

MEETING:	HEALTH AND WELLBEING BOARD
DATE:	18 SEPTEMBER 2012
TITLE OF REPORT:	UPDATE ON FINANCIAL POSITION FOR ADULT SOCIAL CARE AND ROOT AND BRANCH REVIEW OF OLDER PEOPLE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To update the Health and Wellbeing Board on the in-year financial position of adult social care, including measures to achieve transformation and savings. To provide an update on the work of the root and branch review for older people.

Recommendation(s)

THAT: the Health and Wellbeing board consider how all partners can tangibly contribute to the transformation agenda for adults and older people services, assist with the 2012/13 budget position and achieve a sustainable budget across the system.

Key Points Summary

- The adult social care service area has challenging targets for transformation and savings. The approach has been captured in the Strategic Delivery Plan to Transform Adult Services 2012 - 2015, which will be monitored through a sub group of the health and wellbeing board.
- The scale of the challenge for Herefordshire is greater than for statistical neighbours. Herefordshire has historically overspent year on year

How will your report meet the vision and guiding principles of the HWBB?

The report sets out financial challenges which cover services that contribute to the Health and Wellbeing strategy vision and guiding principles, particularly in relation to people's wellbeing, and living independently for as long as possible.

Alternative Options

- 1 No alternative options as this is an update report

Reasons for Recommendations

- 2 The Health and Wellbeing Board has an opportunity to consider how it can make a significant impact in-year and also over the longer term.

Introduction and Background

- 3 Budgets across health and social care are under significant in year pressure, within a context of increasing demand and a history of overspend and budgets being balanced through injections of in-year additional resources or end of year adjustments. The recent white paper "Caring for our future" addresses a range of service issues and is intended to focus on people's wellbeing and enable them to live independently for as long as possible. However, it does not fundamentally address funding issues for social care at a national level. Herefordshire faces particular demographic challenges which accentuate the national picture and has a range of initiatives taking place to transform services, captured in the Strategic Delivery Plan to Transform Adult Services. Multi agency involvement is critical to the success of this plan and the delivery of Herefordshire's vision for health and wellbeing.
- 4 Herefordshire Council has undertaken a programme of root and branch reviews to assess the role of the council in the future in relation to the expectations of citizens, the nature of services (both commissioning and provision) and what can be done in anticipating future budget reductions at a national level. The review of services for older people has begun and has moved through the initial scoping and discovery phase. This report provides an overview of these two phases.

Key Considerations

- 4 The Adult Social Care Budget Plan has been set to deliver £7.956 million. This is alongside the wider context of savings and budget challenges across the health and social care system. Wye Valley NHS Trust has a predicted deficit of £9.6m and there is a CCG QIPP plan set to deliver £10m (July 2012).
- 5 £981k savings have been achieved to the end of July on the adult social care budget with a further £521k identified, subject to audit confirmation giving a potential total of 1,502m compared to a target profile of £1,186m
- 6 Currently there are 4 schemes within the transformation plan with a total value of £3,225m, where £2.472m of this sum is currently rated as red risk to being achieved. There are a number of schemes flagged as amber. Ten schemes have a green status and total £1,523k A robust approach is being taken to savings to ensure they are real, delivered and not double-counted.

In-Year Pressures

- The Adults Budget is regularly re-assessed. Significant work has been undertaken to bring forecasting up to date and to regularise the inclusion of previous commitments into the forecast. Although additional resources were committed for new cases, at this point in the year, costs of support are creating a significant budget pressure, particularly in domiciliary care for older people, ageing carers and mental health. Mental health is also causing a budget pressure for the Primary Care Trust. This could result in significant additional pressures in year for adult social care, although further work is being undertaken to challenge this and ensure this position is correctly set out.
- Other options for consideration in addressing the budget pressures are :

- Reviewing the policy framework, including reviewing eligibility criteria.
- Delivering only statutory services, with risks to prevention and diverting demand
- Introducing waiting lists for services
- The potential impact of these options and others are being explored so that the director and lead member can make informed decisions in the context of budget management.

National / Regional Position

The recent Association of Directors of Adult Social Services survey of all local authorities indicated that budgets are under pressure, though the extent varies by authority, as does the level of funding to meet demographic pressures and budget savings targets. This work is being analysed in detail to assess Herefordshire's approach.

Root and Branch Review of Services for Older People

7. The initial phase of the review involved a range of activity including reviewing current plans for transformation, benchmarking service activity and costs, and two whole day workshops involving a range of managers and staff from different organisations. The general findings are summarised as follows:

8. The benchmarking exercise highlighted the following areas worth investigation:

- A declining trend in the number of older people receiving residential and nursing care services
- Lower than comparator group and all England average, but a rising trend in admissions to nursing care
- Significantly lower share of council's spend on residential and nursing care for all client groups covered by client contributions (7.5% vs 11.6% in comparator group)
- Unit costs for residential care where it appears Herefordshire is spending more on fewer weeks of care compared to some other authorities. Based upon 2010/11 data Shropshire, for example, commissions 94% more resident weeks than Herefordshire for 80% more spend. So, to achieve the unit cost per resident week of residential care of the "average" council in Herefordshire's comparator group (Shropshire at £470 per resident week) an increase in value for money (i.e., more resident weeks for the same amount of spend) of £862k would be required, a 7.5% change.
- Domiciliary care unit costs which are 10% higher than the mean for nearest neighbours. For example, Herefordshire spends 18% more than Bath and North East Somerset on commissioning domiciliary care services, but for only 5% more client weeks. To achieve the unit cost per client week of domiciliary care of the "average" council in Herefordshire's comparator group (Bath & North East Somerset at £191 per client week) an increase in value for money of £947k would be required, an 11% change.
- Direct payments unit cost appears to be almost three times higher than the all England average. To achieve the unit cost per client week of direct payments of the "average" council in Herefordshire's comparator group (Central Bedfordshire at £179 per client week) an increase in value for money of £605k would be required, a 49% change.

9. The workshops confirmed current areas covered by the improvement and transformation programme.

- More frequent reviews to ensure appropriate levels of care for the correct length of time
- Reductions in block contracts to minimise voids and reduce costs
- Market development with more flexible contract models
- Use of care funding calculator to ensure initial packages are set at appropriate level
- Consultation on increasing charges for those that can afford to pay
- Using assistive technology to keep people independent longer
- Ensuring equity and quality of support to carers
- Increase use of supported accommodation rather than residential placements
- Delivery of local, preventative support through neighbourhood teams and multi disciplinary approaches
- Engaging wider service areas rather than simply focusing on adult social care and health to enable individuals to live independently
- Development of a range of policies to establish appropriate case and funding decisions, based on the principle of “just enough” care and support

10. The current planned range of activity therefore needs to be augmented by the following:

- Addressing unit cost variations as detailed in the benchmarking reports, achieving preventative outcomes, appropriate dignity and safety whilst providing “just enough” care or facilitating individual commissioning within budget goals
- Decision on what the balance should be between the council commissioning services or self funders and personal budgets
- Dementia services, focusing on proven activities that maintain independence, in partnership with the CCG
- Delivery of the frail elderly programme in partnership with the CCG
- Review of major contracts, even if recently reviewed (in the last 18 months) to determine whether they offer best value, should still continue, be revised

11. Fundamentally Herefordshire should concentrate on changing the pattern of demand, involving wider services and stakeholders. This includes the further development of preventative approaches including information, guidance and sign posting to individuals and importantly families, future carers and carers, and approaches such as adaptive technologies, reablement. It would include moving from buildings based provision to community based provision (including options for community asset based approaches such as time banks. Strategic decision also need to be taken whether the council should continue to own and act as landlord for buildings that provide services, with some

evidence that the current unit cost (based on 2010/11 unit cost data) for some of this provision is £316 per week compared to £135 per week externally.

12. The work so far is now subject to a challenge panel approach before being discussed by Cabinet. In October. A programme of work will then take place to engage people and partners.

Community Impact

13. Issues for older people and for the vulnerable key priorities for both the council and the health and wellbeing board. The development and change of service provision will affect communities across Herefordshire and require consultation and involvement.

Equality and Human Rights

14. These are important aspects that are considered at points of development and change.

Financial Implications

15. The Council is facing significant challenges in financial terms and through the national settlement and reductions in funding. The Council's five year financial strategy includes an estimated 29.7% reduction in government formula grant. Budget decisions have been based on a set of core principles that include Supporting the Vulnerable. The process also includes fundamentally challenging what the council does to ensure appropriate use of public funding and quality of service

16. These are set out in the body of the report

Legal Implications

16. None in terms of this report.

Risk Management

17. Risks to council services from a financial point of view are significant. As with the national position, locally the council cannot afford to continue with the pattern of spend that has been taking place over the past few years in relation to adult social care when married with the forecast increases in demographic pressures and increased levels of need.

Consultees

Not applicable

Appendices

None

Background Papers

None identified