

## PEOPLE & COMMUNITIES Budget



### Overview

Nationally Adult and Children services are reporting rising demand and costs - professional bodies are lobbying for additional funding.

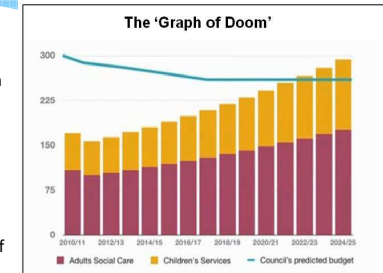
- \* The Revenue support grant decreased by £38m compared to two years ago.
- \* Cambridgeshire is amongst the lowest funded Adult and Children services
- \* We are operating in one of the eleven most challenged health economies in the country - Addenbrookes is a particular challenge.
- \* Both children and adult services have population growth pressures and increased complexity of need.
- \* Inflation is now back on the scene and after years of enforced 0% increases imposed on a number of our providers - the cost of commissioning services is certain to increase.
- \* Financial sustainability is uncertain for many of our providers and that there is a chronic shortage across several parts of the labour market.
- \* All Local Authorities in the Eastern Region report reliance on the use of non- recurrent Integrated Better Care Fund (IBCF) funding to balance their adult's budget.

*We have made significant savings and avoided additional costs by transforming the way we do things and are on track to achieve over 20m of savings this year; however we are starting to experience diminishing returns and the underlying pressures are starting to show....*

### Complexity in Demand Led Budgeting

Total net expenditure in People and Communities is £236m per year , of this approximately £205m (86%) is in demand-led budgets

- \* This means even a 5% variance from anticipated demand results in budget pressure of more than £10m
- \* Demand budgets are hit by wide range of factors not fully within our control including demographic trends, the economy, the pressures on and behaviour of partners, the behaviour of independent providers, seasonal trends and changes in national policy



**Every authority is battling the 'graph of doom' where demand overwhelms all other spending**

### Multiplying Impacts

The financial impacts of additional demand multiply and cause knock on effects..... 2 examples

#### Each extra child in care beyond plan might mean

1. Paying for an independent sector placement (as in house provision is full)
2. Pushing up the unit price of independent sector placements (as sector knows we need capacity)
3. Another child who might have been placed with a foster carer having to go into a residential placement instead
4. Paying for dedicated / individual transport to school
5. Pressure on the legal budget for family court proceedings

#### If more older people are discharged from hospital than anticipated it might mean

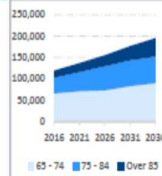
1. Paying for expensive interim beds to ensure they leave hospital as soon as medically fit
2. Those beds then not being available for people who do need a residential setting – meaning we have to spot purchase residential placements at very high cost
3. The market responding with an across the board price increase
4. People staying in the Reablement service too long – preventing reablement from working with the people they can actually help
5. Teams not having capacity to undertake all reviews of care needs – missing opportunities to develop the best solutions which maximise independence
6. People's needs not being met in the right way – leading to quicker deterioration, crisis and readmission

## Older People – Context

The population of over 85s has already risen nearly 20% already since 2011 and over the next 20 years numbers of over 85s are projected to increase by 154%

### OLDER PEOPLE POPULATION GROWTH FORECAST

	65 - 74	75 - 84	Over 85	Total
2016	65,500	36,700	16,900	119,100
2021	70,600	44,800	21,000	136,400
2026	72,700	56,500	26,000	155,200
2031	82,700	60,500	33,300	176,500
2036	89,300	62,900	42,900	195,100



\* Attempts to relieve demand pressure in one area tend to cause a bulge elsewhere

Demand and cost of care for older people is very responsive to external factors – in particular pressure on the NHS, viral outbreaks, providers withdrawing capacity, house prices and even the weather

\* Complex system of services all of which are operating at or beyond maximum capacity – if one part of the system is overwhelmed by demand it silts up the whole, causing inefficiency and higher costs

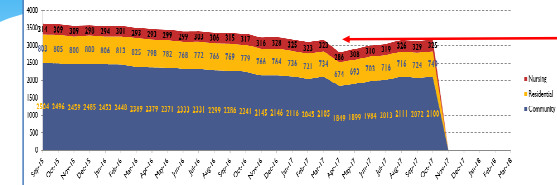
## Older People – Strategy and Impact to Date

Over recent years we've managed this growth in older population successfully;

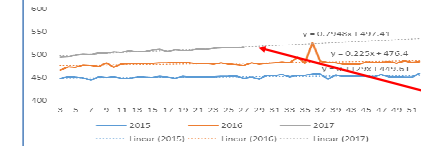
- \* Transforming Lives model has change the nature of care plans – focus now is on maximising independence
- \* Early Help – Reduced numbers accessing Adult Social Care
- \* Enhanced Reablement offer – good success at helping people return to independence
- \* Double up team has reduced reliance on double handed care
- \* Investment in Assistive Technology is helping to manage demand by reducing size of home care packages
- \* Just checking tool is reducing escalation to residential care
- \* Retendered home care contract – more capacity and lower costs (though this may result in more cost – as now meeting need in a more timely manner)
- \* Tighter financial controls established with panels scrutinising high cost packages an internal challenge

## Older People – Changing Trends

Clients receiving long-term services by support setting - Trend



Residential Spot Change in price



Since April the pattern of demand has changed with numbers coming in to long term care starting to increase – the knock on effect of insufficient supply of care is then quickly apparent as rising unit prices

## Why has the trend changed?

The evidence suggests that the vast majority of the increased demand is coming from the hospital discharge route, which in turn is a function of increased referrals and admissions because of the needs of our ageing population.

We're working very closely with health partners to relieve the pressure on hospital beds – but that means the social care system takes the strain

More people than ever coming through the discharge teams and the pressure to find care at pace means sometimes care solutions identified are either directly more expensive or less likely to support recovery and maximise independence.



As hospitals respond to their pressures the average length of time older people are in hospital has reduced from 8.1 days in April to 5.6 days in October – older people are leaving hospital in higher numbers, more quickly and in a more fragile state

## Older People - Budget Position

The change from a decreasing trend in numbers of service users to an increasing picture translates into a worsening financial projection

Prior to 2017/18, the Older People's Directorate's financial position and strategies had proved successful – with £3.519m of savings schemes delivered in 2016/17 and £3.048m in 2015/16

Directorate has returned an overall underspend position in the last 2 years despite the underlying population growth.

But at November 2017 the Commitment record now shows cost for current services users being **£1.3m more than budget**

If the trends seen in the first half of 2017/18 continue for the rest of the year then the **forecast pressure at year end is £1.85m**

This level of pressure will only increase further if the trends in service user numbers were to continue in future years

## Older People – Looking Ahead

Two key areas for focus;

1. Our model in partnership with the health system to manage demand through the discharge route.
2. Increasing the supply of the care types we need, where we need them – thereby avoiding high cost less than best solutions and unblocking the preventative and demand management capacity.

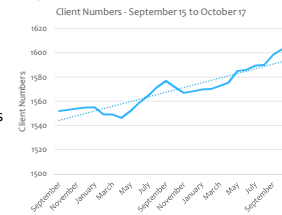
Specific Plans already identified

- \* Delayed Transfer of Care (DTOC) senior system lead to be employed
- \* Continuing Healthcare (CHC) – ensure all assessments done in timely manner
- \* Review double up packages and reduce where safe to do so
- \* Increase use of Personal Assistants and Direct Payments (DP) (introducing DP card)
- \* Commission care that enables people to stay living independently and review as needs change
- \* Commission access to more flexible step down services in the community
- \* Fee negotiations with providers

## Learning Disability - Context

Unlike other demand budgets – the cohort we support is comparatively stable – often we are with people throughout their lifetime and know their needs intimately

- \* Demand is therefore more predictable – but clearly there isn't the same scope for 'prevention' or 'recovery'
- \* individual care plans are very expensive – many between £50k and £100k per year and some over £250k – small increases have big financial implications
- \* Medical advances in recent years mean that more people with disabilities are surviving into adult life, and are then living for much longer than before – that's clearly fantastic but means we're supporting more people for longer
- \* As people live longer their needs become increasingly complex over time – this includes the advancement of their existing disabilities, aging, the development of dementia and also instances of carer breakdown
- \* The underlying trend in numbers is upwards with about 50 new service user in adult social care each year and only around 15 leaving
- \* More significantly, many of the existing service users require an increase in support each year due to their escalating needs



## Learning Disability – Strategy and Impact to date

- \* Transforming Lives strategy has focussed on reviewing each individual's care solution one by one – developing care plans which maximise independence
- \* Implemented revised care policies
- \* Have used assistive technology extensively to reduce the reliance on care hours
- \* Programme of recommissioning and brokerage focussed on re-shaping the provider market and securing care at lowest cost
- \* Transforming service models – moving from residential care to supported living
- \* Reviewing in-house provision – with savings delivered from management and commissioning functions across in-house provider services
- \* all additional spend on tier 3/statutory services has to be agreed by a panel which includes managers from the locality teams, the PAT team and commissioners
- \* Joint work with health partners to ensure the health share of needs and costs are appropriately funded

## Learning Disability Budget Position

- The Learning Disability budget has been carrying an underlying pressure over several business planning cycles.
- The strategies we have put in place will have delivered approx. £15.7m by end of 2017/18 - enough savings to offset the various pressures but only slightly reduce the overall deficit – but still showing **£2m underlying pressure for end 2017/18**
- One off mitigations are being developed but the underlying pressure remains

	2015/16	2016/17	2017/18	Total over 3 years	
Opening Budget	57,801	58,034	58,016		
Inflation Pressure	1,163	949	1,158	3,270	
Demand Pressure	3,078	1,565	1,850	6,493	
Needs & Other Pressure	400	3,802	1,409	5,611	
Investment			936	936	
<b>Savings</b>	<b>-4,408</b>	<b>-6,334</b>	<b>-4,953</b>	<b>-15,695</b>	
CCC Budget	58,034	58,016	58,416		
Pool forecast outturn pressure (October)	2,647	2,252	2,000		

*Strategic concern is that scope for savings is diminishing – after 2018/19 we will have reviewed all of our service users using the new approaches – the pressures will remain*

## Learning Disability – Actions Being Taken

Targeting the PAT team activity in the North of the County where there are more outstanding reviews and more potential to deliver savings.

- Secure additional brokerage capacity, using slippage from vacancies to support the South
- Working with in house provider unit managers to review forecast line-by-line to see if the forecast overspend can be reduced.
- Continued focus on developing employment options building on the work currently underway in in house services to reduce the need for statutory support.
- Review LDP S75 with health – challenging the % health pay
- Continue moving LD clients into supported accommodation and reducing out of county
- Increase employment opportunities for those with LD
- A review of existing policy lines to see if there are any further actions that can be taken to support the reduction of individual packages
- There will be a strong focus on skills development, promoting independence, employment, and positive risk taking through the teenage years with the expectation that this will reduce the level of spend on young people as they move into adult services.
- The work to redesign and develop services that has started in 2017/18 will support more cost effective models of service for existing and future people supported by adult social care

## Mental Health - Context

- Care packages for people with mental health needs commissioned through the integrated model with CPFT – for both adults of working age and older people
- Over the last decade the scale of mental health need has begun to be fully understood across the health system and society – mental health now has parity of esteem with physical health and the support services are much expanded
- As we've got better at identifying mental health conditions, more people are getting the help they need and that is reflected in rising numbers of people with identified needs for social care
- The prevalence of dementia is also increasing very sharply – linked to the general aging of the population nationally and locally

*Prevalence of dementia is growing at about 8% per year worldwide*

## Mental Health – Strategy and Impact

- Have established significantly enhanced recovery support in the community – work of the recovery college
- New model of social work applied – focus on maximising independence and supporting people to step down from in-patient settings and continue their recoveries in the community
- Established much closer financial governance – panels scrutinising care packages and use of residential and nursing settings
- Focus on ensuring health funding is appropriately applied with joint funding tools ensuring care costs are split appropriately (Continuing Healthcare and section 117)
- Recommissioning of all major care frameworks – focussed on cost and developing models which allow more people to live with more independence – e.g. supported living
- Have successfully delivered £1.253m in 2016/17 and £834k in 2015/16

## Mental Health - Current Trends in Demand

Across both working age and older people's care we are having some success in reducing and managing the overall numbers of service users and helping people living in the community to live more independently

Values	Residential	Nursing	Dam Case	Supp Acc	Direct Payments	Other	Respite	Day Case	Grand Total
Sum of April Total	66	16	208	336	19	21	0	3	461
Sum of May In	7	2	10	6	0	8	0	1	24
Sum of May Out	-2	-1	-27	-12	-2	-6	0	0	-51
Sum of May Total	5	1	183	324	17	24	0	1	438
Sum of June In	7	1	9	3	1	0	0	0	21
Sum of June Out	-2	-1	-9	-6	-2	-12	0	0	-26
Sum of June Total	5	0	0	-3	-1	-12	0	0	-25
Sum of July In	4	1	5	8	0	2	1	0	21
Sum of July Out	-5	-1	-7	-1	-1	-2	0	0	-17
Sum of July Total	-1	0	-2	7	-1	1	1	0	-2
Sum of Aug In	2	1	5	4	0	1	0	0	13
Sum of Aug Out	0	-1	-8	-7	-1	0	0	0	-17
Sum of Aug Total	2	0	-3	-3	-1	1	0	0	-4
Sum of Sep In	2	0	6	0	1	0	0	0	9
Sum of Sep Out	-4	0	-10	-1	-1	-1	0	0	-17
Sum of Sep Total	-2	0	-4	-1	0	-1	0	0	-8
Sum of Oct In	3	0	5	0	0	0	0	0	8
Sum of Oct Out	-3	0	-1	-2	0	-1	0	0	-7
Sum of Oct Total	0	0	4	-2	0	-1	0	0	1

However we are not seeing the modelled reductions in the number of people in residential and nursing placements – and this where a large proportion of the cost lies.

## Mental Health – Budget Position

- The costs for the current cohort of service users is significantly beyond budget (£1.36m pressure)
- We continue to have some scope to rebalance costs with health partners which partially offsets – so although the forecast pressure is £600k for 2017/18 – the underlying pressure is greater
- To address this more fundamentally will require the development of care models which can reduce the reliance on residential and nursing placements which are very high cost
- We are working with and challenging our CPFT partners to develop this

	Forecast (£000)	Notes
Current Position	1,367	Current commitments overspend based on September snapshot
Demand pressure	300	Estimated impact of increasing demand based on current trends
\$117, \$41 / CTO	-670	Assumes that health contributions will be backdated until 1st April 2017 following completion of reviews.
CHC	-200	Saving allowance for service users who have screened in for CHC
Legal Provision	-200	Potential write-back of short-term provision in respect of legal dispute with Norfolk CC.
Total	597	

## Mental Health – Looking Ahead

### Further actions being explored in the short term:

- Reviewing people who are receive home care, initially those who have been in receipt of this for 4 years or more and ensuring that there are plans to move people who have the capability to live without this support to move to independence, particularly in Adults Mental Health (AMH) services.
- Making sure that resources already funded within Cambridgeshire and Peterborough Foundation Trust (CPFT) (funded either by Clinical Commissioning Group (CCG) or Cambridgeshire County Council (CCC)) are fully utilised e.g. Support Workers, Recovery Coaches.

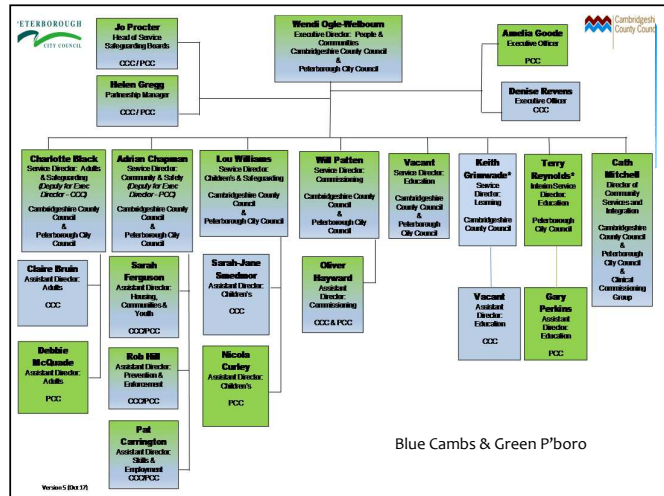
### And in the longer term:

- Deep dive review of residential care – and commissioning of alternative models
- More consideration of preventative measures such as assistive technology, reablement, and utilisation of available services in the voluntary sector and CPFT.

## Minimising the Cost to Serve

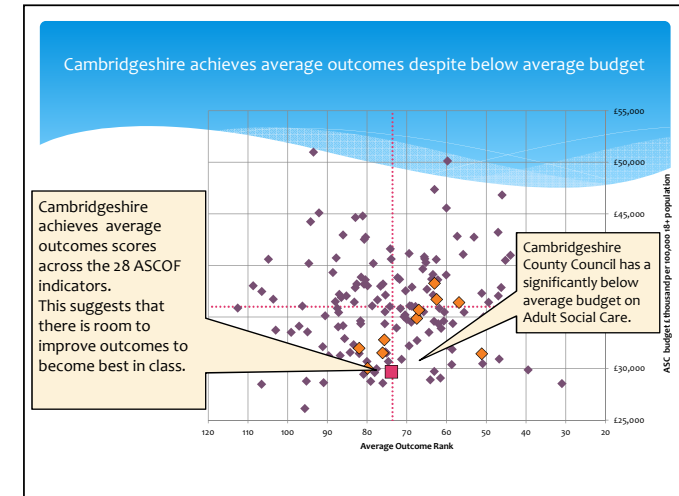
Over and above the demand strategies we are focussed on ensuring our cost to serve is as low as possible

- Shared senior management across Cambridgeshire & Peterborough
  - Children's Change Programme middle management £500k (6.5FTE)
  - Commissioning £300k (10FTE)
  - Adults £121k (2.5 FTE)
  - Directors £133k (1.5FTE)
  - Total saved = £1054k
- Further shared posts being considered – e.g. Adult Skills, Housing
- Children Change programme reduced middle management and reduced the number of Children Centre Managers which will contribute £900k saving
- Each Service Director has reviewed layers of management – reports have been presented to Children and Adult committees
- Work to further reduce cost to serve underway; however diminishing returns

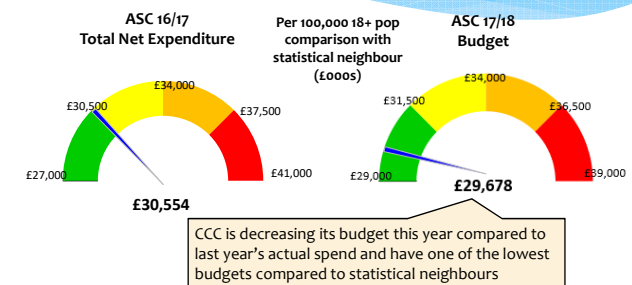


## Financial Summary

- \* Forecast to end 2017/18 with **£5.5m pressure** across the directorate as a whole (children's and adults)
- \* We have identified significant mitigations (including from Integrated Better Care Fund) and are continuing to look at all opportunities to bring this figure down
- \* **But many of the mitigations are only temporary one-off opportunities and the underlying picture is of sustained pressure across the care budgets into the longer term**



**Financial** | Spend last year on Adult Social Care is lower than most comparator neighbours' spend, and this year's budget is even more challenging



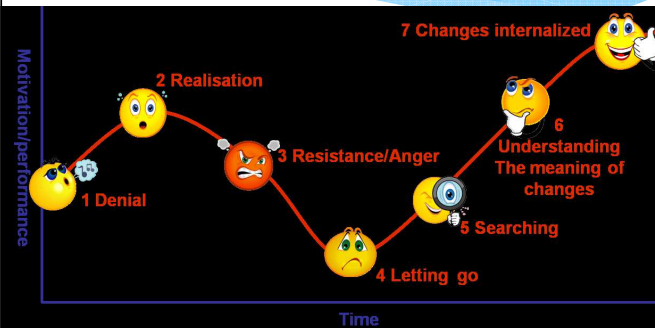
### OPTION 1

- Carry on as we are and hope everything works out for the best...



### OPTION 2: Take a different approach altogether...

- Transformation: do things differently, do things together, invest in enablers e.g. technology, supporting our staff and community better.... better, but not as easy...



### Responding Strategically..

To avoid the cliff edge we need to develop fundamental solutions which deliver sustainable models

- \* CapGemini – external support to develop future demand model in adults
- \* Neighbourhood cares – trialling and refining a completely different model of care in and by the community
- \* Full independent diagnostic review in children's followed by programme to change the service model
- \* Focus on sustainable solutions with partners through STP, public service reform agenda



### WHAT MATTERS

“Putting people at the heart of a system that makes sense to them”

“Championing equality and diversity in our communities”

“Working together –seeing success as collective – if one part is failing we all are”

“Being ambitious and creative – can do - not cannot do approach ”



## “DRIVING DELIVERY OF

- ▶ The right services
- ▶ To the right people, families and communities
- ▶ By the right people
- ▶ At the right time
- ▶ In the right place
- ▶ At the right cost”

## LEADERSHIP VALUES / BEHAVIOURS

- \* Outcomes focused – not organisation focused
- \* Getting done what needs to be done by who is best to do it
- \* Empathy - understanding and appreciating the perspectives of all parties
- \* Openness and transparency – putting cards on the table
- \* Using evidence based sources and best practice to ensure what we deliver has the best chance of success
- \* Working together, not undermining each other

- \* Speaking well of each other, in public and private
- \* Behaving well, especially when things go wrong
- \* Keeping our promises – small and large
- \* Speaking with candour and courage
- \* Delivering on promises made

\* Seeing success as collective not as a tribe