

## TELFORD & WREKIN COUNCIL

HEALTH AND ADULT CARE SCRUTINY COMMITTEE – 13 FEBRUARY 2017

EARLY HELP & SUPPORT COST IMPROVEMENT PLAN 2016-17

REPORT OF THE ASSISTANT DIRECTOR: GOVERNANCE, PROCUREMENT AND COMMISSIONING

### 1.0 PURPOSE

1.1 To enable the Health and Adult Care Scrutiny Committee to consider progress and activity for the Early Help & Support Cost Improvement Plan for 2016-17 and 2017 – 18.

### 2.0 RECOMMENDATIONS

2.1 **That the Committee consider the report and agree any recommendations or further actions.**

### 3.0 INTRODUCTION

To provide the context and to outline the strategy for Early Help and Support savings to be delivered by the Early Help and Support Services and Governance, Commissioning & Procurement Teams.

#### Priorities

In accordance with corporate priorities:

- “Protect and support our most vulnerable children and adults”
- “Improve the health and well-being of our communities and address health inequalities”

In addition, the Council’s co-operative values:

- Openness & Honesty
- Ownership
- Fairness & Respect
- Involvement

### 4.0 KEY INFORMATION

There are a number of key principles that have or will influence how we deliver the Cost Improvement Plan:

1	To provide the service in the context of challenging the cost of care, the number of people receiving different types of care and the length of time that care is provided
2	We will operate based on a long term cost improvement plan about how the service will operate in 2019/20 and have incremental targets in the intervening years to meet this service plan and we will manage both price and activity
3	We will manage a short term cost improvement plan (contextualised by the long term cost improvement plan) to deliver in year savings and savings in 2017/18

4	We will consult and work with our service users about these plans and the future – generally and more specifically, as it may affect them, in plenty of time;
5	The fulfilment of our statutory responsibility to meet assessed need is paramount and will not be compromised;
6	We will work with our long term service users to plan for their long term future;
7	We will work with the Care sector to have a high quality service and a sustainable and competitive market;
8	We recognise that moving away from current residential accommodation might be difficult and could take time and might not be possible in some cases;
9	For new entrants we will only use residential care where we have explored other options and have found that this is the only way to meet their care needs in a safe way
10	The contingency budget has been separately identified as this funding is not ongoing at the current level and is due to reduce by 50% from 18/19.

## 5.0 FINANCIAL/VALUE FOR MONEY IMPACT

### The Early Help and Support Budget

Table 1 below sets out the current forecast for the Early Help & Support budget for 2017/18 including approved changes to the budget. The developing Cost Improvement Plan includes detail of how the savings for 2016/17 are being delivered and the work streams, which are progressing to deliver those savings.

The 2017/18 savings are also detailed in the Cost Improvement Plan and set out below, but there is further work required to determine the care activity budgets which will be reduced to deliver the purchasing savings required.

It is important to note that as part of the 2016/17 and 2017/18 budget strategy a contingency budget has been included in the Council's budget strategy for the service area to drawdown. The contingency is provided as part of the strategy to change the way care is delivered and to cover the transition to a lower budget settlement for Early Help & Support.

The Quarterly Report (**Appendix 1**) highlights the financial position and priorities within the Cost Improvement Plan

**Table 1**

	Projected Starting Budget £000's	Savings in budget strategy £000's	Growth in budget strategy £000's	Projected Revised Budget £000's
Current net EHS budget- 2016/17 including approved adjustments	38,817	(3,845)	5,493	40,465
EHS Budget for 2017/18 including approved adjustments	40,465	(5,221)	1,820*	37,064

- Additional funding of £1,344m included in draft budget proposals but not yet agreed.

## **6.0 LEGAL ISSUES**

This is an information report so there are no legal issues for members' consideration

## **7.0 ACTIONS TO ADDRESS**

**Appendix 2** will be up-dated for each Member Briefing and Scrutiny meeting to show services that are identified in the Cost Improvement Plan to measure and record savings required and achieved within each finance monitoring period.

**Report prepared by Assistant Director, Jonathan Eatough, Governance, Procurement & Commissioning on 01952 380103**

## Appendix 1

### Early Help and Support – Cost Improvement Planning – Quarterly Report for Health & Adult Social Care Scrutiny Committee

#### Financial Position-Period 9: December 2016

	Budget £000's	Forecast Variation £000's	Forecast variation - £000's		
			December	October	August
<b>Total position-Purchasing</b>	42,188	6,890	6,419	5,337	6,211
<b>Total position-Other</b>	(1,960)	(178)	203	853	291
<b>Overall Total</b>	<b>40,228</b>	<b>6,712</b>	6,622	6,190	<b>6,502</b>
<b>Offset by contingency</b>	2,500	(2,500)	(2,500)	(2,500)	(2,500)
<b>Total budget provision</b>	<b>42,728</b>	<b>4,212</b>	4,122	3,690	<b>4,002</b>

#### Movements – numbers of new SPOT care packages - new to the Council not care type

The tables below report the number of people being accepted by the Council for support, it does not report movement between services. This is a measure of increase in new demand to the Council. It is a net number and therefore it is the sum of new packages of care less people who leave services.

#### OP numbers (net new clients joining (leaving) the service)

Period under review	Period 8-9	Period 6-8	Target 2017/18 budget strategy
<b>Movement of numbers in care spot placements</b>	In total (12) left net of starters; 18 more people left residential care than joined and 6 new homecare cases	In total+4 more people in care added net of leavers; 3 more people left residential and nursing Care than joined	
<b>December/November numbers in residential/nursing care</b>	368 residential and nursing spot placements	382 residential and nursing spot placements	283 residential and nursing spot placements
<b>Movement in Homecare numbers</b>	6 net new people joined with homecare packages	1 net new person joined with homecare package	
<b>December/November numbers in homecare</b>	493(no.)(339,000 hours)	497(no.)(339,000 hours)	341(no.)(230,000 hours)

**ALD numbers (net new clients joining (leaving) the service)**

<b>Period under review</b>	<b>Period 8-9</b>	<b>Period 6-8</b>	<b>Target 2017/18 budget strategy</b>
<b>Movement of numbers in residential and nursing spot placements</b>	A reduction of 3 people in ALD care group	An increase of 4 people in ALD care group	
<b>December/November numbers in care</b>	346(including 271,000 homecare hours)	349	295 (including reducing homecare hours from 277,000 to 185,000 hours BUT increasing by 25no. Direct Payment)

**Note:** *the targets for 2017/18 also include aspirational targets for the value of unit costs in the context of requests by providers to increase fee rates to cover the impact of rising costs such as the National Living Wage.*

*Older people and Adults with Learning disabilities are the main focus of targets in 2017/18, Mental health and Physical disability are included but in considering future strategy numbers and costs will be reduced to a lesser degree.*

Cost Improvement Plan 2016/17 Savings Targets						
Service	Service Description	Savings Target 2016/17	Savings Target Delivered 2016/17	Actions – these relate to current actions (Jan/Feb 2017)	LO	Status Red Amber Red
<b>WORKFORCE</b>						
<b>Workforce Re-modelling</b>	EHS Restructure	1,075k	1,075k	<ul style="list-style-type: none"> <li>Restructure implemented 01-12-2016</li> </ul>	CJ/DL	Green
<b>ACCOMMODATION</b>						
<b>Managing Long Term Placements</b>	More efficient working with Health Partners in reviewing Local Authority spend on Learning Disabilities placements	200k	200k	<ul style="list-style-type: none"> <li>Agreement with Clinical Commissioning Group (CCG)</li> </ul>	CJ/JE	Green
<b>Management Long Term Placements</b>	Implement Housing cost savings	116k	0	<ul style="list-style-type: none"> <li>Working with existing providers to agree on going services and costs for existing clients; High Mount, Maurice Lee Avenue, Doseley Road, Keepers Crescent and Station Mews</li> </ul>	SDM, Commissioning	Red
<b>NEIGHBOURHOOD WORKING</b>						
<b>Review of Service Level Agreements</b>	Review of Service Level Agreements within the Voluntary Sector	209k	291k	<ul style="list-style-type: none"> <li>All Service Level Agreements reviewed and appropriate action taken</li> </ul>	SDM, Commissioning	Green
<b>MARKET SUFFICIENCY</b>						
<b>Managing Long Term Placements</b>	Reduce spend for Adults with Learning Disabilities, Physical Sensory Disability and Mental Health client care through proactive dialogue with suppliers on costs and efficiencies including targeted negotiations and through innovative solutions	1M	171k	<ul style="list-style-type: none"> <li>Provider meetings scheduled</li> <li>Ellen Court closure, existing clients to move by 4<sup>th</sup> Feb</li> <li>Launch skills development team by 12<sup>th</sup> Feb</li> <li>Explore new build in Dawley for ALD</li> <li>Identify additional posts for AT/OTA through invest to save</li> </ul>	SDM Community Social Work	Red

THE INDIVIDUAL						
<b>Reducing Spend on Personal Care</b>	Managing spend through identifying creative solutions in the community, the use of Personal Assistants via Direct Payments and exploring creative solutions through Panel	364k	0	<ul style="list-style-type: none"> <li>Review content of POhWER contract for 16/17 &amp; 17/18 costs</li> <li>Explore Shared Lives model</li> <li>Data cleansing to up-date client records</li> </ul>	SDM Community Social Work	Red
<b>Reduce Admissions into Residential Care (Older People)</b>	Reduce Residential & Nursing client numbers to the level set in the 2015/16 'Measures of Success' targets	541k	0	<ul style="list-style-type: none"> <li>Procurement for block for Older People provision starts Feb</li> <li>Negotiations with Coverage Care</li> <li>Operational Back to Basics training</li> <li>New Panel process</li> </ul>	SDM Community Social Work	Red
<b>Savings on Preventative Services</b>	Reduction in Supporting People activity (Long Term Supported Accommodation)	595k	32k	<ul style="list-style-type: none"> <li>Provider risk assessments required</li> <li>Proposal for other options to be considered to reduce/remove funding of services</li> <li>Evaluate agreed option to take forward &amp; implement</li> </ul>	SDM, Commissioning	Red
GETTING THE BASICS RIGHT						
<b>Transport Review</b>	Change in Transport Policy, removal of non-statutory provision. Making the most efficient use of Council's Fleet Services and reducing use of Taxi's	270k	15k	<ul style="list-style-type: none"> <li>Review &amp; implement Policy across CYP, Education &amp; EHS</li> <li>Explore Fleet transport and costs</li> <li>Consultation &amp; implementation following SMT decision on 23/3/17</li> <li>Review of Charging Policy</li> </ul>	SDM, Procurement & Brokerage	Red
<b>Obtaining the Best Value for Money, Quality and Safe Care and ensure effective Financial Management of Income</b>	Ensuring Value for Money during Procurement and Brokerage function and through successfully recouping all potential income	171	0	<ul style="list-style-type: none"> <li>Work with the Market to negotiate price, capacity and current pressures</li> <li>Reported each week via financial controls up-date on market availability and cost of provision</li> <li>Further work on developing a robust framework model</li> <li>Considerations underway with regards to fees up-lift of 2.5%</li> <li>Reduce admissions into home care placements</li> </ul>	SDM, Procurement & Brokerage	Red

<b>Transformation of Social Care Provision (Impact on Purchasing costs)</b>	Target set for 2017/18 of 2,380k			•	TBC	2017/18 Red
<b>The Right Funding for the Right Care</b>	Increased level of support for Continuing Health Care directly from Clinical Commissioning Group to clients & Joint Funded Care Packages. Additional Better Care Funding where appropriate and agreed			•	TBC	2017/18 Red

Area	Risk	Mitigating Actions
<b>Staff Capacity</b>	<ul style="list-style-type: none"> <li>There is on-going work to improve the quantity and effectiveness of reviews and assessments – no significant changes to adult social care can be made without a review or assessment being undertaken and there is pressure on this resource that means that this can delay other savings initiatives.</li> <li>Also reviews and assessments can lead to increase in care costs and well as decreases.</li> </ul>	<ul style="list-style-type: none"> <li>A major re-structure of early help and support and a change in working practices will improve this – we expect to see improvements in this from the beginning of the new financial year.</li> </ul>
<b>Market Sufficiency</b>	<ul style="list-style-type: none"> <li>We have to balance the duty to secure competitive prices against the Council's statutory duty to maintain sufficiency in the market. The threat to the on-going viability of many providers is a national issue – and we face the same issues in our local market. For example there are well documented cost increases for the sector, wage inflation caused by National Living Wage and lack of supply is driving prices up, there are increasing costs of regulation that the providers are having to bear.</li> <li>As we reduce referrals to the residential sector we could see providers failing or withdrawing from the market.</li> <li>A key element of the Council's strategy is for the provision of alternative services, for example by way of direct payments and through Personal Assistants but take up is slow.</li> </ul>	<ul style="list-style-type: none"> <li>We are working with the sector wide body, SPIC, to understand the challenges that the market faces and with individual providers where appropriate - we want to identify a fair cost of care to inform price negotiations but take we have received insufficient information from the market to complete this piece of work. It is important to note that the cost of care locally is very competitive against regional and national comparators. It is a key element of the Council's strategy to reduce demand across the sector.</li> <li>In respect of direct payments and Personal Assistants work is being undertaken to increase the take up of this option.</li> </ul>

<b>High cost placements</b>	<ul style="list-style-type: none"> <li>• If providers not willing to discuss price changes (aligned to changes in care plan or not) then change can only be effected through procurement processes which can have an adverse impact on service users. Providers can also withdraw from provision if they are of the view that services are no longer viable.</li> <li>• In respect of CHC's there is a risk that the local authority fund health care costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Work closely with service users and their families to ensure that they are fully involved in proposed changes but this does take time.</li> <li>• In respect of CHC there are processes being put in place to ensure that we continue to monitor care packages to make sure that funding responsibilities are properly allocated.</li> </ul>
<b>Preventative Services</b>	<ul style="list-style-type: none"> <li>• Preventative services help to keep people out of more expensive services and avoid homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• The implementation of changes needs to be carefully planned, in consultation with service users and providers and we plan to provide a lot of similar services using a different model that is less reliant on Council funding. Again we are working with vulnerable people and it takes time to effect changes.</li> </ul>
<b>Transport</b>	<ul style="list-style-type: none"> <li>• A lot of transport I provided through in-house provision – a reduction in demand may impact on viability of that service</li> </ul>	<ul style="list-style-type: none"> <li>• Transport Assistance Policy is being developed, for consultation before adoption.</li> </ul>