

## Care & Support Budget Savings Update and Proposals

This appendix provides an update on the financial position of care and support in respect of the cumulative savings now required of the service from 2013/14 onwards. It describes the implications of the actions being taken in respect of the existing savings requirements and proposals for addressing the additional target including the ongoing £1.365m overspend from the current year.

The further savings required of the service are summarised in the table below:

	<u>2013/14</u>	<u>2014/15</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
2012/13 budget strategy savings	1.901	1.102	3.003
Ongoing overspend from 2012/13	1.365		1.365
Additional target 2013/14 budget	<u>0.317</u>	<u>1.957</u>	<u>2.274</u>
Total	3.583	3.059	6.642

In addition the service is facing funding pressures from demography and inflation which effectively means that further savings are required in order for the council to be able to meet its statutory duty to provide care for eligible unmet needs. The delivery of the above savings together with the current in year savings detailed below represents 27% of the service budget and inevitably will, if implemented in full, result in a reduction in the care provided to individuals.

### Context – Current Year 2012/13 Savings

In the current financial year the service is delivering £2.546m of non staff savings and £2.251m of staff savings, a total of £4.797m.

These savings are being delivered through a complete remodelling of service delivery. The new personalised model of service delivery is based on 4 key actions:

- Establishment of enablement and reablement for the vast majority of service users prior to assessment for ongoing service eligibility and care planning with the objective of reducing or, where deterioration is occurring, stabilisation of pre-existing care package costs
- Utilisation of assistive technology as a preventative measure and as an alternative to personal care provision
- Development of personal budgets and self directed support by individuals as an alternative to council led service determination.
- Signposting and direction of individuals to community and voluntary sector based support as an alternative to council funded provision.

In delivering this remodelling of service delivery the service currently has the following workstreams underway:

- Business Processes - new processes to meet Personalisation and transformation agenda.

- Systems - Adult Care & Support System requirements linking to ICT Corporate Plan including equipping staff with ICT equipment .
- MyLife Portal – providing effective searching, information and guidance to enable signposting as needed through one system rather than multiple systems. Intended as alternative initial access for people which would signpost to alternative service provision as well as Council funded.
- Resource Allocation System - (RAS) -the RAS will be used to assist the council to calculate a fair and equitable allocation of Council financial resource for each service user and provide greater choice and control.
- Self Directed Support (Personal Budget Support Service) -the SDS budget management system will be used to assist the Council to monitor and manage it's financial resources effectively and provide information to service users on the application of their personal budgets
- Information and Advice – Directory of Resources to help people live their own lives as they wish without necessarily recourse to the council.
- Assistive Technology, Community Alarms & Telecare
- Enablement and Prevention - commissioning/ strategy development in partnership with Health partners
- Transition & Leaving Care Service - development of a Transition service for 16-25 yr old for young people who may need support from Adult Social Care services
- Provider Services - to consider and review the role of our in house services in future delivery of care for ALD and other service users. To agree the future purpose, structure and resources for the in house services which currently include:- Shared Lives, Residential Care, Community Support, Day Opportunities
- Market and Community Development - -development of small local care and support providers and the development of a homecare framework agreement to reduce unit costs
- Supporting People – realignment of service provision to floating support not accommodation specific provision so support is only provided to those with a clear eligibility need.
- Advocacy development
- Autism strategy and action plan implementation
- Review of meals on wheel

In addition the following specific savings actions have been implemented:

- Implementation of care cost funding calculator for all adult with learning disability residential placements
- Low level preventative Service – implementing full cost recovery rate
- Holding of inflation on existing placement contracts below level of inflation provision. However this position will not be sustainable for the forthcoming year without risk of seriously destabilising the care market.
- Implementation of charging policy revisions including: removal of maximum contribution, disability related expenses to be supported by care plan.

Whilst work is progressing on these workstreams to deliver the service savings required, three significant factors are offsetting the savings being delivered.

- Firstly the impact of the PCT's 75%+ reduction in NHS funding for Continuing Health Care since 2009/10 (funding for people with long term conditions and therefore more severe health and care needs) continues to have a huge financial impact on the service. The additional costs now being met by the reducing funds available to the Council are some £8-9m per year and rising and despite the receipt of some non recurring funding from the PCT, mean that the savings arising from the new model of service delivery are being more than offset by this pressure. These clients, by their very nature of having previously been CHC funded or being eligible for consideration, have very high level and complex needs which puts them at the top end of the cost spectrum.
- Secondly the increased rate of hospital discharges has put significant pressure on our resources. People are being discharged earlier and consequently with higher levels of need. This results in increased demand and also higher care costs for social care as well as increasingly complex health demands for care service providers to manage.

The council's average unit cost for care provision has risen and continues to rise as a consequence of the above two factors.

- Thirdly, as part of the service restructure the service area became responsible for the transition of young people in care. In taking operational responsibility for the service an overspend of £500k has also been transferred from children's to adults services.

Consequently in spite of significant savings being delivered, the service overall is currently forecast to overspend by £1.365m in 2012/13 and this has had to be addressed on a non recurring basis by the use of the remaining service reserves. These will not be available in future so the additional costs must be addressed by further ongoing savings within the service.

### **Actions to address the original £1.9m target for 2013/14 (rising to £3.003m in 2014/15)**

It was anticipated that the completion of the Workstreams listed above would deliver the additional savings required for 2013/14. Whilst work has progressed on the Workstreams there has been slippage which reflects the impact of the 20% reduction in staffing achieved as part of the service restructure. Steps have been taken to address this through the utilisation of one off resources through the invest to save initiative in respect of implementing a framework for the domiciliary care market and the development of a health and social care economy wide assistive technology strategy to realise the full potential of savings .

In order to address the shortfall a number of further actions will be required;

- Imposition of a funding ceiling (either through the application of the RAS or through a ceiling linked to the alternative cost of residential care) for community based care packages. This will significantly reduce the choice for individuals and a significant number will have to go into residential provision and will not be allowed to continue to live in their own homes.
- The review of provider services currently underway will be required to deliver a savings target representing some 10% of its running costs (£500k). This is in the context of it having already contributed to the delivery of the savings targets for 2012/13.
- Review of policy provision/revision of expectation in ALD and Transition service areas to clarify that basis of future accommodation provision will be on shared basis only

- Peer review will be sought to identify potential areas for further action to deliver savings
- Additional support is being sought to accelerate and broaden the systems and process review workstream.

### **Actions to address the 2012/13 £1.365m ongoing overspend**

As discussed above there are three key issues contributing to this overspend and actions are proposed to address these:

- An invest to save bid has been approved and advertisement is underway for two social worker posts who will focus entirely on CHC. The posts will have the required expertise and knowledge to be able to challenge the current application of the criteria locally.
- Ongoing discussions are underway with the CCG with a view to addressing on a longer term basis the impact of decisions which have already been made and to mitigate the impact of potential future decisions.
- In partnership with children's services a review of transition arrangements will be undertaken with particular focus on the nature and cost of placements made for children in the two years prior to the transfer of responsibility to Care & Support at 16. The reduction in costs which can be achieved post transfer need to be time shifted back to avoid the higher costs being incurred initially. This will require significant work by both commissioning and operational staff in both service areas in order to address the legislative constraints which would appear to be a fundamental factor in the cost of these placements (section 20 children have to be accommodated in regulated services and similarly the cost of foster placements is significantly higher than associated adult shared lives costs)
- A panel process will be introduced to review and agree all ongoing care packages to ensure consistency and utilisation of alternative less costly forms of service provision such as assistive technology.

### **Action to address the Additional Savings Targets £0.317m in 2013/14 rising to £2.274m in 2014/14**

Implementation of all the above actions should address the original savings targets and the overspend but they will not be sufficient to meet the increased demographic demand and the full value of the additional targets now issued. Implementation of the actions outlined in the various sections above will reduce the cost and volume of care packages delivered and will enable the 20% reduction in staffing to be implemented without an adverse impact on the safe delivery of care services. They should also enable the additional saving of £317k in 2013/14 to be met. However the additional £1.957m in 2014/15 will not be deliverable without reducing even further the amount of services delivered.

This can only be achieved by reviewing and reducing the level of support currently provided. Turnover within services is not sufficient to enable this to be achieved by application to new cases alone which would also leave us open to challenge on grounds of equality. It also requires the acceptance (albeit unwillingly) of the service users of change on a legally valid basis. In order to achieve this we may have to consider consulting on a review of the level at which we set our eligibility criteria during next year.