

Supplement to the agenda for

Adults and wellbeing scrutiny committee

Tuesday 27 November 2018

10.00 am

**Committee Room 1 - The Shire Hall, St. Peter's Square,
Hereford, HR1 2HX**

Supplement 1 – Presentation on the budget

Pages

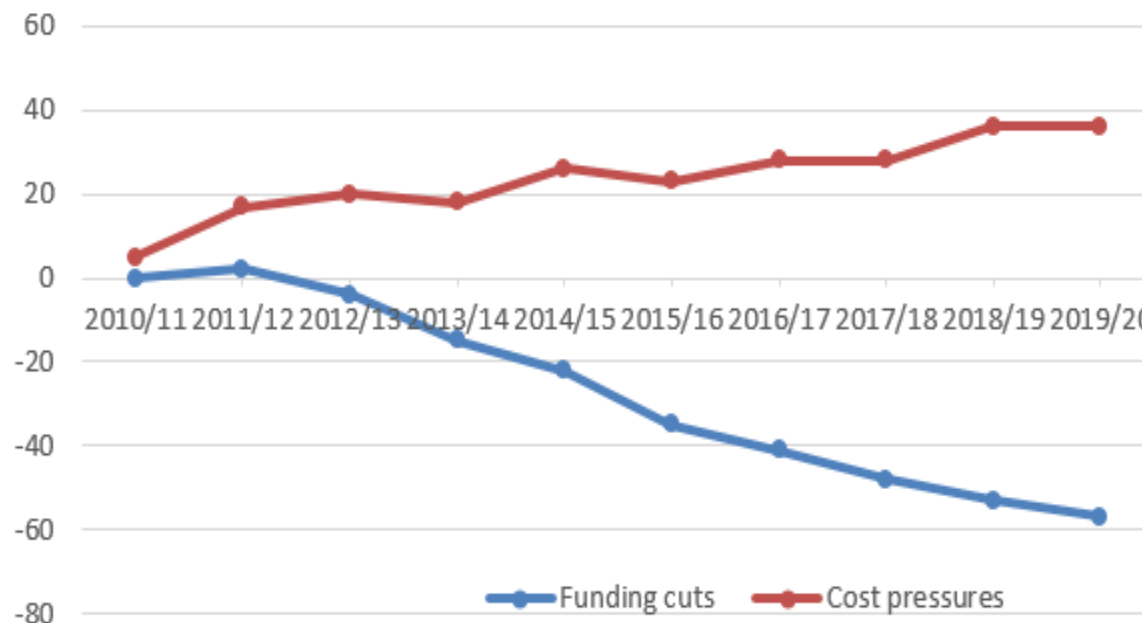
7. SETTING THE 2019/20 BUDGET, CAPITAL INVESTMENT AND UPDATING THE MEDIUM TERM FINANCIAL STRATEGY	3 - 30
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**2019/20 Budget
Adults and Wellbeing
Scrutiny Committee
27 November 2018**

What we have delivered...

- Reduction in revenue support grant

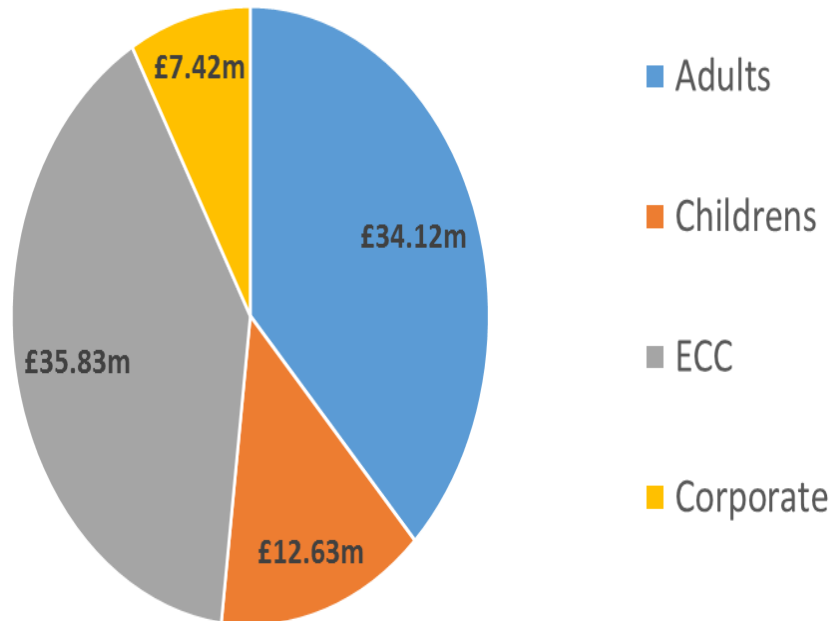
Chart Area Savings achieved/required from 2010/11 to 2019/20 (cumulative) £m



£93m savings

£90m of achieved savings by 18/19

£90m of Savings by directorate

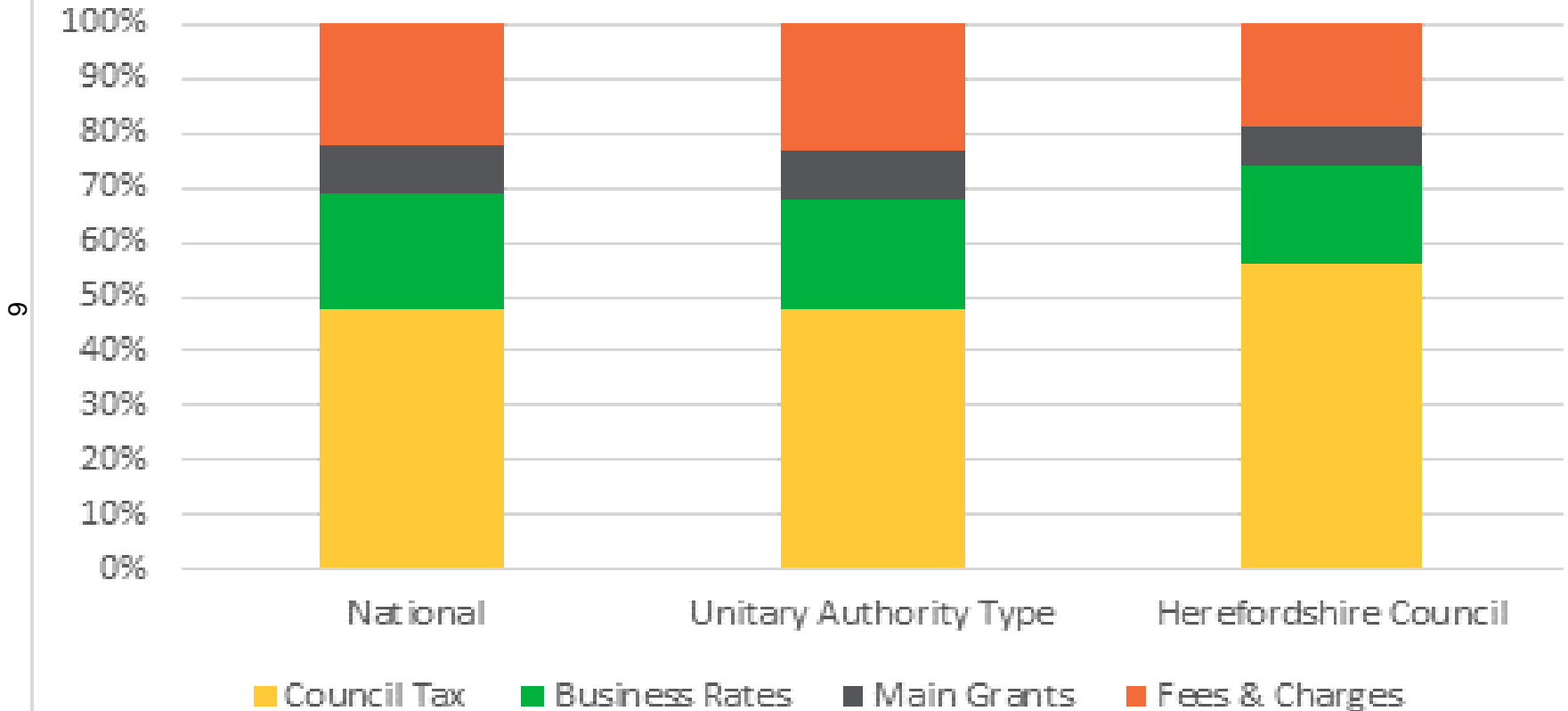


£77m of savings made between 2010 and 2017/18. A further £13m made in 2018/19

The current saving requirement for 2019/20 - 21/22 is £8m

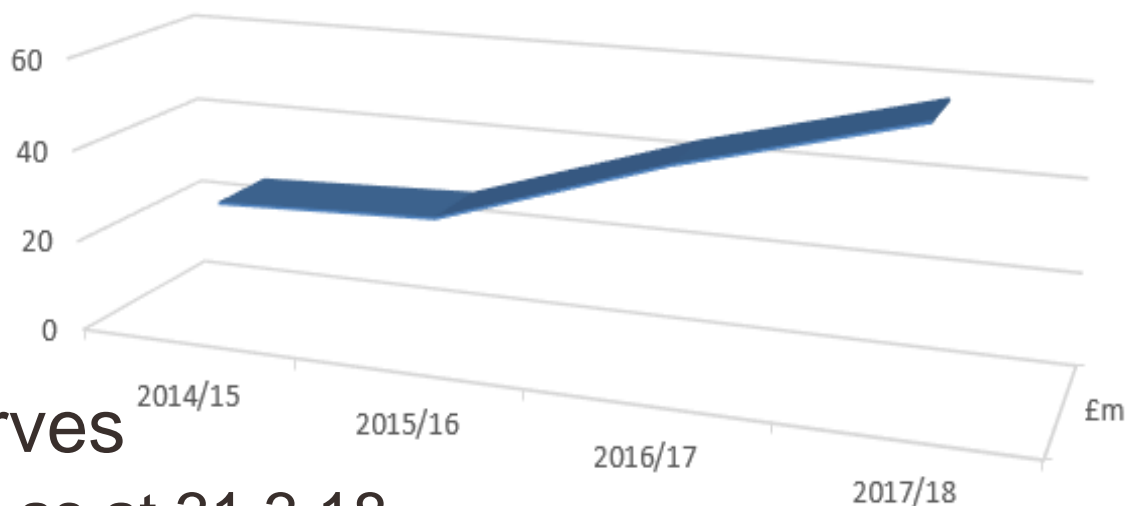
Indicator of financial resilience

Balance of Funding Including Fees and Charges



Where we are...

earmarked reserves



• Earmarked reserves

- Totalled £50.7m as at 31.3.18
- Cabinet reviewed in June 2018
- Going forward to be uplifted in 2018/19:-
 - £3.8m financial resilience reserve (MRP savings)
 - £2.3m additional final 2018/19 settlement monies

Net Revenue Budget 2019/20

	£k
Council Tax assumed 4.9%	103,908
Business rates	35,457
Revenue support grant	620
Collection fund surplus (one off)	500
New homes bonus	2,029
Rural services delivery grant	4,093
Adult social care grant (one off)	2,380
Total net budget	148,987

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The Base Net Budget requirement

Directorate	18/19 revised base £k	Pressures £k	Savings £k	Base Budget £k
Adults and Communities	52,087	5,288	(700)	56,675
Children and families	23,958	3,427	(200)	27,185
Economy and Place	34,046	1,417	(2,453)	33,010
Corporate Services	9,424	146	(379)	9,191
Total Directorate	119,515	10,278	(3,732)	126,061
Central	24,609	(1,483)	(200)	22,926
Total Net Budget	144,124	8,795	(3,932)	148,987

Adults & Wellbeing

	Revised base budget 2018/19	Savings	Total client (excl growth)	Fee uplift pressure built in	Pay inflation pressure	Budget re- alignments	Total
	£k	£k	£k	£k	£k	£k	£k
Proposed budget	52,087	(700)	970	3,380	329	609	56,675

Budget re-alignments: Dols and Restructure impact

Budget risk: £200k Direct Payments surplus

Work to date (2017)

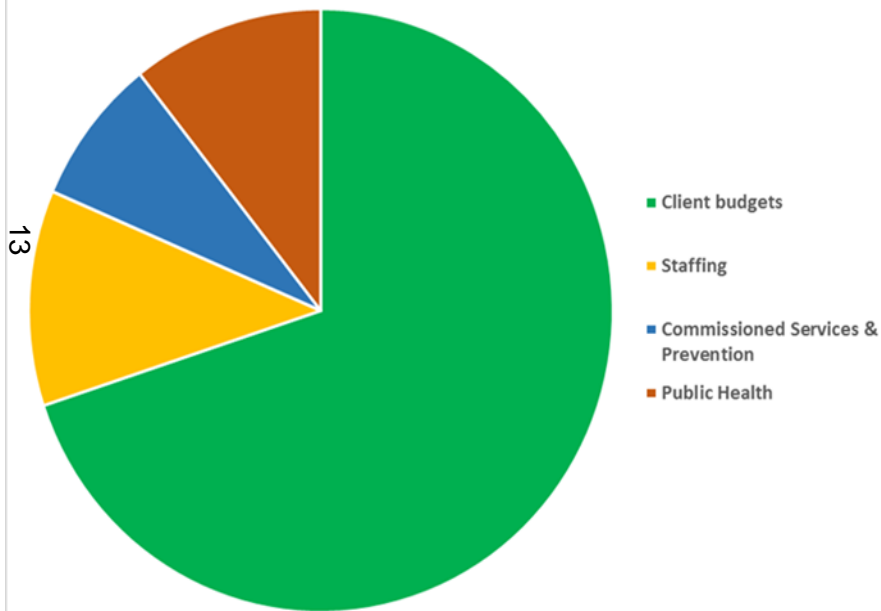
- Redesign of ASC pathways
- Implementation of strengths based approach (whole system)
- Implementation of Community Broker function
- Reduction in commissioned services (public health contracts, prevention services, carers services)
- • Charging policy changes to maximise income
- Maximise productivity through alternative ways of assessment
- Redesign of front door
- WISH upgrade

Work completed/in progress (2018)

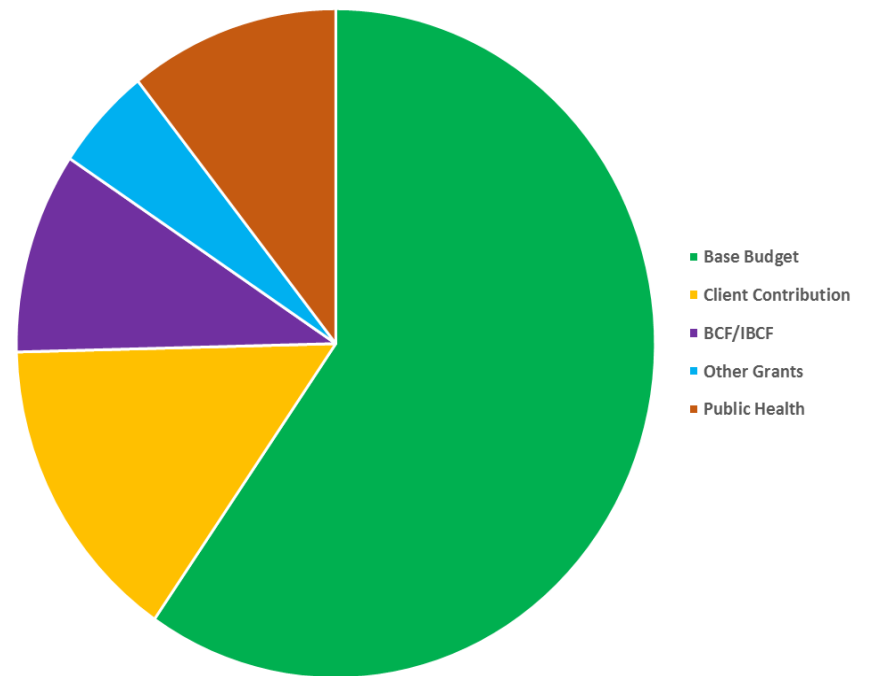
- Launch of “Talk Community”
- Integrated functions with NHS (e.g. discharge planning, quality)
- SAS team – targeted reviews
- £1m staffing budget reductions
- Redesign of Homefirst
- ➔ Pilot for assistive technology
- Hillside
- Shaw redesign to remodel bedded provision and increase nursing capacity
- LD accommodation – new model (Whitecross)
- Care Heroes campaign
- Market management

ADULTS & COMMUNITIES 2019-20

2019/2020 Gross Budget Expenditure



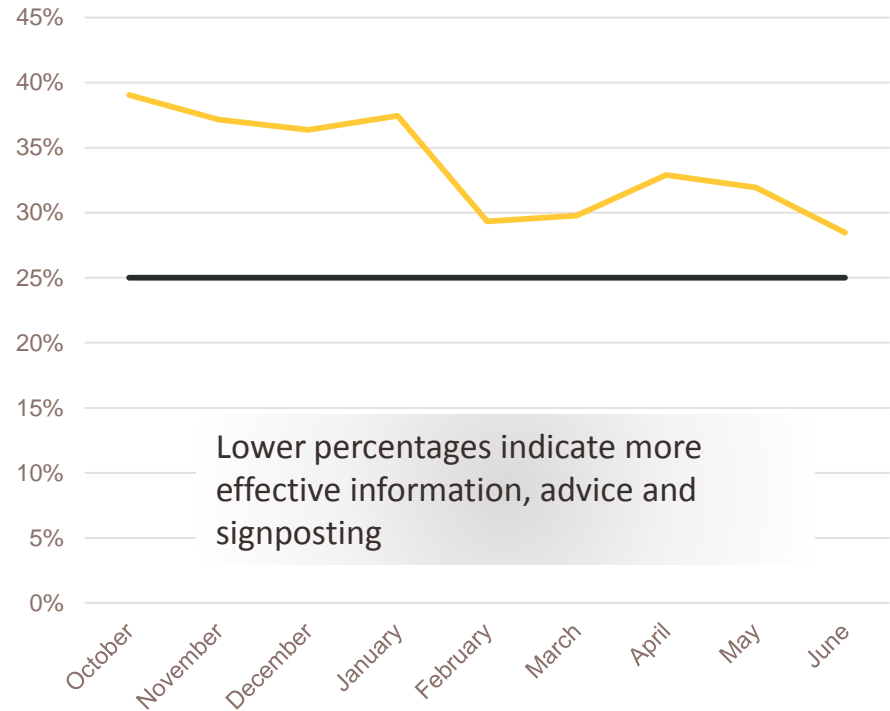
2019/2020 Source of Funding



Front Door Effectiveness

- Since the introduction of the new pathway and culture change programme, there has been a shift in the proportion of cases accepted in to ASC services.
- Target - 75% of new contacts will receive high quality information, advice or signposting (IAS) which delays or prevents the need for formal ASC.
- 25% of new clients will go on to receive additional ASC services, i.e. in to HomeFirst or ASC assessment from localities.
- Quality assurance processes in place for all front door activity (i.e. IAS & further support)
- This convergence with the target would indicate that the right levels of clients are coming in to the system.

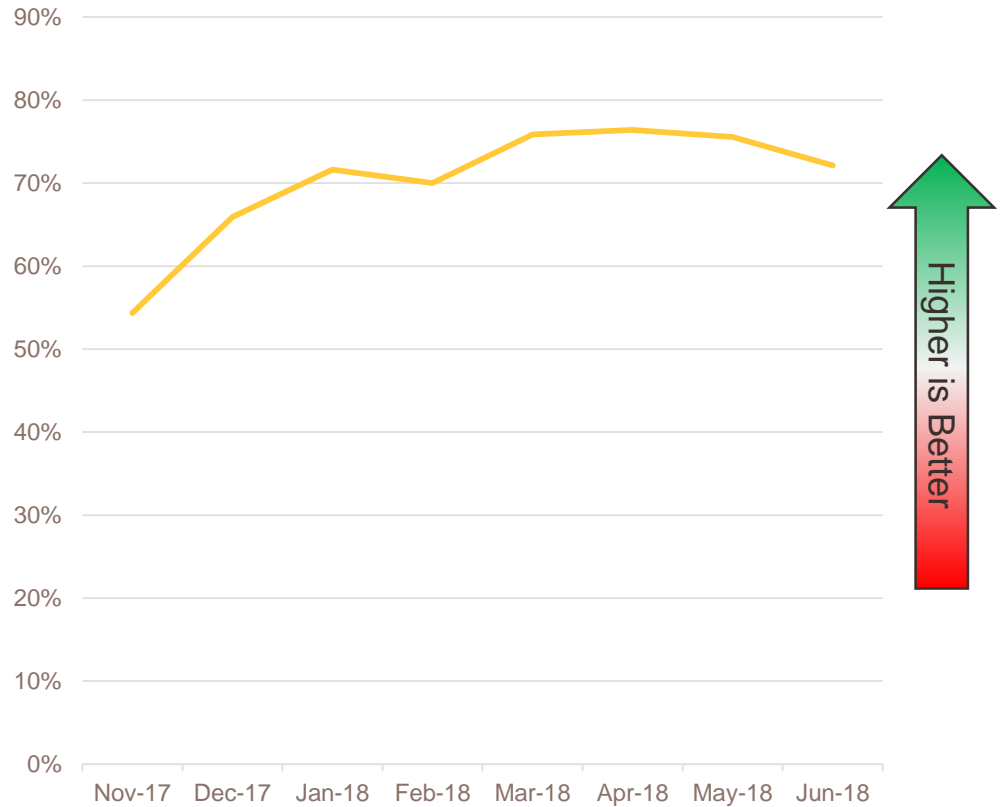
Proportion of community referrals accepted



Front Door Effectiveness

More effective front door activity results in a higher proportion of clients receiving a care plan following assessment from ASC localities (22% increase).

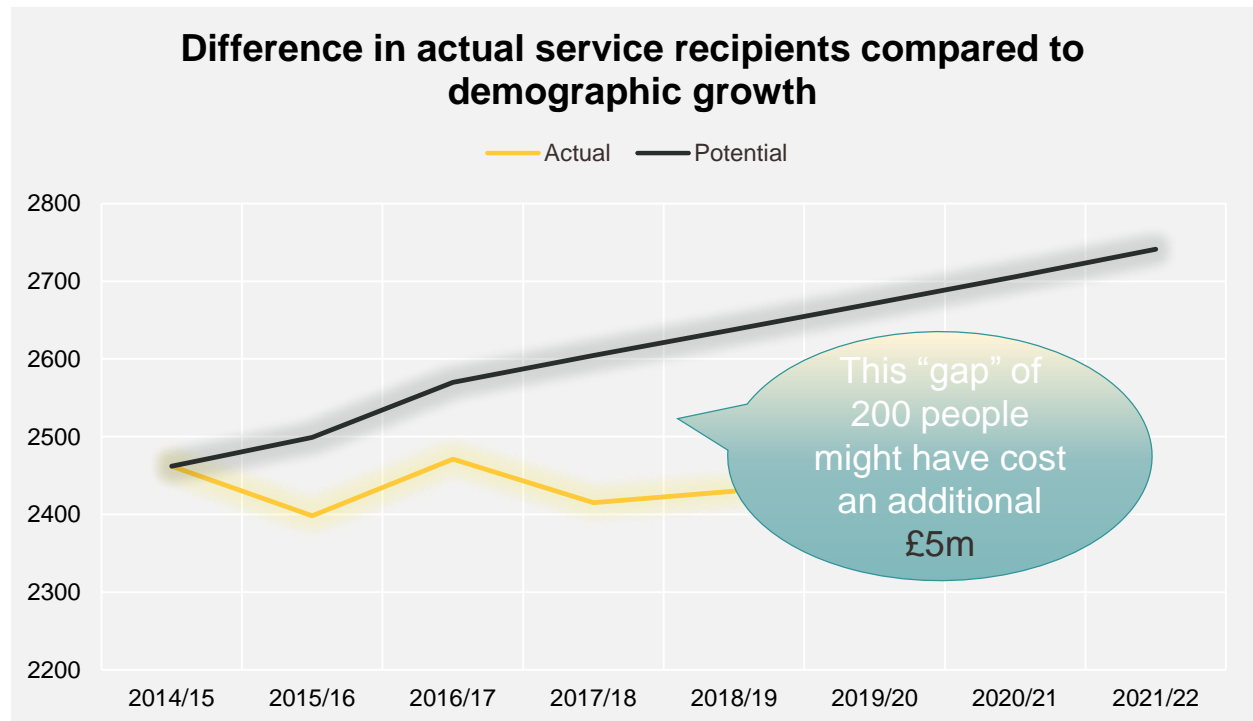
Assessments progressing to Care Plan



Holding back demographic pressures

- Actual demographic increases applied to a 2014 baseline indicate that had changes not been made, as of today there could have an additional 200 care recipients
- If today's service numbers increase at a rate of 2% per annum, we might anticipate a further 90 service users by 2022 than current

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ASC planned savings

- There are currently 2466 clients in receipt of a long term service with an ongoing financial commitment; this might include residential or nursing services, or community based services such as domiciliary care, direct payments, day opportunities, supported living, skills for daily living or adult placements
- **PLEASE NOTE:** Following financial assessment, ASC clients may be required to make a financial contribution towards the cost of their care - **for each pound saved on packages in the community, the net saving is £0.78**

Breakdown of current client groups

Nursing Care

305 (25 / 280)

£11.4m / £8.3m

Community Services

1667 (810 / 859)

£27.5m / £20.8m

Residential Care

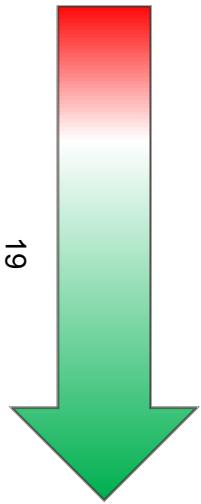
494 (157 / 337)

£22.1m / £17.9m

Dom Care, Direct Payments, Day Opportunities, Skills for Daily Living, Extra Care, Adult Placements, Supported Living

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ASC assessment in localities - new packages



- Analysis indicates that spend on new clients progressing to long term has reduced
- New clients now receive a package of care **£58 per week** lower on average than clients who approached us before the new pathway (i.e. on average each package of care is **£3,016 per annum** lower than under the previous arrangements)

Targeted reviews (1,667 service users)

Cohort	Dom care	Direct payments	Skills for daily living	Day Opportunities	High Cost Packages	Shared Lives	Supported Living	Extra care
Numbers	User numbers: 814 (217 / 597) 18/19 Budget: £11.7m	User numbers: 626 (437 / 189) 18/19 Budget: £9.2m	User numbers: 44 (33 / 11) 18/19 Budget: £200k	User numbers: 245 (170 / 75) 18/19 Budget: £2.2m (additional £200k on transport)	User numbers: 140 clients identified (85 / 54) 18/19 Budget: £6.8m	User numbers: 71 (52 / 19) 18/19 Budget: £1.0m	User numbers: 82 (71 / 11) 18/19 Budget: £3.0m	User numbers: 62 (14 / 48) 18/19 Budget: £500k
20 Opportunity	Overprescribed care resulting in higher number of clients in receipt of low level care packages (potentially 350 from Bolton modelling)	Overprescribed care resulting in a higher number of clients in receipt of DP / DP package set too high	Review of cases including input from Community Broker finding alternative support options to meet needs Picked up as part of the ASC review programme	Review of cases including input from Community Broker finding alternative support options to meet needs Picked up as part of combined review programme	More creative solutions for service users receiving community services in excess of £500pw Alignment of correct funding streams	Limited for existing cohort although expansion of service may provide other opportunities Planned review of service once back in house for over 6 months	Limited for existing cohort within the immediate short term. May be opportunity in the medium to long term for a minority of cases as new accommodation options come online	Limited for existing cohort within the immediate short term

Community Offer

- Building on the success of the community broker function
- Provide a coordinated community offer ‘the glue’
- Support the community by funding additional capacity
- Align to Primary Care Home
- Underpinned by community mapping intelligence
- Targeting support for loneliness, frailty, falls prevention and working age mental health
- All age community offer to build resilience and promote self-care and earlier planning to maintain independence

Community Development

Community Catalyst

- Expansion of pilot (building of micro enterprise to meet need within localities)

Community Building

- Practical support to voluntary sector infrastructure
- Embedding healthy living network

Community Brokers

- Expansion of existing function (currently 7 FTE)
- Extend “Talk Community” offer to more days/localities

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Community intelligence

- Intelligence at sub locality level to understand need and assets in greater detail and develop local community offer

Technology Enabled Care

Social Care Assessments

- Monitoring technologies can inform the social care assessment and so produce more individualised, and appropriate care packages and make cost savings in the design of care delivery.

A Preventative Approach

- Frailty and Falls: Wearable technologies can now predict risk and prompt early intervention and can support both self-management and assist the communities of support around the person. This will positively impact on demand in future years.

Training & All-Staff Approach

- Telecare is most effective when integrated as part of formal care pathways. Therefore training is needed for all care and support staff, champions from within communities and staff across all sectors.

Technology Enabled Care (cont)

- Preventative measures as opposed to reactive show a **3:1 ratio for save to spend.** (Public Health England)
- Telecare across 41 authorities shows an annual saving of **£1,151 per person** for adult social care.
- Learning Disabilities (supported living): a saving of 66% can be achieved by moving from waking nights to sleeping nights through the use of telecare alerts.
- Over the 12 months that followed admission for falls, costs were 70 per cent higher overall than in the 12 months before the fall. **After a fall there was a 37 per cent increase in social care costs.**

Increasing Care Home Capacity

- Hillside (++) model – where next?
- Difficulty in placing individuals with high needs particularly with Elderly Mental Illness (EMI)
- Demand for nursing beds will increase by 88% and by 90% with a focus on EMI by 2036
- Difficult market to source and influence
- 29 • New providers are not entering the market and Competition and Market Authority Report suggest the market will not build purely for LA funded clients.
- £90/100k cost per bed to develop – 60 bedded unit = £6m
- Additional funding required to provide external consultancy support to develop commercial/commissioning strategy

Corporate

	Revised Base Budget	Savings	Contract Inflation Pressure	Feasibility	Pay Inflation Pressure	Total
	£k	£k	£k	£k	£k	£k
Economy and place	34,046	(2,453)	774	100	543	33,010
Corporate services	9,424	(379)	13	0	133	9,191
Total:	43,470	(2,832)	787	100	676	42,201

2019/20 Assumptions

- Council Tax increase of 4.9% for 2019/20 (includes 2% adults precept)
- Improved better care fund (ibcf) £5.7m (£4.5m Adults and £1.2m new schemes).
- Public Health grant of £9.0m
- Placement cost in Adults and Childrens based on current service users in August 18.
- MRP saving in 2019-20 utilized to delay decision re income disregard in Adults £0.8m, and reverse looked after children savings in MTFS £1.8m.

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Running different race 2020/21 onwards

- Comprehensive spending review;
- Continuance of Adults precept or 2% extra on core?;
- Green paper – Adults Social Care;
- Schools High Needs block pressures;
- ICBF / BCF replaced?;
- Market changes;
- Business rate retention – work in progress – local determination of reliefs:

Running different race 2020/21 onwards

- Spend to save changes coming on stream;
- Assumption that efficiencies will service part of pressures;
- Financial resilience reserve funding spend to save projects.

