

**INTEGRATED PLAN 2012/13 - THE REPORT OF THE  
ADULTS, WELLBEING AND HEALTH OVERVIEW AND SCRUTINY COMMITTEE**

*To:* **County Council**

*Date:* **21st February 2012**

*From:* **Adults Wellbeing and Health Overview and Scrutiny Committee**

*Electoral Division(s)* **All**

*Purpose:* **To report the outcome of the Committee's scrutiny of the Cabinet's proposals for the Budget for Adult Social Care as set out in the Council's Integrated Plan 2012/13.**

*Recommendation:* **The Council is asked to consider the Committee's report in its deliberations on the Integrated Plan proposals.**

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## **1. INTRODUCTION**

- 1.1 The Committee met on Wednesday 8th February 2012 and questioned Councillor Martin Curtis, Cabinet Member for Adult Services, on the Cabinet's proposals for the Adult Social Care (ASC) budget for 2012/13.

Adrian Loades, Executive Director Children and Young People's Services and Adult Social Care, provided officer input to the meeting.

- 1.2 Councillor Curtis introduced the proposals, and briefed members on the proposed budget strategy and savings plans.
- 1.3 The Committee's comments need to be read in conjunction with the Council's Integrated Plan 2012/13, which provides the context and detail of the Budget proposals.
- 1.4 The Committee has regularly examined the implementation of the 2011/12 budget at its meetings throughout the year, at which members have emphasised the need for a base budget review of ASC, and that, in the light of experience so far, the budget control measures which are being continued from previous years would not realise the level of savings predicted.

## **KEY ISSUES**

### **2. OVERARCHING COMMENTS**

- 2.1 The Committee is very concerned by the major challenges faced by the County Council in continuing to meet the social care needs of local people in 2012/13 while making the scale of savings required in ASC, particularly given the increasing demographic pressures on the service, and the sustained history of ASC not meeting budget predictions.
- 2.2 Given these challenges, members do not consider that the projected savings in the proposed ASC budget for 2012/13 can be realistically met, or that the budget can be delivered in a way that maintains the level and quality of service required.
- 2.3 In particular, the Committee considers that there is insufficient evidence that the specific proposals being put forward in the 2012/13 Integrated Plan will result in the level of savings anticipated. This is linked to the fact that the majority of the savings proposals for 2012/13 are a continuation of those put forward in 2011/12. These initiatives have not however achieved the level of savings that were projected in the 2011/12 budget. In the light of this experience, members are concerned that the 2012/13 proposals:
- rely almost entirely on measures which have not met savings expectations in previous years.

- do not take sufficient account of the timescales needed to develop new ways of working, including joint working with partner agencies that will enable changes such as prevention, reablement, service modernisation and reducing unit costs to be fully implemented.
- do not provide sufficient evidence, given the growing demographic pressure on the service, that even when fully implemented, the changes will deliver the savings to the level anticipated.

2.4 Given the failures of previous budget plans, the Committee considers that it would be prudent to have a contingency plan in case the savings in the budget proposals are not achieved, especially as the proposals already acknowledge that the demand for services from older people cannot be met without a one-off contribution from the Council's reserves.

In addition, the Committee has identified a number of issues and risks within the 2012/13 proposals, as set out in Section 3 below.

2.5 Members consider that the current ASC budget-setting process is inadequate, particularly in light of the fact that over the last few years ASC has consistently spent more than the budget allocated to it.

2.6 In view of the financial and service challenges faced by ASC, its crucial role in supporting and protecting vulnerable people and helping people live healthy and independent lives, and the fact that ASC forms the largest area of Council expenditure, the Committee therefore recommends that:

- The Council conduct a thorough base budget review of ASC, and use a zero-based budgeting approach to setting future budgets, in order that these are based on more realistic and evidence-based assessments of current and projected demand, and of the capacity and timescales for achieving savings through prevention and transformation than is the case at present.

The review should clearly identify what the Council expects ASC to deliver, what changes and new ways of working are required to do this, how these can be achieved, what budget is required and how savings can be made.

This would include clearly separating out the costs which are under Council control, such as back office costs, and those that depend on factors beyond the control of the Council, such as demographic-based demand.

For each area of spending, the review should set out the impact of inflation and population growth and what transformation is needed, and give an accurate estimate of future costs.

The review and budgeting process should be informed by the experience of other authorities, particularly in relation to identifying and incorporating unit

costs into the process.

- A standing Committee of members is set up, linked to the above, which would oversee the review, and the ongoing management of the budget.

2.7 The Committee considers it essential that ASC has sufficient leadership capacity to fully address the challenges faced by the service. It is therefore very concerned that the leadership of ASC is currently shared with that of Children and Young People's services. The Committee therefore considers that there should be a single Executive Director for Adult Social Care. This would not only provide the required leadership capacity, but also emphasise to partners and the public the importance that the Council places on a strong and effective ASC service.

### **3. SPECIFIC ISSUES AND RISKS**

#### **Joined-up budgeting**

3.1 The Committee considers that far more work needs to be done to join up the ASC budget both between the Council and partner agencies, and within the Council itself. This should be a priority for the Council, and be reflected in the base budgeting process.

3.2 There is a particular need for transport planning and budgeting to be co-ordinated across Council departments and across agencies; for example savings that result in the loss of a bus service are likely to lead to increased demand and hence increased expenditure on health or social care transport. The modelling underlying transport planning needs to fully take into account the transport needs of people using health or social care services, and of their carers.

#### **Investment in services for older people**

3.3 The Committee notes that it is proposed to make a one-off investment for ASC totalling £12m from the Council's reserves over the next three years ( £6m in 2012/13, reducing to £4m in 2013/14 and £2m in 2014/15), as the demand for services for older people cannot be met from within the existing budget and current service arrangements due to the ongoing rise in the number of older people living longer and developing more complex needs.

3.4 Members are very concerned that there is a high risk that ASC will not be able to forgo this money in future years, as there is insufficient evidence in the budget proposals as to how it will be able to reduce its costs and manage demand to a level that would enable this. It is also not clear how the figures for this investment have been arrived at.

Members therefore consider that this investment, while welcome, will not resolve these underlying budgetary issues.

#### **Impact of benefit reductions**

3.5 The Committee is concerned that the budget does not take into account the

potential financial impact of reductions in benefit, many of which are still under review by central government. These include housing related benefits and the Independent Living Fund. The impact could be considerable, particularly in the case of people with high care needs, including those with learning disabilities. Members consider this an area of risk that needs to be addressed in the budget

### **Delayed transfers of care**

- 3.6 The Committee is concerned that the ongoing impact on the ASC budget of delayed transfers of care is not financially sustainable. It recommends that the Council gives higher priority during 2012/13 to working with partners to resolve this, as opposed to continuing to factor the cost of fines into the budget, which members consider a fundamentally flawed concept

### **Services for people with learning disabilities**

- 3.7 Members recognise that people with learning disabilities who are currently in high-cost residential placements will have been assessed as needing a high level of support. Even where it is appropriate to do so, the process of moving people to a supported living setting in a way that is responsive to both the individual and their carer will therefore be complex and cannot be done quickly. Members therefore consider it unlikely that the savings anticipated for 2012/13 will be fully realised.

### **Home care services**

- 3.8 There is a risk that if the current issues of capacity in the home care services are not addressed, it will have a negative impact on the Council's ability to sustain support that will enable people to stay in their own homes, including those who have benefited from reablement.

The Committee is putting forward the recommendations from its recent review of home care services to the Cabinet on 6th March.

### **Unspecified Savings**

- 3.9 Members are concerned that the proposed budget proposals include from 2013/14 onwards unspecified savings to be identified. These amount to over £6.4m in 2013/14. They consider this to be an area of high risk.
- 3.10 The Councillors thanked Adrian Loades and Councillor Curtis for their attendance and responses to their questions on the budget proposals.

<b>Source Documents</b>	<b>Location</b>
Agenda and reports of the Adults Wellbeing and Health Overview and Scrutiny Committee – 8th February 2012 Integrated Plan 2012/13	Room 114, Shire Hall Cambridge