

PEOPLE & COMMUNITIES

Adult Social Care & Children's Social Care

Budget Position

September 2018



Overview

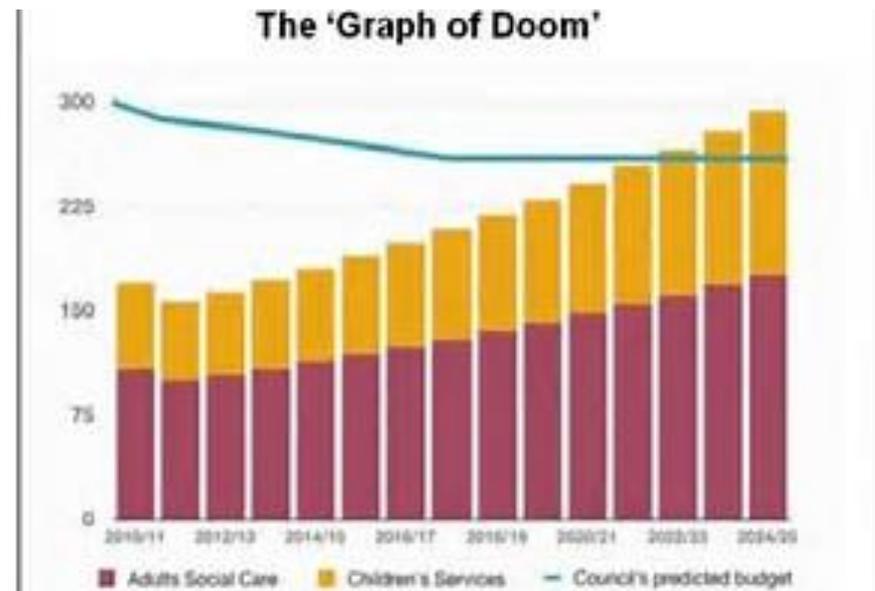
- * Nationally Adult and Children services are reporting rising demand and costs
- * The Revenue support grant has decreased by approximately £50m between fy15/16 and fy18/19
- * Cambridgeshire receives below average funding for Adult and Children services
- * We are operating in one of the eleven most challenged health economies in the country.
- * Both children and adult services have population growth pressures and increased complexity of need.
- * Financial sustainability is uncertain for many of our providers

People and Communities have delivered £17m of savings in 2017-18 and a further £19m is on track to be delivered this year.

Complexity in demand led budgeting

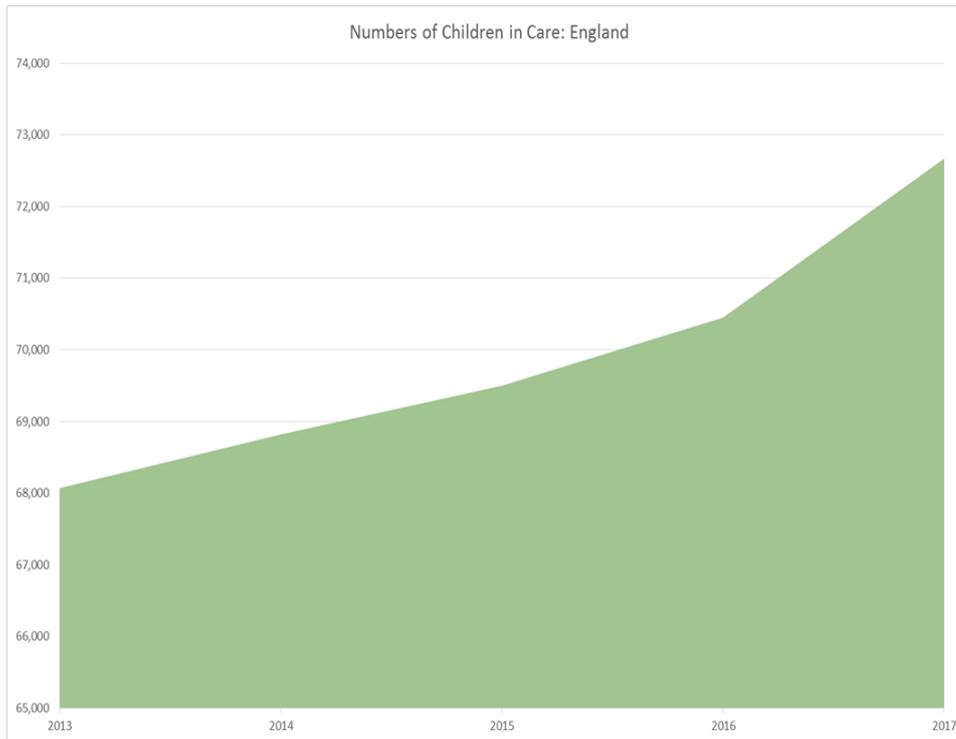
- * Total net expenditure in People and Communities is £239m per year , of this approximately £205m (86%) is in demand-led budgets
- * This means even a 5% variance from anticipated demand results in budget pressure of more than £10m
- * Demand budgets are hit by wide range of factors not fully within the Service's control including demography, the economy, actions of partners, the actions of providers, seasonal trends and changes in national policy

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



Children's Social Care – Context

Numbers of children in care have been increasing nationally over recent years, with a particular increase in the last financial year.



In Cambridgeshire the national increase in rate of care is compounded by both local population expansion and the previous increase in numbers of unaccompanied asylum seekers requiring care

Funding has been reducing – in particular the dedicated schools grant combined with changes to the funding route i.e. via schools rather than the local authority

Children's Social Care – Budget Pressures

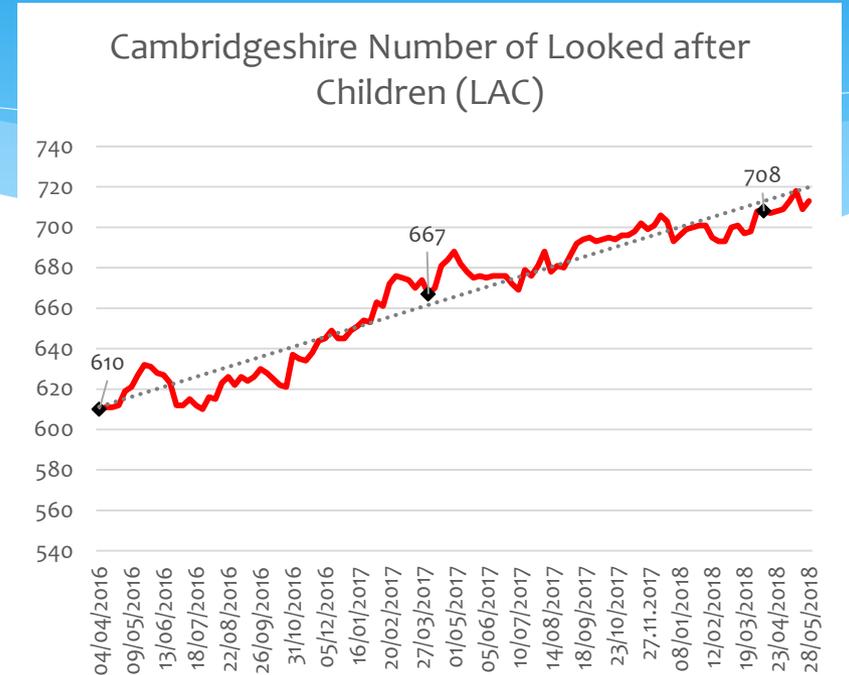
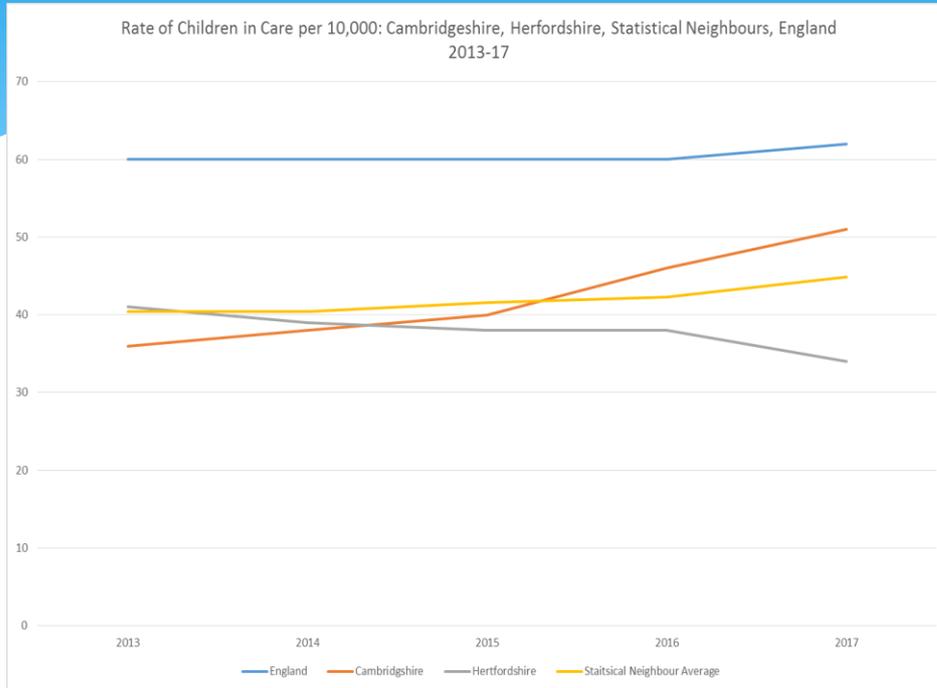
There are significant pressures within children's services for the current financial year as a result of:

- Higher than anticipated placement costs
- Forecast overspends for supervised contact and transport for children in care

Whilst the Council has worked hard to mitigate these pressures, the transformation changes carried out in 2017 have not delivered reductions in demand:

- To reduce numbers of children in care;
- To reduce the amount of work coming into the system through the Integrated Front Door and the Multi-Agency Safeguarding Hub.

Children's Social Care - Trends



Comparison with our statistical neighbours - Cambridgeshire is **above average** for the rate of children in care. We are now looking after approximately 100 more children than we would be if the rate were at the average for a similar authority

Analysis of threshold decisions in Cambridgeshire shows that we are appropriately looking after children who need to come into care.

Cost of Care

The financial impact of the rising numbers of children in care is compounded by the lack of capacity in both the in-house services and local market to cope with the higher numbers

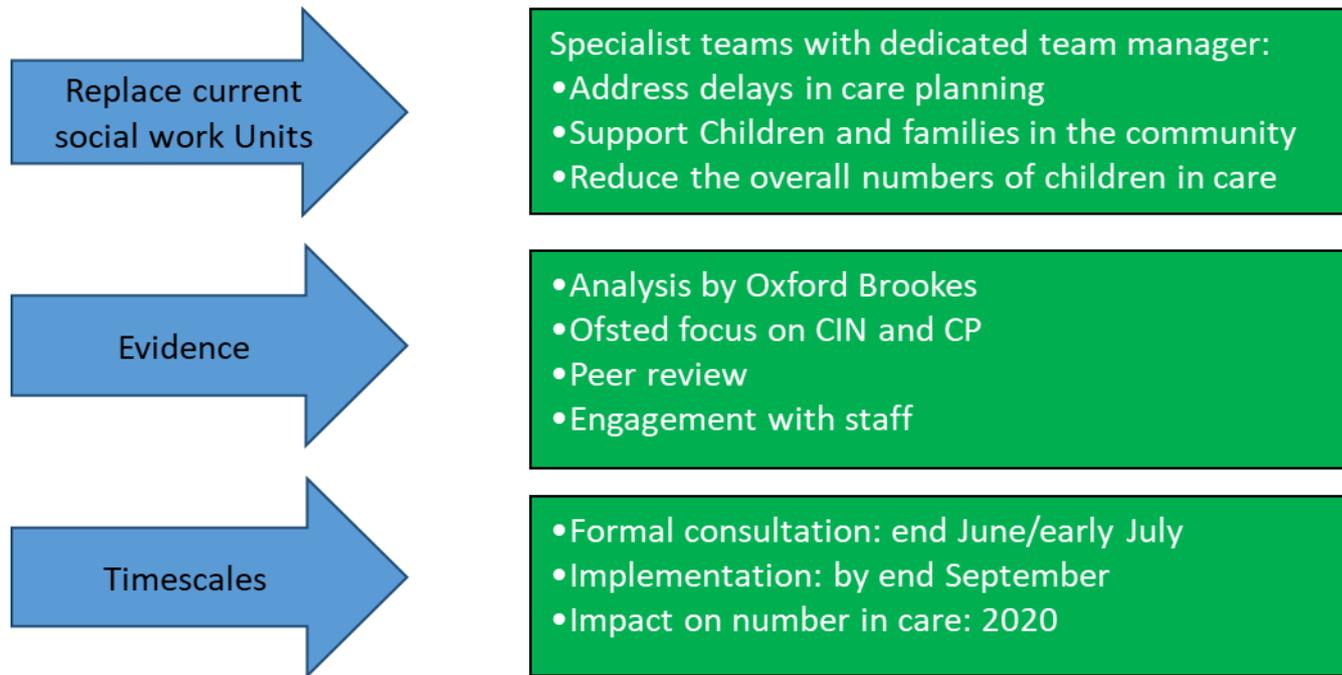
- * Most significantly we do not currently have nearly enough in-house foster carers to meet the needs of our looked after children – meaning we are reliant on independent providers which are twice as costly
- * The overall lack of supply makes it much more difficult to match the right carer or setting to the needs of each child – leading to instances of placement breakdown when carers cannot cope – and then a more specialist/costly placement
- * The lack of capacity also has a straightforward unit price effect with independent providers able to charge high premiums to meet the needs of any child who has more complex needs or who comes into care in an emergency

Children's Social Care – Current Position

The position continued to deteriorate in the latter part of 2017/18

- * Numbers of looked after children have remained relatively stable since April 2017, although there has been a significant increase over summer 2018 in the numbers of unaccompanied asylum seeking young people that has affected over all numbers and increased budget pressures;
- * Based on current levels of growth there is likely to be a **pressure of £2.7m+** at the end of the year, which it has been agreed will be met from reserves. This figure does not include costs associated with asylum seeking young people;.
- * Pressures resulting from numbers of children in care will only begin to reduce as the new structure for children's social care services is embedded during 2019/20.

Children's Social Care – Looking Forward



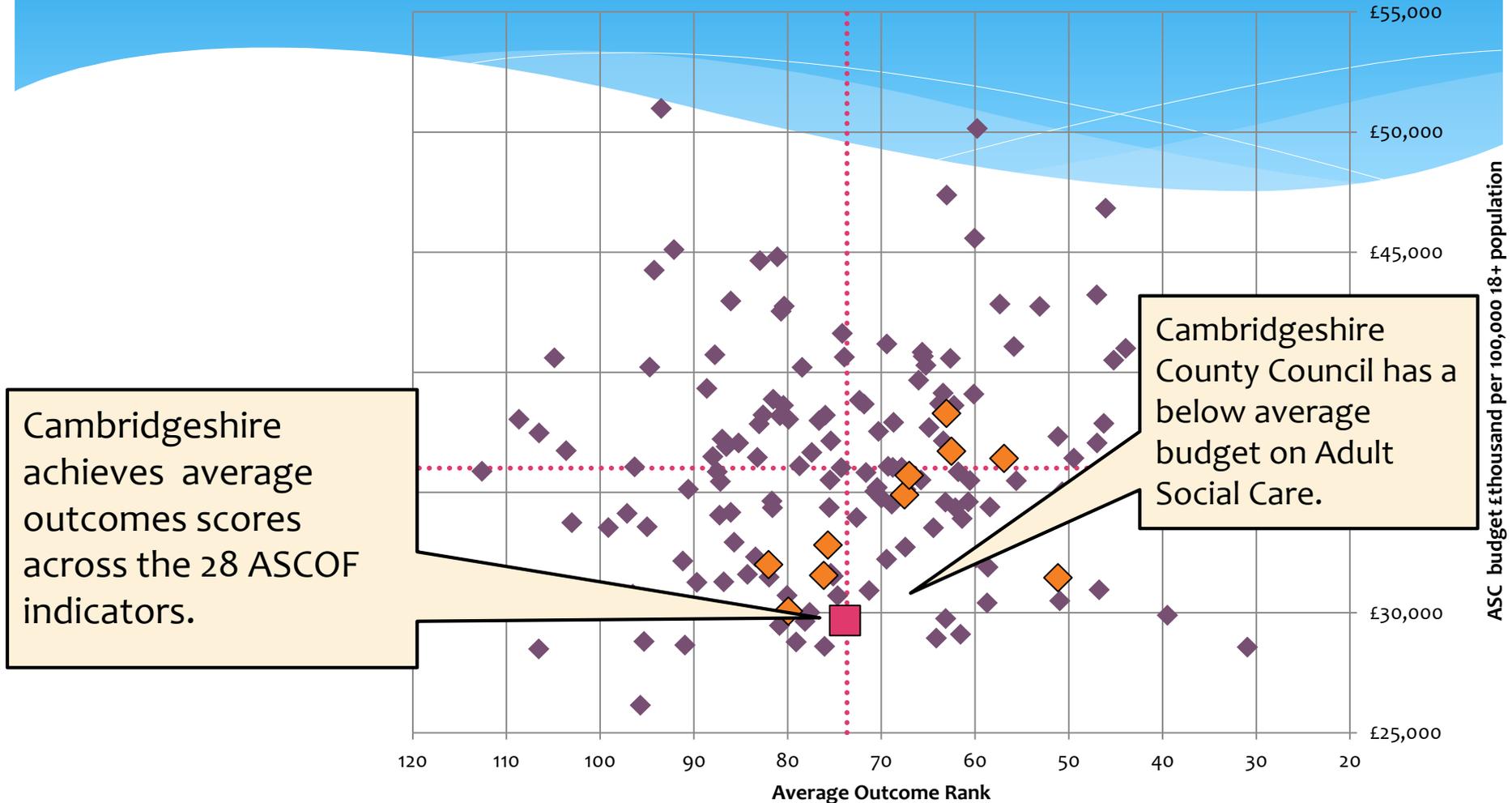
Adult Social Care - Financial

Local Authority	Adult Social Care
Surrey	439.69
South Gloucestershire	435.89
Bath and North East Somerset	401.12
Essex	400.45
Suffolk	394.11
Dorset	389.55
Hertfordshire	388.67
Wiltshire	381.14
Oxfordshire	380.2
West Berkshire	374.38
Hampshire	366.16
Central Bedfordshire	363.58
North Yorkshire	355.73
Peterborough	347.91
Buckinghamshire	341.25
West Sussex	338.06
Somerset	335.67
Warwickshire	325.6
Gloucestershire	312.36
Cambridgeshire 2017/18	302.47
Worcestershire	299.66
Leicestershire	295.9
Cambridgeshire 2018/19	286.43

Nationally, Adult Social Care is facing unprecedented financial pressures resulting from reducing budgets, increasing costs of care, and greater complexity of needs due to an expanding ageing population.

The Council has a lower budget compared to statistical neighbours, as shown in the table.

Comparison to statistical neighbours



Adult Social Care – Budget Pressures

The Council is currently forecasting a balanced budget position for 2018/19 for Adults Services. This is as a result of flexibility to utilise one-off Improved Better Care Fund (IBCF) grant funding, which is offsetting pressures across:

- Older People's and Physical Disability Services
- Learning Disabilities

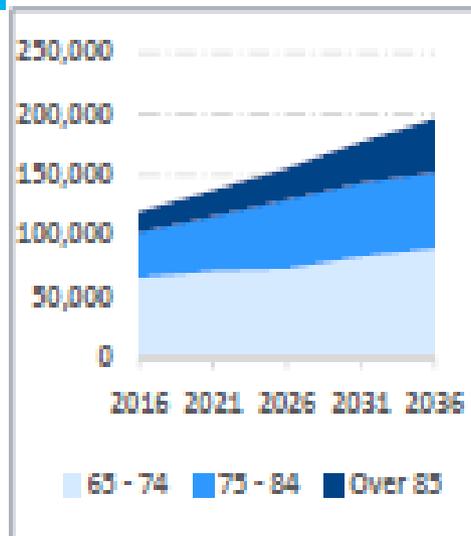
If pressures are not addressed in a sustainable way, then delivery of a balanced position in future years will be challenging. 79% of the ASC budget relates to the direct cost of providing care.

Older People

Demographic pressures - the population of over 85s has risen by nearly 20% since 2011. Predicted to continue to rise significantly over the next 20 years

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



- * Demand and cost of care for older people is very sensitive to external factors – Health, Provider Market, etc.
- * Complex system of services, many of which are under stress

Pressure from hospital discharges

Increased demand is coming from hospital discharge activity

- More people than ever being discharged from hospital
- Pressure to find care places at pace
- Greater complexity of care needs



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

Demand and Cost Pressures

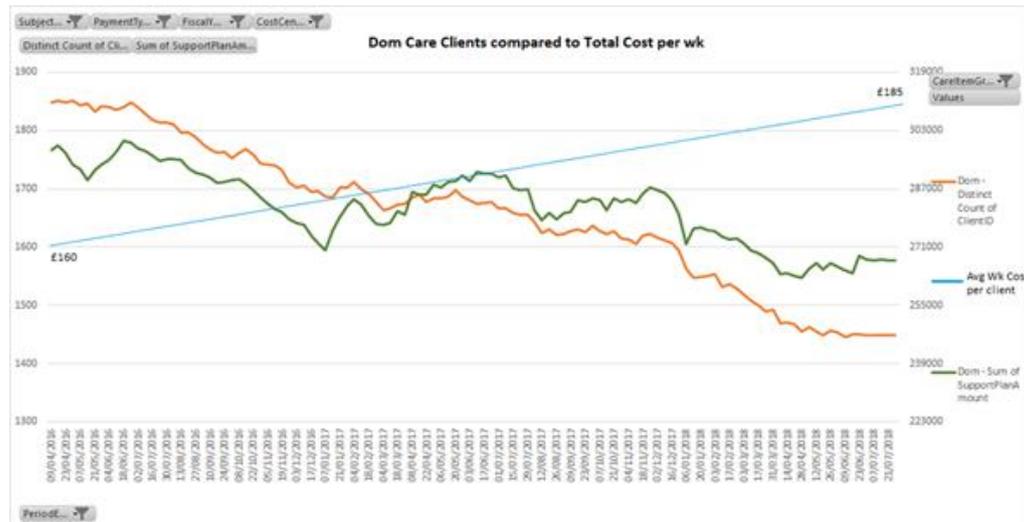
Cambridgeshire was the fastest growing county authority between 2001 and 2011 and is expected to continue to grow. Cambridgeshire's population is also ageing; the population aged 65+ in Cambridgeshire is expected to increase by 64% between 2016 and 2036, an additional 76,300 people.

There are significant financial pressures due to the rising cost of care, which is increasing due to a number of reasons:

- Symptom of a market where demand outstrips supply
- Capacity issues due to issues attracting and retaining staff
- Increased complexity of care needs
- Rurality of parts of Cambridgeshire
- Additional provider pressures due to legislative changes such as national living wage increases, automatic enrolment into pension schemes and inflation

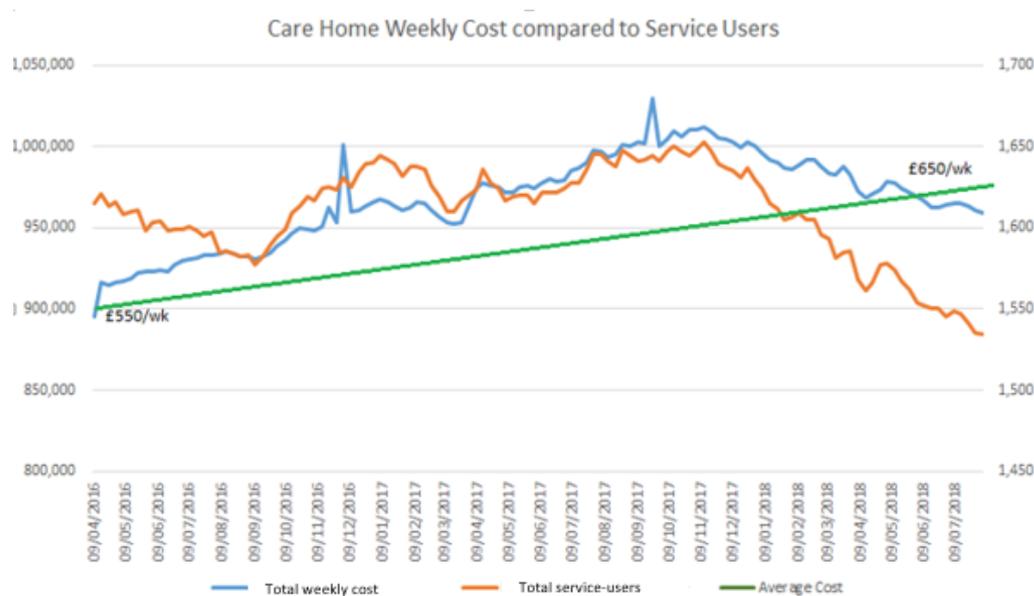
Domiciliary Care Cost Pressures

The numbers of people receiving Domiciliary, Nursing care have remained stable, but the average cost per week has **increased from £160 per week to £185 per week**. This is largely as a result of bigger packages of care being needed to meet complex needs.



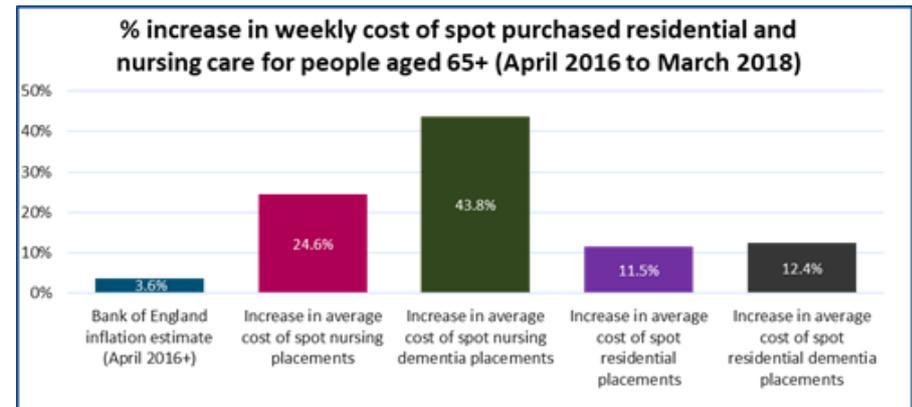
Residential and Nursing Care Pressures

The numbers of people receiving Domiciliary, Nursing care have remained stable, but the average cost **increased from £550 per week to £650 per week**. This is largely as a result of bigger packages of care being needed to meet complex needs.



Spot Purchased Residential and Nursing Care – Increased costs

- Over the last two years, there has been a consistent increase in the prices paid for spot placements in residential and nursing homes.
- This is the result of continuing high demand for beds in a care home market with few voids, and is further exacerbated by the market also accommodating high numbers of self-funders where fee levels are further inflated.
- We are working to mitigate this through the use of block contracts, which are being increased as part of the care home strategy, and the use of further domiciliary care packages for extra care.



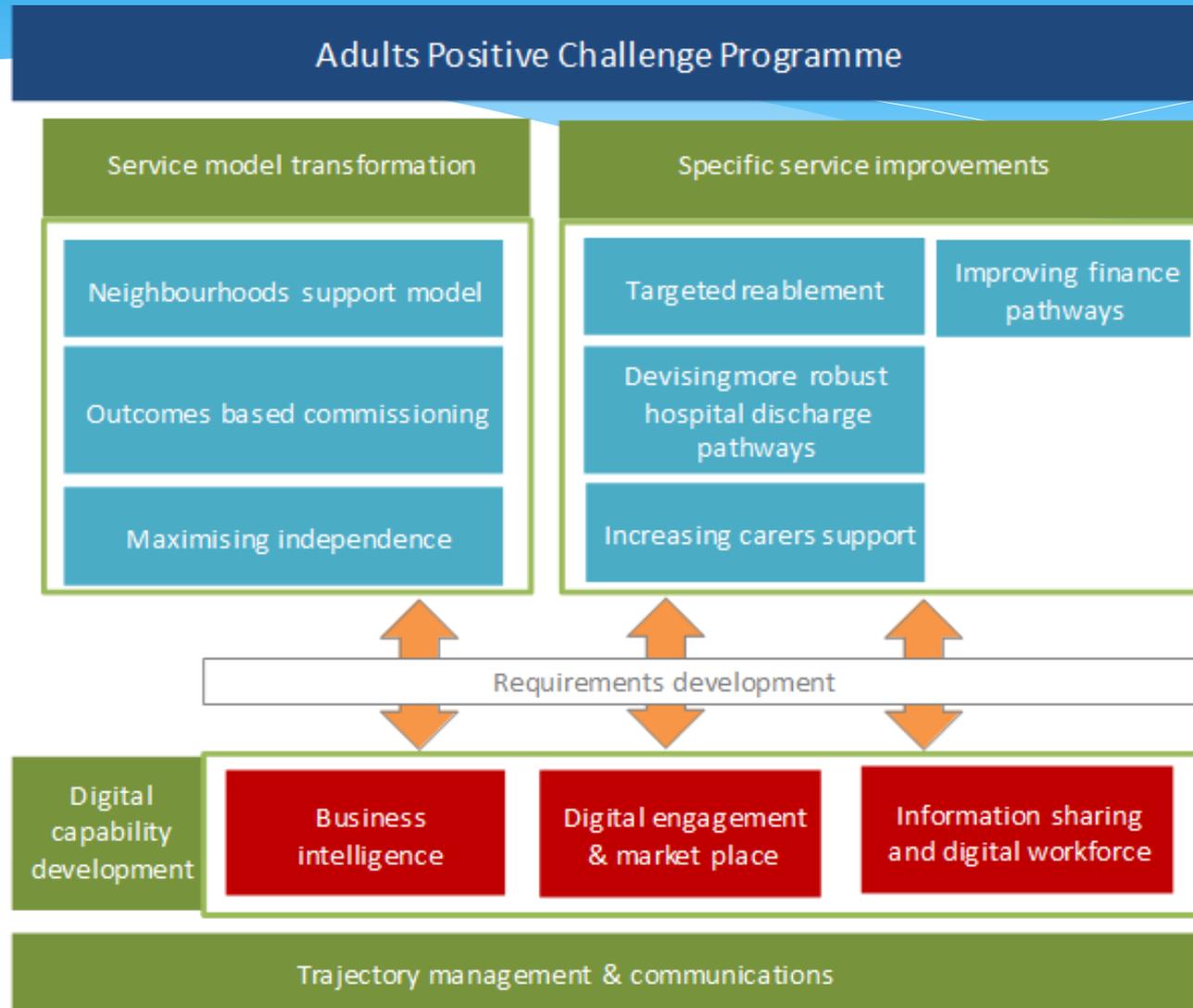
Regional Supply and Demand

Price pressures for care vary across Cambridgeshire and largely driven by supply and demand. We are working to build capacity in these regions as detailed below:

<p>Cambridge City and South</p> <ul style="list-style-type: none"> • Building homecare capacity • Building capacity of Residential Dementia, Nursing and Nursing Dementia provision. • Mitigating pressure of care workforce recruitment • Developing greater capacity of Personal Assistants 	<p>Huntingdonshire</p> <ul style="list-style-type: none"> • Building homecare capacity • Building capacity for Nursing and Nursing Dementia placements. • Developing current and future supply of extra care accommodation • Developing greater capacity of Personal Assistants
<p>East Cambs</p> <ul style="list-style-type: none"> • Building capacity of Nursing and Nursing Dementia placements. • Building homecare capacity • Developing greater capacity of Personal Assistants 	<p>Fenland</p> <ul style="list-style-type: none"> • Developing current and future supply of extra care accommodation • Developing greater capacity of Personal Assistants
<p>Peterborough</p> <ul style="list-style-type: none"> • Building homecare capacity in rural areas • Strengthening provision of appropriate care facilities for younger adults with complex care needs • Enhancing recruitment of good quality nursing staff 	



Adult Services – looking ahead



Commissioning– looking ahead

Commissioning Intentions

- **Early Intervention:** supporting people to stay healthy and independent for as long as possible. E.g. through provision of information and advice, technology enabled care, voluntary sector support
- **Medium Level Support:** Focused support to help people maintain their independence for as long as possible. E.g. reablement, extra care housing, interim beds
- **High Level:** Ongoing Support for those with complex needs. E.g. support to live at home, care home provision for older people, Residential care for those with learning disabilities

Service Model Transformation

- Outcomes based commissioning
- Increased choice and control: e.g. direct payments
- Building community capacity and supporting micro enterprises
- Continued shaping of the provider market
- Working in partnership to strengthen workforce recruitment and retention across the market

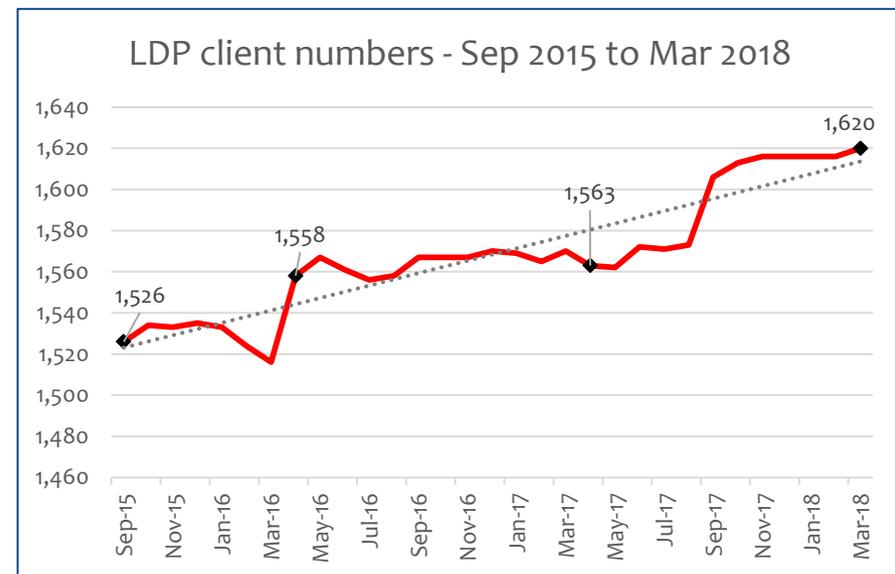
Specific Service Improvements

- Restructure to a single commissioning directorate across PCC and CCC to ensure the right skills, resource and capacity
- Working with health: Development of integrated brokerage with health. Further opportunities for joint commissioning with health.
- Support for Carers: new commissioning approach tendering late 2018/19.
- Develop Self-Funder strategy and action plan.
- Home Care: Support micro-enterprises to deliver home care, explore options for in-house delivery model for home care to address the market gap.
- Residential Care: CCC competitive dialogue process to secure a strategic partner to build and run a number of care homes on council owned land. To be completed March 2020.

Learning Disability - Context

The cohort we support is comparatively stable – often we are with people throughout their lifetime and know their needs intimately

- * Demand is predictable – but 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 - we're supporting more people for longer
- * As people live longer their needs become increasingly complex over time
- * The underlying trend in numbers is upwards with about 50 new service user in adult social care each year
- * Many of the existing service users require an increase in support each year due to their escalating needs



Learning Disability - budget position

- * The Learning Disability budget has been carrying an underlying pressure of around £5m over the last 2 years
- * The strategies delivered £6.2m of savings in 2016/17 and 2017/18 against a target of £10m
- * Demand pressures continue into 2018/19, with added pressures relating to the minimum wage and provider uplift requests, and pressure on NHS funded service users
- * 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 – looking ahead

Service Model Transformation

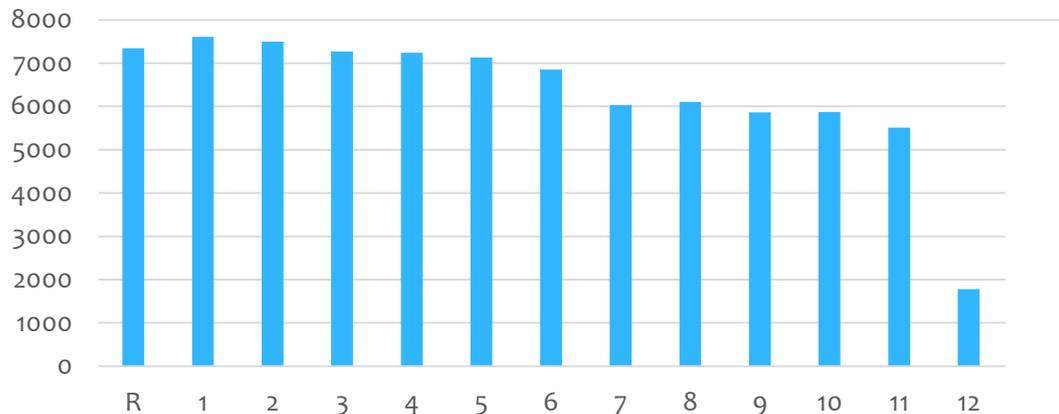
- Outcomes based commissioning
- Transforming Lives Strategy – continued review of care solutions and development of care plans which maximise independence.
- Strength based approach and planning in preparing for adulthood
- Programme of recommissioning and brokerage – continued focus on reshaping the provider market and securing care at the lowest cost

Specific service improvements

- Increasing support for people to gain employment
- Increasing support for carers
- Increasing resilience of providers to support people whose behaviours may challenge
- Joint work with health partners to ensure the health share of needs and costs are appropriately funded

Education Pressures

Cambridgeshire Roll January 2018



- Cambridgeshire's population increased from 624,000 to 652,000 (+4%) between 2011 and 2016.
- Between 2011 and 2017 we have added 9,800 new primary places in Cambridgeshire
- For September 2018, there is a 7% increase in offers for Year 7 places in Cambridgeshire.
- Cambridgeshire has processed 5,480 'In-Year' applications to date.
- 58,800 homes remain to be built in Cambridgeshire over the current Local Plan cycles.
- Uncertainty over Brexit – huge challenge of school place planning.

New School Requirement



Challenges for Education

- * Less resources as funding gets directed to schools.
- * Pay pressures on schools and overall funding shortfall for Cambridgeshire schools.
- * More children in county – school places and services stretched. Focus on using free school process to meet basic need.
- * Significant pressure on ‘High needs block’ as complexity of needs increase and prevalence of SEND in Cambridgeshire remains above national / statistical averages.
- * Significant pressures on home to school transport especially with SEND placements – further work needed on our review of SEMH provision and SEND sufficiency.
- * Programme on shared services with Peterborough commenced to consider bringing services together when it leads to additional capacity, improved quality services, innovation and value for money.

Communities and Safety

- * Leading systems-change work to change the conversation with communities in order to prevent or delay demand whilst improving outcomes
- * Overseen by the Communities and Partnerships Committee, who are focussed on addressing the issues most affecting vulnerable and at risk households, and those edging towards this
- * Remodelling our relationship with the voluntary sector and with District Councils – series of discussions with Districts underway to agree locality pilot projects
- * Strong focus on taking a strengths-based approach to the big issues – homelessness, adolescent services, adult skills and employment, community safety, community resilience
- * Think Communities strategy ready for adoption across all councils – at C&P Committee 27/9/18