

ADULT SERVICES BUDGET PRESSURES

To: **Adults Committee**

Meeting Date: **6 September 2018**

From: **Will Patten, Director of Commissioning and Charlotte Black, Service Director Adults and Safeguarding**

Electoral division(s): **All**

Forward Plan ref: **For key decisions** *Key decision:* **No**

Purpose: **The report provides an update on current budget pressures within Adult Services**

Recommendation: **To note and comment on the report.**

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	Caroline Townsend	Names:	Cllr A Bailey, Cllr M Howe
Post:	Head of Commissioning Partnerships and Programmes	Post:	Chair/Vice-Chair
Email:	caroline.townsend@peterborough.gov.uk	Email:	Anna.bailey@cambridgeshire.gov.uk
Tel:	07976 832188	Tel:	01223 706398

1. BACKGROUND

- 1.1** The purpose of this report is to set out the cost pressures that Adults Services are facing through demand changes, legislation, inflation and savings delivery, as well as the plans in place to mitigate these in-year and address them in future years.

2. MAIN ISSUES

Key Messages

2.1 Executive Summary

- 2.1.1** 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 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 identified pressures across Learning Disabilities, Older People's and Physical Disability Services. The in-year mitigation of pressures through IBCF is not a permanent solution, as this funding is non-recurrent. Whilst it has been in place for two years and will continue into 2019/20, no plans for an extension beyond this have been announced by central government. If pressures are not addressed in a sustainable way, then delivery of a balanced position in future years will be challenging.

- 2.1.2** Adults Services delivered £9.9m of savings in 2017/18 against a target of £12.5. In 2018/19 a further £16.6m of savings need to be delivered, with a current forecast delivery of £15.4m. Shortfalls are mitigated where possible in-year by other savings and in many cases, shortfalls are due to phasing with savings being realised in future years.

2.2 Demand

- 2.2.1** Cambridgeshire was the fastest growing county authority between 2001 and 2011 and is expected to continue to grow. The estimated population in 2014 was 639,800, with 17.7% of the population (113,500 people) aged 65 and over, which is in line with the England average. The population of Cambridgeshire is forecast to grow by 23% between 2016 and 2036, an additional 147,700 people. The areas forecast to see the biggest growth are South Cambridgeshire (34%) and East Cambridgeshire (29%). 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. The area forecast to see the biggest increase in people aged 65+ is Huntingdonshire (67%).

2.3 Cost of Care

- 2.3.1** The cost of care is increasing, which is a symptom of a market where demand outstrips supply and where providers face cost pressures that they seek to pass onto the Council. The supply of market capacity is a result of a number of factors linked to attracting and retaining staff, the complex nature of care requiring double up packages

and the rurality of parts of Cambridgeshire. Although the Council is working hard to mitigate pressures, additional provider pressures have resulted from legislative changes such as automatic enrolment into pension schemes, national living wage increases and inflation.

- 2.3.2** To ensure we have financial sustainability for the future, we are developing community capacity and capability to meet the needs of local communities in the most cost effective way, supporting people to maintain their independence and wellbeing. In turn, preventing the unnecessary escalation of needs and the provision of more expensive services (e.g. domiciliary care, residential and nursing care). The Council continues to invest in direct payments/individual service funds, assistive technology, reablement and other services to support people to remain independent in their own homes for longer. There are also opportunities system wide approaches, including joint commissioning and integrated brokerage across health and social care. In addition, the proposals in the Adults Positive Challenge Programme is focused on mitigating elements of future demand pressure over the medium-term.

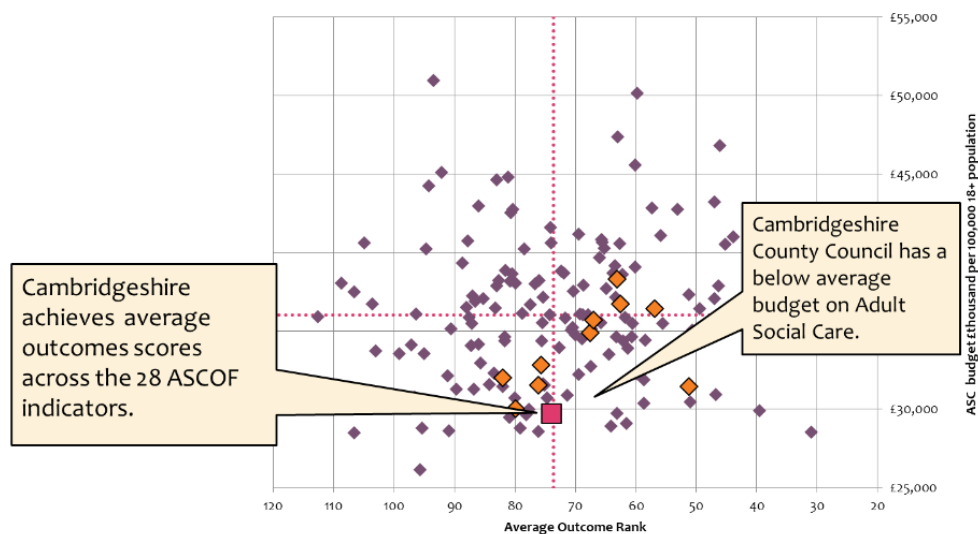
2.4 Overview of Adult Social Care Budget

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

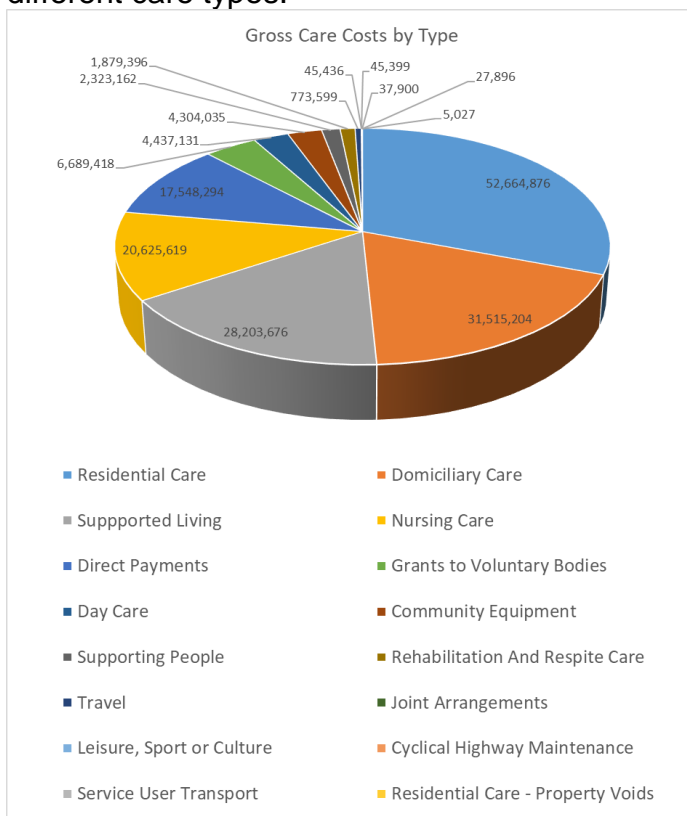
Table 1: Total budget (including corporate overheads) vs statistical neighbours.

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

2.4.2 Despite this below average budget, the below graph highlights that the Council continues to deliver good outcomes across the 28 ASCOF indicators.



2.4.3 79% of the Adult Social Care budget relates to the direct cost of providing care and the below pie chart provides an overview of the breakdown of costs associated with different care types.

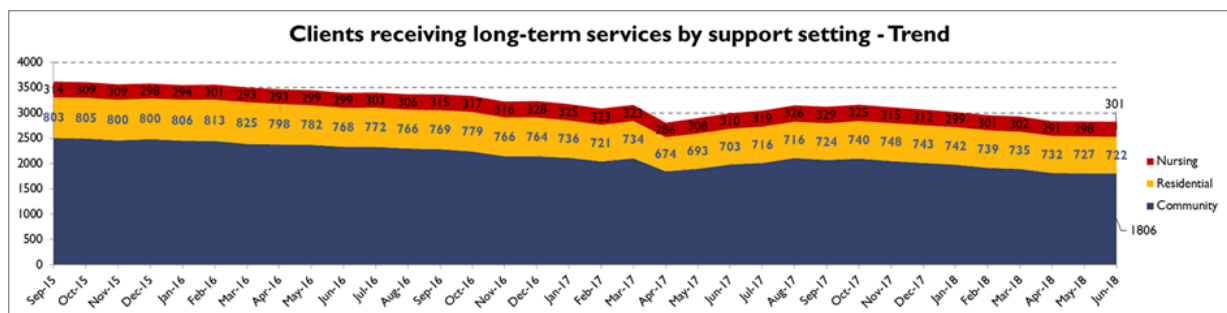


Overview of Financial Pressures

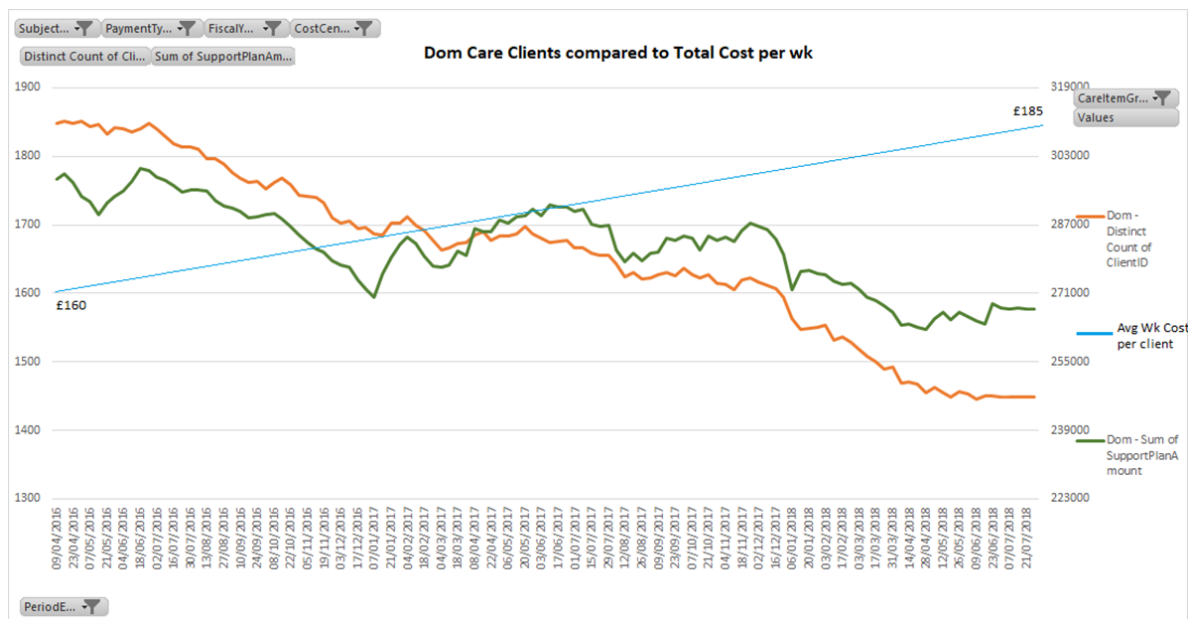
2.5 Older People Pressures

2.5.1 As at the end of July, a balanced position is reported for Older People's services, but behind this there are known pressures, as well as potential pressures from currently unmet need.

2.5.2 Of the total number of older people requiring support, the below graph shows a breakdown of the numbers receiving community domiciliary care, residential and nursing care.



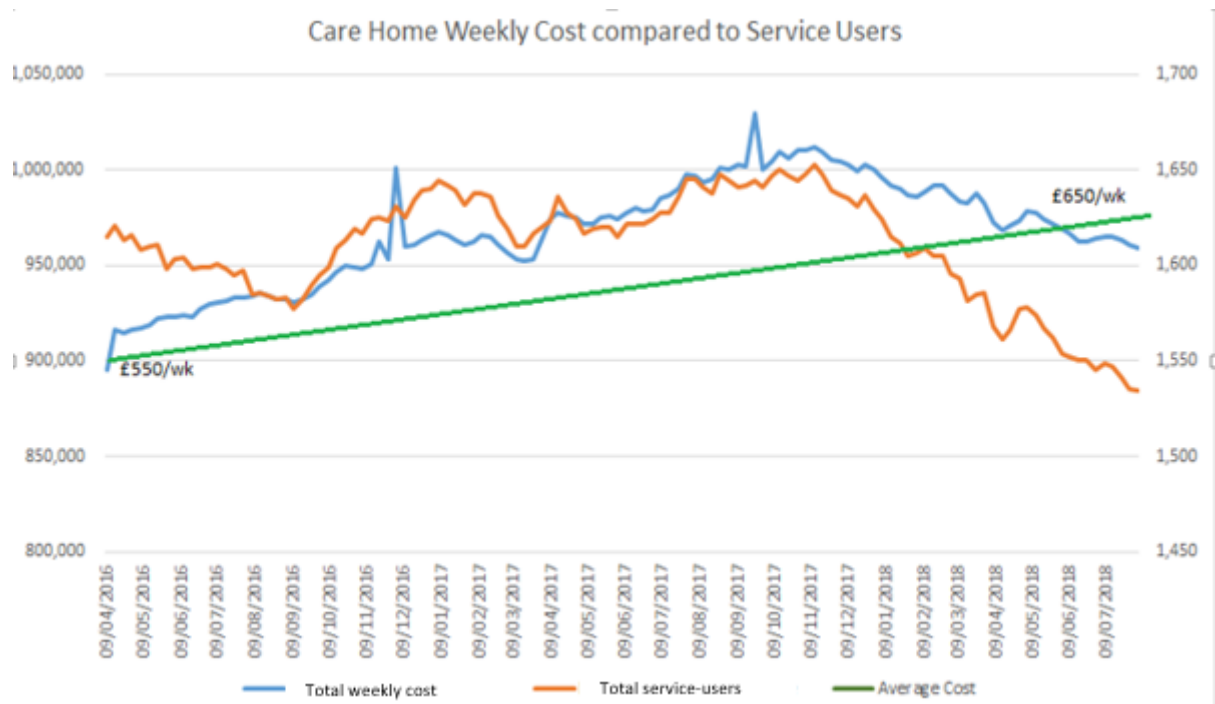
2.6 Domiciliary Care



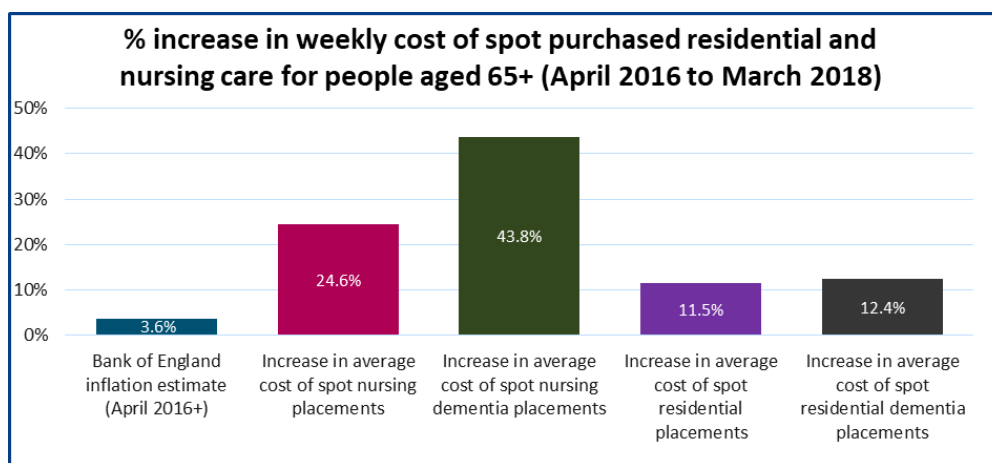
2.6.1 Domiciliary care is currently forecasting an underspend, with commitment reducing regularly over the last eighteen months. The graph above shows reducing client numbers along with a reducing total weekly cost, however the average weekly cost per service user is steadily increasing. The average hourly rate being paid has remained consistent, only increasing in line with annual inflationary uplifts.

2.6.2 The figures suggest that the reduction in domiciliary care client numbers is being offset by increased needs, causing bigger average packages for the remaining eligible clients. Potentially indicating that our workstreams around prevention are working well.

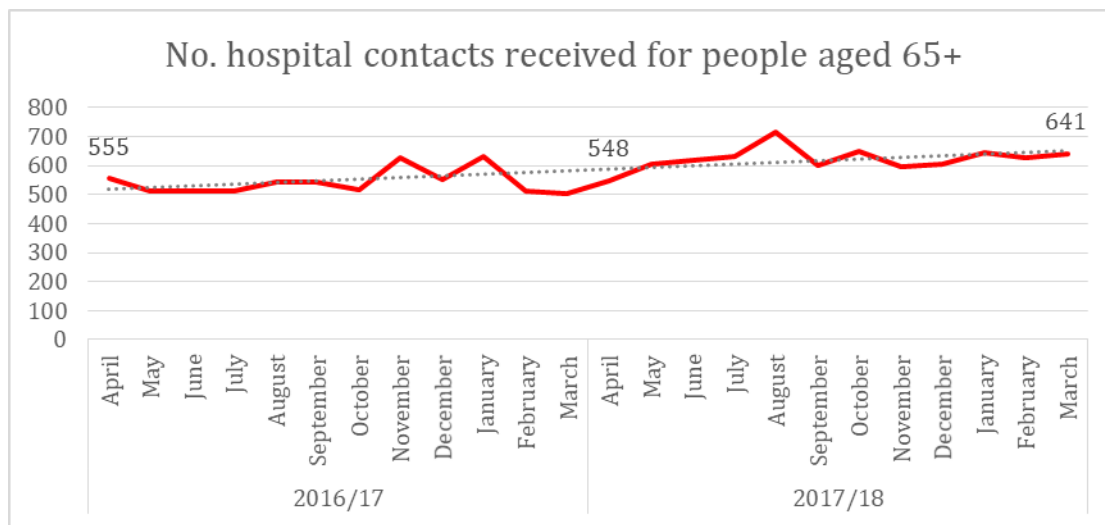
2.7 Residential and Nursing Homes



2.7.1 The numbers of people accessing nursing and residential care remain fairly steady, but the average weekly cost of care is increasing, partly due to insufficient supply of care (e.g. Dementia Placements). This is resulting in rising unit prices, as outlined in the below graph.



2.8 Hospital Discharges



2.8.1 More older people than ever are being discharged from hospital, which has led to a pressure to find care places much quicker than in the past. This is combined with a 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.

2.9 Price of Care

2.9.1 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:

Cambridge City and South <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 	Huntingdonshire <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
East Cambs <ul style="list-style-type: none"> • Building capacity of Nursing and Nursing Dementia placements. • Building homecare capacity • Developing greater capacity of Personal Assistants 	Fenland <ul style="list-style-type: none"> • Developing current and future supply of extra care accommodation • Developing greater capacity of Personal Assistants
Peterborough <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 	



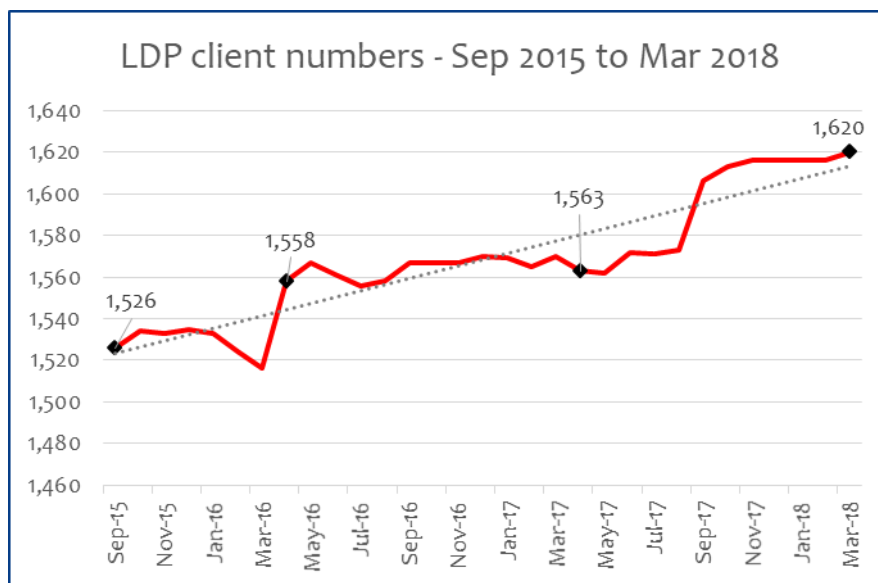
- 2.9.2** The effect of this is quite noticeable on the residential and nursing home market. Over the last two years, there has been a consistent increase in the prices paid for spot placements in residential and nursing homes.
- 2.9.3** We continue to see pressures in the cost of providing residential and nursing care. 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.
- 2.9.4** 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.
- 2.10** Unmet Need
- 2.10.1** There are a large number of cases awaiting assessment and review within the long term care team. In July, the team had a caseload of 959 cases, with a waiting list of 138, a result of insufficient capacity to respond to the demand of referrals into the team (circa. 50-60 new referrals per month). There is a high vacancy rate (25%) within the team currently and a reliance on the use of locums. These outstanding assessments and reviews present an additional financial pressure to the Council. This represents a potential pressure of c. £1.1m to the Council.

2.10.2 A dedicated review team has been set up in Cambridge and South Cambridgeshire, where the bulk of the backlog is sitting. This team was established in July 2018 and will be dedicated to addressing the case backlog over the next 6 months.

2.11 Learning Disabilities

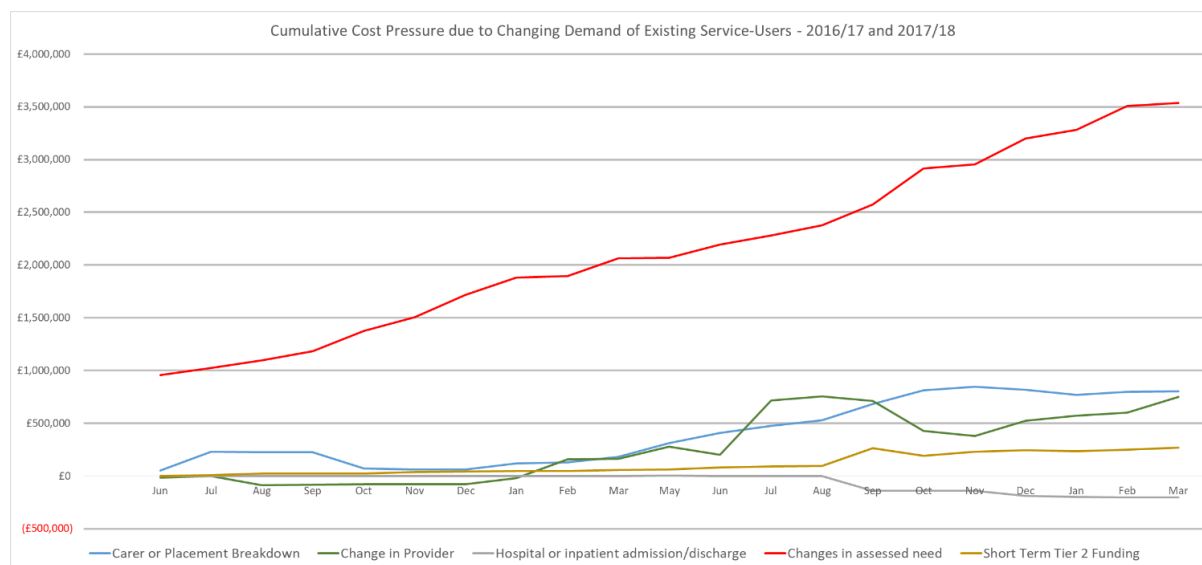
2.11.1 The Learning Disability Partnership (LDP) is a pooled budget with the NHS, with a 78:22 split of funding between the two organisations.

2.12 Client Numbers



2.12.1 There is an underlying trend upwards of around 50 people per year in the LDP. This is due to young people turning 18 and transitioning from Children's services. Medical advances in recent years mean that more people with disabilities are surviving into adult life, and living longer. The cohort of people is relatively static and there is very little movement in LD service-users. This makes reducing costs very challenging as care packages become embedded and there are few opportunities make cost reductions once needs have been reviewed.

2.13 Complexity of Need



2.13.1 Overall, there have been around £5m of pressures over the last two years relating to changing needs of existing service-users. As noted above, service-users are living for longer and living with more complex needs, which means that care packages become, on average, more expensive over time.

2.14 Savings

2.14.1 In 2016/17 the LDP began a process of reassessing the care needs of most of its service-users, to ensure that the most appropriate care was being provided. Along with several other workstreams, this formed the basis of a programme of work to deliver more appropriate and tailored care over the next three financial years (including 2018/19).

2.14.2 £6.2m of cashed savings were delivered in 2016/17 and 2017/18 against a target of £10m.

2.14.3 During 2016/17 and 2017/18, c. 1,500 people were reassessed, with a further c. 200 reassessments forecast for 2018/19. This has ensured that packages of care are appropriate and delivering the right care based on individual needs. However, due to the relatively stable cohort of LD service users, once all reassessments are undertaken, there will be diminishing opportunities for further packages to be reassessed.

2.15 ASC Strategy and Action Plan to Mitigate Pressures

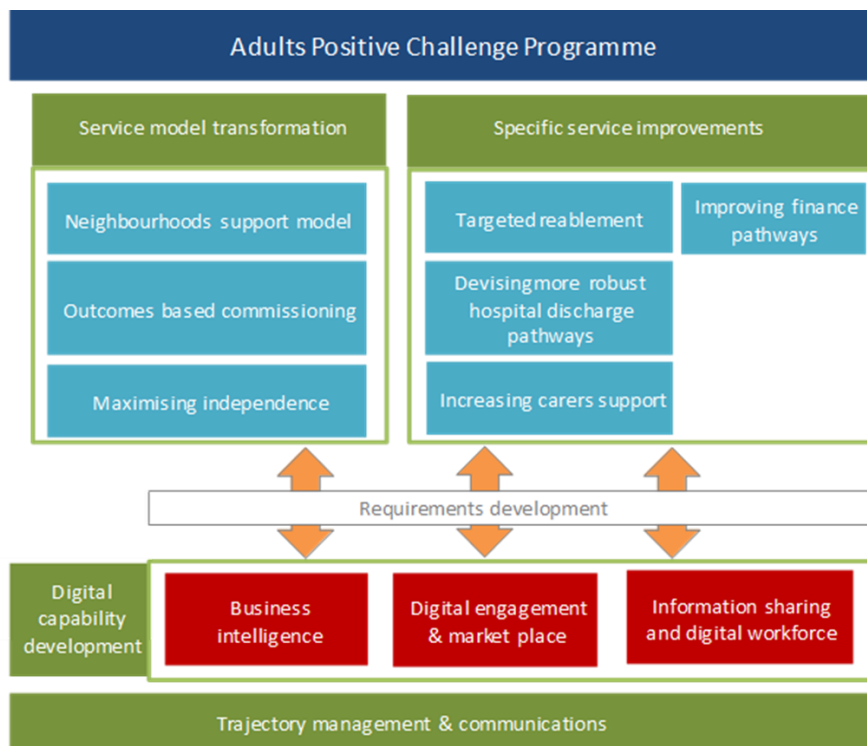
2.15.1 Balancing the needs of the people of Cambridgeshire and the Council's resources, the Council's ASC strategy and emphasis is on building community capacity and capability. This approach aims to:

- Reduce the demand on traditional high cost specialist social care services
- Increase community capacity to deliver support closer to home in a personalised manner that is focussed on improving outcomes and promoting independence
- Develop solutions that recognise and build upon local resources and networks and are flexible and respond to changing needs
- Join up a number of inter-related systems of support in Health and Social Care to deliver a whole systems approach to social care
- Develop a local multidisciplinary approach to identifying people whose needs may escalate and intervening early in collaboration with primary care, District Councils voluntary sector and other partners
- To develop the workforce within the Council and independent and voluntary sector and ensure a consistent focus on supporting people to live independently in their communities and homes

2.16 Actions

2.16.1 Implement the recommendations of the iMPower Positive Challenge Programme to support the delivery of saving across all adults client groups

- Implement new demand management and service delivery methods
- Co-design new approaches to service delivery models - ensure preventative services and opportunities are being fully exploited
- Work closely with all Council services including libraries, Communities and the Commissioning Team to deliver the Demand Management programme to deliver savings
- Align strategic direction and thinking across Cambridgeshire and Peterborough
- Define and exploit potential further saving opportunities and benchmark against best practice



A programme of activity for the next 2 years has been developed that will focus on designing and implementing a number of changes and transformation projects to enable us to manage increased demand and avoid cost by intervening earlier, drawing on assets at a neighbourhood level and supporting people to maximise their independence.

The 'Fast Forward' phase of work, targeting more immediate demand shifts has been completed and the broader programme is now refocusing, with work streams targeting interventions throughout the customer journey.

Currently eight delivery work streams have been identified, which are set out below:

- 'Changing the conversation' we have with people in order to maximise independence at every interaction
- Improving support to carers so they receive the right support at the right time
- Expanding and embedding Technology Enabled Care (TEC) so people are more able to look after themselves
- Targeting reablement towards people who would benefit from relearning daily living skills
- Outcome based commissioning and new models of care (care suites & stimulating micro-enterprises)
- Developing an enablement approach in Learning Disability by working with people in a strength-based way as young adults
- Redesigning mental health interface and reablement to achieve the most effective outcomes
- Further development of the neighbourhood based approach and hybrid with primary care

Delivery of the ambitions and opportunities outlined in the APCP will be reliant on a range of enablers across the Council. The key enablers include Commissioning, Business Intelligence, Digital and web based solutions and Communication.

2.16.2 Strategic Commissioning:- develop the themes and actions within the Adults Positive Challenge Programme to promote independence and support people in their own homes rather than place in institutional care. Including a collaborative commissioning and procurement approach that is targeted at improving value.

2.16.3 Provide a cross Council/agency/voluntary sector approach to supporting Self Funders to stay in their own homes longer.

2.16.4 Deliver a service and approach that -

- prioritises the ability of a person to live independently and safely in their community;
- maximises their input to decision-making about how and in what ways they want to have their needs met;
- makes the customer journey feel more straightforward and easy to understand; and
- provides a resolution of their needs as early as possible.

2.16.5 Develop savings solutions with Peterborough City Council through smarter Commissioning and Contracting- delivering greater efficiencies through economies of scale

2.16.6 The Social Worker Team will support service users to remain independent for longer.

- A person-centered strengths-based approach positively frames conversations with service users and focuses on what they are able to do, rather than their limitations.
- When an early point in a conversation is what a person can do themselves, or with the support of their social network, social workers are better able to determine what exactly is required from Adult Social Care in order for service users to reach their potential.

2.16.7 Increased use of Reablement Service and a reablement approach to reduce long term care costs

- Maximising the benefits of recent investment to expand the team's capacity
- Ensure that the Reablement Service is operating at maximum effectiveness and efficiency and increasing direct contact with service users through more effective remote working and other methods
- Develop the reablement and enablement approach within both mental health services and Learning Disability Services

2.16.8 Expand the Technology Enabled Care offer, which will

- Increase levels of independence and drive up positive outcomes
- Reduce the dependency on costly institutional care home and nursing placements
- Reduce the dependency on high cost placements
- Reduce the cost of homecare

- 2.16.9** Develop a different approach to the way in which the Council supports the families of children with disabilities promoting use of technology and an enablement approach where appropriate and preparing for the transition to adulthood.
- 2.16.10** Increase capacity and resilience within the long-term care team to respond to referrals and reduce the levels of unmet need:
- Review of processes and service specification within the Adult Early Help Team to minimise hand offs and reduce unnecessary referrals to the long term care team.
 - Review of waiting list management approach and process to ensure consistent and best practice model in operation.
 - Staff engagement to identify key factors that affect recruitment and retention.
 - Development of a recruitment and retention plan to reduce vacancy rate; including locum loyalty bonus, recruit a friend scheme, apprenticeship and progression opportunities
 - Review prioritisation of case load in Physical Disabilities and ensure maximised use of resources across the long term care team
- 2.16.11** Focus on service model transformation and specific service improvements:

Service Model Transformation	Specific service improvements
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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

3. ALIGNMENT WITH CORPORATE PRIORITIES

Report authors should evaluate the proposal(s) in light of their alignment with the following three Corporate Priorities.

3.1 Developing the local economy for the benefit of all

None.

3.2 Helping people live healthy and independent lives

Managing the provision of services to support people to access the right care in the right place, including enhancing prevention and early intervention services to support people to remain independent for as long as possible.

3.3 **Supporting and protecting vulnerable people**

None.

4. **SIGNIFICANT IMPLICATIONS**

4.1 Resource Implications

There are no significant implications within this category.

4.2 **Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

4.3 **Statutory, Legal and Risk Implications**

There are no significant implications within this category.

4.4 **Equality and Diversity Implications**

There are no significant implications within this category.

4.5 **Engagement and Communications Implications**

There are no significant implications within this category.

4.6 **Localism and Local Member Involvement**

There are no significant implications within this category.

4.7 **Public Health Implications**

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Stephen Howarth
Have the procurement/contractual/Council Contract Procedure Rules implications been cleared by Finance?	Yes Name of Financial Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Duncan Dooley-Robinson
Have the equality and diversity	Yes

implications been cleared by your Service Contact?	Name of Officer: Oliver Hayward
Have any engagement and communication implications been cleared by Communications?	Name of Officer: Matthew Hall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Oliver Hayward
Have any Public Health implications been cleared by Public Health	Name of Officer: Tess Campbell

Source Documents	Location
ONS Population Data	Data sources https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesScotlandandnorthernireland https://www.cqc.org.uk/content/how-get-and-re-use-cqc-information-and-data#directory