increasing need for services, and the implications for costs of delivering care
- c) Cost pressures – the balancing of the statutory role to develop and manage the market, with the need to ensure best use of money when purchasing care in the independent sector
- d) NHS and integration – the potential impact of far-reaching changes in the NHS, particularly around system-wide leadership

The report summarises the budget for 2017/18, including previously agreed savings.

It briefly explains the key elements of the strategy Promoting Independence, highlighting how the strategy is a positive response to challenges facing social care. It sets out that a more detailed report about Promoting Independence will be brought to the July meeting.

The report concludes that Adult Social Services faces a continued challenge to deliver a sustainable model of services for the future, which is affordable and helps people achieve and maintain independence and a good quality of life. The vision, strategy and priorities set a clear course for change but the pressures and demands which are evident across the whole health and social care system are likely to increase. A critical success factor will be strengths-based social work which supports people to be as independent as possible.

The Department has strengthened its understanding of need and demand; the Promoting Independence strategy will support demand management, with the aim of reducing demand for services over a number of years, by shifting spend away from the more costly intensive spending such as residential care, towards earlier intervention and prevention. The additional investment in the service has provided a sound basis on which to transform the service but the savings targets remain extremely challenging.

Recommendation:

The Committee discusses and agrees:

- a) the analysis and conclusions set out in section 5
- b) the priorities Adult Social Care Committee and the vision in section 4

1. Adult Social Services – National context

- 1.1 Social care has the power to transform lives. It provides care, support, and safeguards for those who have the highest level of need, and for their carers. Nearly two million people in England rely on these essential services and around 6.5 million carers provide support alongside and beyond formal social care. Social care contributes £43 billion to the national economy in direct and indirect costs.
- 1.2 Local authorities in England in 2015/16 spend £16.8bn on social care for adults, which is equivalent to 14% of the health care budget. Over half (52%) of social care funding is spent on those aged 65 years and older. The number of people in this age group is growing rapidly, increasing by almost a million in England from 2010 to 2015, and will grow by a further million by 2020.
- 1.3 The remaining 48% of funding is spent on supporting younger adults with disabilities. Need for social care services among younger adults will rise as medical advances increase survival rates for people with serious health conditions, people who have had accidents, and for premature babies.
- 1.4 The key legislative framework for Adult Social Services is the **Care Act 2014** which represented the most significant change in social care law for 60 years. The Act's wellbeing principle spells out the local authority's duty to ensure people's wellbeing is at the centre of all it does. It places much greater emphasis than previously on outcomes for people – rather than services – and helping people to connect with their local community. For the first time, the Act sets a national eligibility criteria for services.
- 1.5 Nationally it is acknowledged that social care has been underfunded. Additional funding has been, since the Council agreed its budget in February, directed towards adult social care by the Government, including through the ability to increase council tax to support social care. However, there is still a need for a more sustainable footing for the future, and during the coming months there will be further debate about the best way to finance and deliver social care services.

2 Adult Social Services – Norfolk context

This section aims to set out the issues that underpin planning and delivery of social care in Norfolk, and inform the priorities for the department for the year ahead.

2.1 Demographic changes and demand for social care

- 2.1.1 In common with many other areas, Norfolk is having to re-think fundamentally its approach to delivering public services. Many of our services were designed in a very different era and policy framework. The basis of how we work is rooted in the times when government transferred far more grant to fund local services. Funding regimes now do not account fully for demographic change or socio-economic changes, instead the drive is for local government to become self-sufficient through council tax and increased revenue from locally raised business rates.
- 2.1.2 At the same time as funding has been reduced, our population continues to grow and the pattern of family life has changed. Medical advances are huge – people live longer and have access to many more medical specialists than in the past. More profoundly disabled young people with increasingly complex needs are coming into adulthood every year.

People move around more for jobs than in previous generations, so families cannot always be near to older relatives to help and care.

2.1.3 The impact of this has been that funding has not kept pace with people's need for services, and while the overall amount of money adult social services spends has increased year on year, savings still have to be made.

2.1.4 A growing 'older' population affects Norfolk more than most other places – it has, and will continue to have, a higher proportion of older people compared to the average for the Eastern Region and for Norfolk's 'family group' of similar councils.

2.1.5 **Key demographic trends for Norfolk are:**

- a) Norfolk generally has an older population that is projected to increase at a greater rate than the rest of England
- b) Across Norfolk the average life expectancy is about 80 years for men and about 84 years for women. The average number of years a man can expect to live in good health is about 64 and for women it is about 66
- c) The number of people aged 65 and over in Norfolk is due to increase from 209,700 in 2015 to 274,800 in 2030
- d) This is a 31% increase in 15 years, and will mean that the number of people aged 65 and over, as a proportion of Norfolk's total population, will increase from 23.8% to 28.3%
- e) About 77,700 people are limited a lot in their day to day activities and about 23,200 provide more than 50 hours of care per week
- f) There are an estimated 19,000 who are blind, and 110,000 with a hearing impairment
- g) With the population aged 18 to 64, there are estimated to be:
 - 12,300 with a serious physical disability
 - 4,500 with a serious personal care disability
 - 2,800 with a moderate or severe learning disability
 - 81,400 with a common mental health disorder

2.1.6 In Norfolk, as in many areas, budgets for services for people aged 18-64 with a learning disability or a physical disability are consistently the most challenging to meet. This is driven, in a very positive way, from some less well discussed demographic changes. In short, people with learning disabilities or physical are, through improvements to the medicine and care available to support their long term conditions, surviving to a much older age.

2.2 **Drivers of demand**

2.2.1 Understanding the drivers of demand is critical for future planning of adult social services, since a more refined understanding allows the Council to see where it can influence demand through behaviours and practices. However, demand for social care is a complex matter and predicting and managing demand is not an exact science. Whilst the growth in the older population is significant, a simple projection of the population does not equate to a commensurate increase in demand.

2.2.2 Key considerations that inform our predictions are:

- a) Critically, the 85+ age group is Norfolk's fastest growing, and it is this age group which has most impact on demand. Between 2015 and 2030 this age group will increase by 77%

- b) Whilst people over 85 are clearly more likely to be physically frail and to find it more difficult to undertake day-to-day tasks, they are also more likely to have dementia. Norfolk's dementia prevalence is high – being third highest in the region behind Suffolk and Southend. Dementia is likely to be one of the most important drivers of social care need in older people in Norfolk in the next twenty years
- c) People with learning disabilities are living to a much older age. Whereas once relatively few people with a learning disability would live beyond the age of 65, around 12% of people being supported by a learning disability team are now over 65
- d) Wider social factors are also significant in influencing demand. These include people's general health and wellbeing, their income, particularly given that social care is subject to financial eligibility; and loneliness and isolation – evidence suggests that people that are at risk of loneliness may be more likely to seek care
- e) Importantly, given Norfolk's predominantly rural nature, population density and rural/urban split does not seem to have an impact on the provision of care. Put another way – people in rural areas are on average no more or less likely to receive services overall. However, Norfolk's rurality is a challenge, not due to need but because delivery in rural areas poses greater challenges than that in urban areas

2.2.3 There are other potential drivers of social care demand about which there is less research but these are still important factors:

- a) Availability of informal care. We know that in Norfolk at the last census there were 91,000 people who said they provided informal care. Changes and fluctuations in the amount of informal care that people provide to family members and friends, can have an impact on the amount of formal care people seek
- b) Attitudes to and expectations of care change continually. It is anticipated that the baby boomer generation will become increasingly demanding customers of social care, expecting high quality as well as choice and autonomy
- c) The impact of inward migration to Norfolk – particularly to coastal areas where people retire for the landscape and quality of life that Norfolk has to offer. As they become more frail, their independence is diminished, and some become more dependent on social services

2.2.4 For 2017/18, the following amounts have been built into the budget to mitigate some of the pressures set out above:

- a) £6.134m has been agreed to manage the estimate increase in the number of people with eligible needs
- b) £0.202m has been included within the budget to manage the vulnerable persons resettlement scheme

2.3 **Cost pressures and managing the market**

2.3.1 Adult social services spends the vast proportion of its monies with independent providers of care. Whilst social workers assess what strengths people have and agree with individuals what additional support they need to be able to stay as independently as possible, any care is then purchased from the care market. This is predominately home care, but also includes residential care, nursing care. Although more packages of care are for home care, the majority of cost is spent within the residential and nursing care market.

2.3.2. Inflation, pay costs and rising prices all put pressure on the cost to adult social services for that care.

2.3.3 In line with other local authorities, the amount of money the Council pays for each 'unit' of care is increasing. These increased costs are being driven by a range of factors including:

- a) Increases to the National Minimum Wage
- b) A very challenging labour market, with significant ongoing staff turnover, particularly in home care
- c) An 'ageing' care estate of often older care homes and nursing homes

2.3.4 Adult social services has a statutory responsibility to support and develop the market for care – not just for those eligible for adult social care, but for all citizens in Norfolk. At the same time, it is also our responsibility to purchase care in the most cost effective way for council tax payers.

2.3.5 We have a programme of support and development for providers and we publish our direction of travel to help them plan for the future. Collaborative exercises with providers support determination of a fair price for care and support a sustainable market. In 2017/18, we took the decision to pass on the costs of the national living wage in order to help stabilise what was potentially a difficult financial period for many care providers.

2.3.6 Investment **totalling £14.7m** was agreed by the Committee and Full Council to support price increases and inflation; the increase of residential and nursing care prices, and uplifts to help providers with the impact of the National Living Wage.

2.4 **Integration and the NHS**

2.4.1 Adult social services has well-established arrangements for integration of commissioning and service delivery with partners in the NHS.

2.4.2 The NHS sustainability and transformation plans (STPs) assume that closer working and closer integration with adult social care is essential to manage the future for health and social care.

2.4.3 The Council is committed to sustaining and accelerating integration so that artificial boundaries become increasingly less relevant, and individuals and communities are the starting point for planning services.

2.4.4 Since 2014, integration with the NHS has been underpinned by the Better Care Fund (BCF). This national programme has required the creation of a pooled budget between Clinical Commissioning Groups (CCGs) and Local Authorities, in order to support integration between health and care.

2.4.5 The principle we have taken is that where people have complex needs, the health and care services they receive should act as seamless services to provide person-centred co-ordinated care. Key performance indicators in the BCF are:

- a) Unplanned admissions to hospital
- b) Residential care admissions
- c) Successful reablement
- d) Delayed transfers of care from hospital

2.4.6 The BCF for 2017/18 requires us to implement eight 'high impact changes' to tackle delayed transfers of care, so we will be working with our acute hospitals and other NHS bodies to ensure we have effective ways to managed discharge from hospital. It is critical however that we also focus our attention on how to avoid admissions wherever this is possible and this is a primary focus of the STP.

2.4.7 Priority areas of focus between health and care under the STP are:

- a) The reduction of admissions to hospital (20%) and reduction of length of stays in hospital (20%) by 2019

- b) An integrated approach to intermediate care provision: services which prevent admission to care or hospital and services which help people to return home
- c) End of life and palliative care services
- d) Working with care homes to improve their ability to manage the complex needs of residents, particularly to avoid unnecessary admission to hospital
- e) Social prescribing: a means of enabling GPs, nurses and other professionals to refer people to a range of local, non-clinical services e.g. welfare advice, social groups

2.4.8 The Council has a joint management arrangement with Norfolk Community Health and Care so that social worker services and community nursing come under a combined senior management team. There are also joint management arrangements with East Coast Health Care in Great Yarmouth. This has allowed for the improved collaboration and co-ordination across these services at local level, and closer working with GPs to focus on more active support to people with complex health and care needs.

2.4.9 We have an integrated commissioning arrangement with the CCGs, meaning our commissioning team works across health and care to plan and secure services. For example, we jointly commission our community equipment service.

2.4.10 During 2017/18 we will be reviewing our integration arrangements for commissioning and service provision, as we progress our priorities for adult social care within the framework of the STP.

3 2017/18 Budget summary

3.1 In setting the 2017-18 budget, Norfolk County Council raised council tax by 4.8%, incorporating a 3% rise for the social care precept and a 1.8% general increase. This decision was driven by a priority to protect front line services, taking account of the significant pressures faced in social care and other areas. In addition, a number of savings previously agreed were removed or deferred in recognition of budget pressures.

3.2 The total adult social care precept will raise £16.644m in 2017-18. Norfolk County Council previously froze council tax for five years between 2010-11 and 2015-16, and raised it by 3.99% (including 2% for the adult social care precept) in 2016-17. The County Council's medium term financial plan is based on increasing the adult social care precept by 3% in 2018-19.

3.3 In summary, decisions by Full Council in February 2017, saw significant investment in adult social services. This comprised:

- a) £6.134m for demographic growth pressures
- b) £4.500 for cost of care pressures
- c) £5.660 for pay and price market pressures
- d) £9.578m to address an underlying overspend

3.4 On top of this, we have re-profiled £20m of savings from 2016-18 to 2019-21. The original value of savings remain, but experience to date has confirmed that whilst savings are achievable, the level of demand management required will take longer to achieve.

3.5 Adults' gross budget for 2017/18 is £369.422m; income (from fees and charges) is £107.969m, giving a net budget of £261.453m. Two thirds of the gross budget will be spent with the independent sector purchasing care to meet their assessed needs.

3.6 The service has £2.074m reserves at the start of the 2017-18 financial year and provisions of £4.157m, which is entirely for doubtful debts. Mostly reserves relate to committed

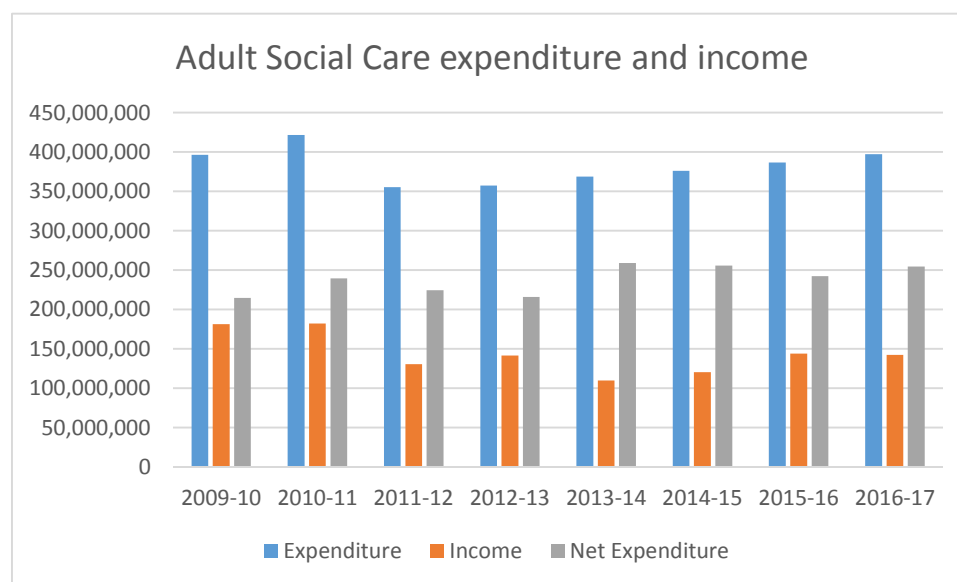
expenditure including £0.361m for the Social Care replacement system, £0.279m for deprivation of liberty safeguards and £0.400m for transformation.

3.7 The Adult Social Care capital programme totals £16m. This includes £7.2m for the social care and finance system. Funding for specific building projects totals £2.1m. £4.2 is unallocated capital grant. Since 2016/17 the disabled facilities grant that is received by the County Council must be passported in full to district councils.

3.8 A table setting out the expenditure over the last eight years is included below (Chart 1). Whilst the overall spending for adult social services increases year on year, savings still have to be achieved to keep pace with the demand for services and the increasing costs of providing them.

- a) In 2016/17, adults made savings of £7.2m in 2016/17 against a target of £10.926m
- b) In 2017/18, it is required to deliver savings of £14m, and a further £4m to replace one-off government funding, which will be removed from the budget in 2018-19; this is the most it has ever had to achieve

Chart 1



3.9 The savings are planned to be realised through reducing the number of people who need formal services and in particular working age adults within long-term residential care, and the cost of packages, and through changes to how we commission key services – including home support, day services, and following through on savings decisions including reducing spend on housing related support, remodelling contracts for support to mental health recovery and aligning our charging policy to more closely reflect actual disability related expenditure.

3.10 Since the budget was agreed, additional one-off funding from the Government has been allocated to all councils for adult social services. This comes with requirements as to how it is spent, particularly, in support of the NHS and the need to allow people to come out of hospital quickly. It will not be able to offset savings already agreed.

3.11 This additional funding will be considered in detail at the July Committee meeting.

4 Promoting Independence – our strategy for a sustainable future

4.1 Adult Social Services has developed a vision for the future – **to support people to be independent, resilient and well.**

- 4.2 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. It is also a positive response towards managing what is a difficult financial climate for public services. It does not see a retreat to a statutory minimum but ensures that we manage demand and have a sustainable model for the future, at the core of which is quality social work which builds on the strengths of individuals.
- 4.3 Promoting Independence aims to shift our spending away from the more costly intensive spending such as residential care, towards earlier intervention and prevention. The strategy for the service will support demand management, with the aim of reducing demand for services over a number of years.
- 4.4 The strategy has these main elements:
- 4.4.1 **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 become 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. Carers make a critically important contribution towards keeping people independent. Through supporting carers, we are supporting those they care for; service development includes looking at strengthening support for carers, recognising their expertise and working in partnership with them to shape services.
- 4.4.2 **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 a spell of intensive reablement after a stay in hospital to increase confidence and ability to do as many day to day tasks as possible.
- 4.4.3 **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 on tap 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.
- 4.4.4 The changes we have to make for Promoting Independence are not ones we can achieve on our own. Critical to success will be integration with the NHS, and joint working with other public services and third sector to develop vibrant, supportive networks in communities.
- 4.5 **To deliver our strategy, we have the following priorities:**
- 4.5.1 a) Strengthen social work so that it prevents, reduces and delays need - Great social work, in all its forms, is at the heart of delivering our vision, and is at the heart of our

statutory role as outlined in the Care Act. Day in day out, our care teams support and enable thousands of people. Without their skills to listen, support, motivate and change lives, we cannot achieve our vision

- b) Be strong partners for integrated working to support a good life in communities – working with partners, sharing information, joining up services will help us avoid duplication and plan health and social care so it is organised around how individuals want to live their lives, not around organisational structures
- c) Increased focus on quality and safeguarding – during a period of change, the need to be relentless on quality and safeguarding becomes even more important. We will test, examine and improve our own practice, and aim to ensure that 80% of our providers are judged good or better by CQC
- d) Strong financial and performance accountability – the council has prioritised spending on adult social care and made some tough decisions to ensure that we are on a sound financial footing. This has included asking residents to pay more in council tax specifically to support adult social care. Residents can rightly expect us to have a continuous focus on efficiency, driving out waste and unnecessary cost, and ensuring every pound we invest represents the best possible value

5 Conclusion

- 5.1 Adult Social Services faces a continued challenge to deliver a sustainable model of services for the future, which is affordable and helps people achieve and maintain independence and a good quality of life. The vision, strategy and priorities set a clear course for change but the pressures and demands which are evident across the whole health and social care system are likely to increase. Critical will be strengths-based social work which relies on social care staff having conversations which support people to live as independently as possible, enabling them to overcome crises, and reducing the need for dependence on formal services.
- 5.2 The Department has strengthened its understanding of demand; the Promoting Independence strategy will support demand management, with the aim of reducing demand for services over a number of years, by shifting spend away from the more costly intensive spending such as residential care, towards earlier intervention and prevention. The additional investment in the service has provided a sound basis on which to transform the service but the savings targets remain extremely challenging.

Officer Contact

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

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