

Priority 2 Budget Scrutiny Recommendations

Adults & Health Scrutiny Committee

Priority 2 Budget Scrutiny Recommendations

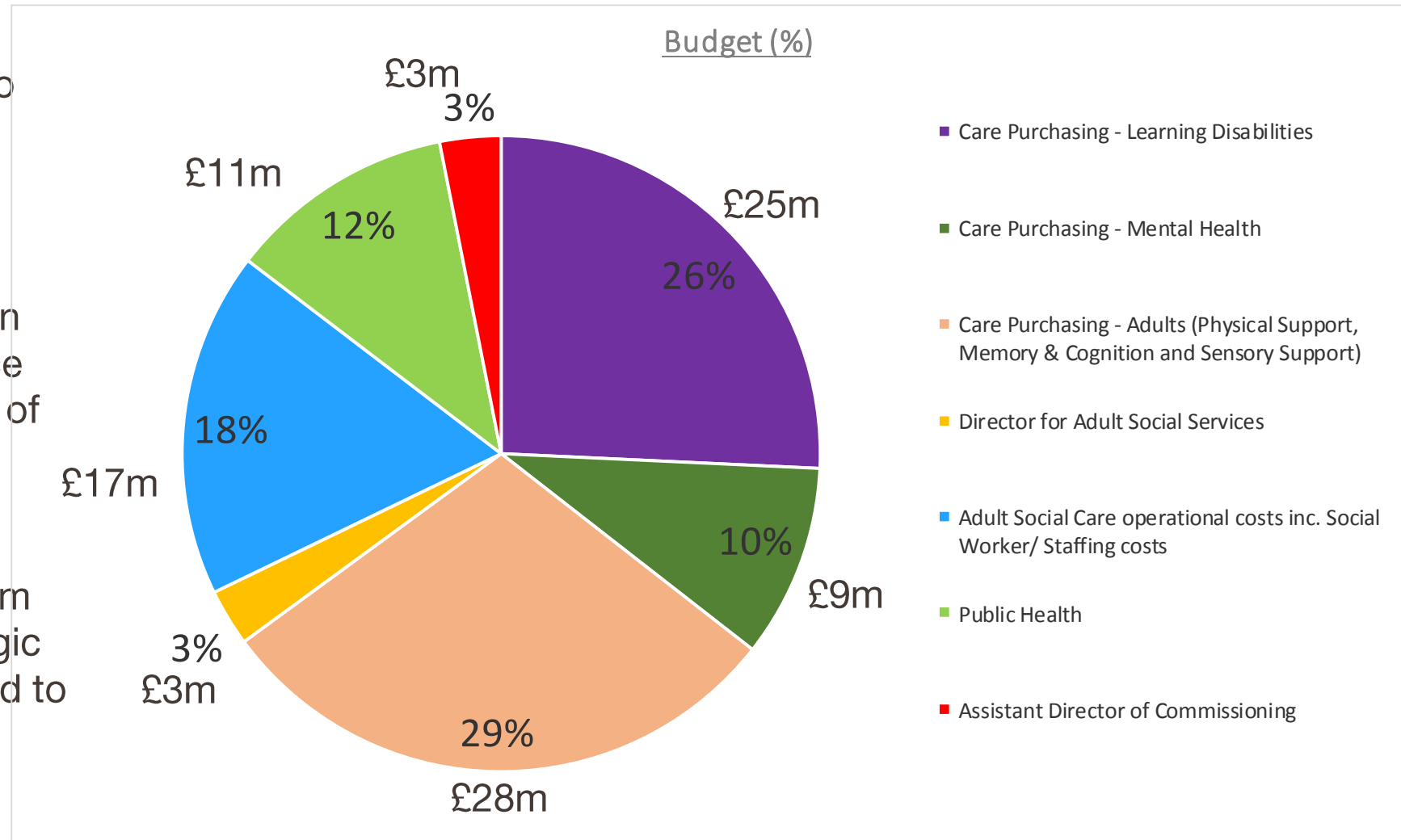
Ref	MTFS Proposal	Further info requested by the Panel	Recommendation	Cabinet Response Required (Yes/No)
2.1	Learning Disabilities	That further financial and strategic information concerning the evidence base for the budget proposals, especially savings for 2018/19, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made.	None at this stage	
2.2	Mental Health	Where possible, this information should be provided for the “mid-way” point.	None at this stage	
2.3	Physical Support	That further information on the risks associated with each of the budget proposals be made available for consideration by OSC on 29 January.	None at this stage	
N/A		That further information on the overspend on care packages be made available for consideration by OSC on 29 January.	None at this stage	

Priority Spending Breakdown

Of the total P2 budget, nearly two thirds (65%) is spent on care packages for clients with eligible needs.

Previous savings have focused on operational efficiencies, workforce reductions and recommissioning of non-care contracts. Remaining options to do this are limited.

Evidence and working with system leaders have informed the strategic approach that future savings need to be based on action to manage demand and increase value for money in care packages.



Demand Growth

- All of the long-term cost pressure in the next MTF5 period is expected to come from the purchase of care budgets, based on trends for the past three years.
- Projected demand growth over the next 5 years estimated at £11.1m without new action to manage demand, this breaks down across the different areas:
 - Projected growth in demand for Learning Disabilities care packages of £6.4m
 - Projected growth in demand for Mental Health care packages of £2.3m
 - Projected growth in demand for Physical Support care packages of £2.4m
- Not all client groups are expected to see increased demand, for instance, we anticipate the trend of reducing numbers of 65-74 year olds requiring long-term packages of care, and numbers of older adults with learning disabilities and mental health are expected to remain broadly flat.

Building on Strong Foundations

Actions taken, impact to date and future plans are based on the evidence of system leaders and the outcomes seen in other Local Authorities over the past few years.

The evidence that underpins our Maximising Independence approach and our strategies to manage demand and drive VFM provision includes:

LGA - Adult Social Care Efficiency Programme:

- Progression towards maximising independence of residents
- Effectiveness of short-term and preventive help
- Support options for lower care needs, including the use of assisted technology
- The assets of the person being assessed and involvement of family and community
- The way in which providers deliver outcomes and the vibrancy of the voluntary sector
- The availability and the nature of supported housing services
- The partnership with carers and carer organisations

IPC & Oxford Brookes – Six Steps to Managing Demand in Adult Social Care (2017):

- Managing demand through the front door of the Council
- Managing demand from acute hospitals
- Effective short-term interventions for people in the community
- Designing the care system for people with long term needs
- Developing a workforce to manage demand
- Governance and management arrangements to sustain improvements

Budget Strategy - overview

We propose to maintain the budget strategy that we have developed as the basis for planning any future MTFs, as we are confident that it sets out the primary levers for managing the main sources of financial pressure in P2, the cost of Adult Social Care:

DEMAND MANAGEMENT Preventing, reducing and delaying demand for social care	MARKET MANAGEMENT Commissioning packages of care that meet needs in the most cost-effective way	OPERATIONAL MANAGEMENT Reducing the cost base of delivering Adult Social Services
1.1 Strengthening preventative support in the community, including family centred services	2.1. Improve information & access to community alternatives	3.1. Improving the resilience and permanence of the workforce
1.2. Diversion at the Community Front Door to non-statutory or community-based services	2.2. Increase the sufficiency and value for money of community-based provisions including PAs, Day Opportunities	3.2. Strengthen management oversight and decision-making on performance & finance
1.3. Managing demand from acute hospitals	2.3. Increase the local availability and utilisation of a range of Supported Living options	3.3. Implementing operational integration with health and other LAs
1.4. Managing transitions from CYPS	2.4. Strengthen the Homecare market and improve quality & outcomes	3.4. Establishing fairer contributions – income and subsidies
1.5. Expanding the use of assistive technology	2.5. Contain the cost of residential and nursing placements working across NCL to develop capacity	3.5. Revising contracts for services (non-care packages)
1.6. Promoting independence through care planning & reviews	2.6. Develop capital assets to deliver commissioning intentions	

Future Savings Proposals

Reflecting the council's challenging financial position, Priority 2 has set out savings over the next 5 years of £13.75m to manage demand and care costs so that the spend on Adult Social Care plateaus at around the current budget

In 2018/19 the Adults budget sees a net increase of £0.7m, resulting from:

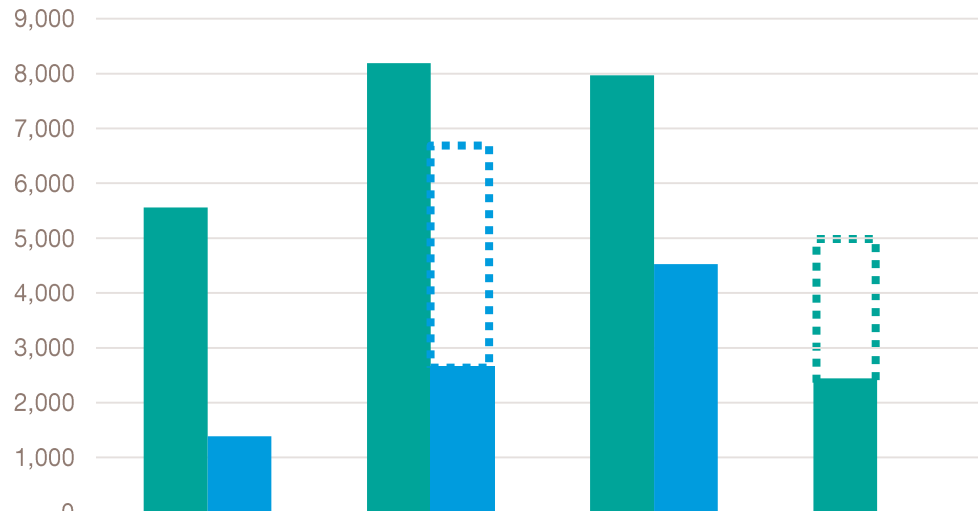
- £3.1m funding passported from ASC Precept
- Substitution of planned savings of £3.2m with a revised plan for £2.4m (additional details of savings approach by area in Appendix).

	18/19	19/20	20/21	21/22	22/23	Total
Learning Disabilities	£1.14m	£1.14m	£1.43m	£1.43m	£1.43m	£6.57m
Mental Health	£390k	£390k	£490k	£490k	£490k	£2.25m
Physical Support	£860k	£860k	£1.07m	£1.07m	£1.07m	£4.93m
Total	£2.39m	£2.39m	£2.99m	£2.99m	£2.99m	£13.75m

This will mean the Adult Social Care budget rises from c31% to c36% of the council's Total Budget Requirement.

Savings History

Savings planned/achieved



■ Planned savings	5,558	8,189	7,970	2,440
■ Achieved savings	1,387	2,663	4,525	

MTFS targets for savings in previous years have been overly optimistic given the demand challenges and the lead-time required to redesign services.

In 2016/17 new demand pressures and undelivered savings carried forward had a major impact on the P2 spending position, and even with over £4m of in-year savings from reviews delivered, the service ended the year £12m overspent.

For 2017/18, additional budget was made available to Adult Social Care, but with a similarly stretching savings target of £8.0m, the service is forecast to achieve £4.5m savings, with an overspend of £3.5m

For 2018/19 the previous MTFS identified £3.2m savings for P2, the current planned savings are now £2.4m, but overspend from 2017/18 that is carried forward represents an additional saving requirement in 2018/19 – currently estimated to be up to £3.5m

Issues for 2018/19

1. Sleeping/waking nights - £1.3m

- The 2017 HMRC ruling that requires care providers to pay at least the National Living Wage to care workers for every hour they are at work, including hours spent sleeping which previously accrued a flat rate, will feed through into the costs charged to the council for care packages. We are working with providers to mitigate by developing new models of care.

2. Market pressures - £1m

- Recognising that continuing to withhold inflationary increases to providers as Haringey has done for a number of years may increase the risk of provider failure and in turn could decrease capacity, reduce quality and add further cost burden for social care that would undermine our budget strategies. Some inflationary increases may need to be paid in 2018/19.

3. Osborne Grove Nursing Home - £750k

- The decision to close Osborne Grove Nursing Home on quality and value for money grounds will take time to implement and there will be a cost pressure from continuing to run the facility while re-provisioning takes place and other costs associated with closure.

4. Managing overspend carried forward – up to £3.5m

- The planned savings for 2018/19 include a provision to manage part of the overspend from this year but any remaining overspend will be a pressure that will need to be managed or mitigated in year, potentially with corporate support.

Evidence of Impact 2017/18



Reablement

- Since 2016, the Reablement team has rapidly improved and the number of clients receiving reablement more than doubled. The service consistently achieves 80-90% of clients remaining at home 90 days after hospital discharge into Reablement. Modelling of the financial impact of Reablement is being developed further, but analysis of a partial cohort has shown £1.2m of cost avoided.

Reviews

- Despite significant savings delivered in 2016/17 from reviewing packages of care, our programme of Promoting Independence Reviews has continued to enable outcome-based adjustments to care packages, estimated to deliver net savings in 2017/18 of £1.4m

Step-downs (See following 2 slides)

- To support maximising independence some service users will benefit from a less intensive care setting, for instance by stepping down from residential care to supported living. This is particularly positive for younger adults and is often more value for money option, as the next slide illustrates from step-downs completed in 2017/18:

Protheroe House (See following 2 slides)

- Intermediate care beds providing target support for clients with complex needs following a hospital admission. The impact is designed reduces the need for higher cost.

Reablement Savings

	to date £000	projected £000	total £000
Against potential packages			
in-year	544	16	560
full year	868	140	1,008
Against existing packages			
in-year	63	3	67
full year	140	30	170
Total			
in-year	607	20	627
full year	1,008	170	1,178

Step-down savings

Service area	Number of step downs in 2017/18	Average saving per client p/w
Learning Disabilities 18-64	6	£339
Mental Health 18-64	4	£148
Physical Support 18-64	2	£533
Physical Support 65+	1	£324
Sensory Support 65+	1	£424

Protheroe House

- 17 of 34 clients (50%) had a reduced care need at the end of their stay in Protheroe House compared to when they arrived.
- 6 of 34 (18%) clients had no significant change in care needs

Savings arising

- Average weekly care cost reduction per service user = £125
- Average yearly cost reduction per service user = £6,546
- Projected savings if referrals for 12 month period (assuming 80 placements per year) = £520k

Transformation required to deliver the budget strategy

In addition to improved productivity and effectiveness of business as usual, the P2 Transformation programme is now focused on a number of major projects to redesign service delivery and care provision:

- **Transitions** - develop a seamless service between Children's and Adult pathways, so that young people receive support before reaching adulthood, that maximises their opportunities for independent living.
- **Supported Living, including Deregistrations** – expand the supply of supported living units and work with providers to develop more cost-effective models of supporting people in the community, including the use of Positive Behaviour Support.
- **Direct Payments** – to support service users to exercise choice and control about the support they receive, enabling a greater and more successful take-up of Direct Payments and therefore improved focus on outcomes.
- **Assistive Technology** – to modernise and expand our use of technology to prevent, reduce or delay the need for high-cost care, supplementing existing telecare options for individuals and working with providers to find new uses.

Risks to delivery of savings

Risk	Explanation	Mitigation	RAG
<p>Required transformation to support the budget strategy may be delayed, either by internal or external factors</p>	<p><i>Experience of previous years' transformation informs us that major change takes time and elements of our budget strategy that require changes to the current delivery model can only be fully effective once this transformation is implemented. Turnover of staff, timescales for decision making, and building the evidence base for changes all have knock-on effects to delivery.</i></p>	<ul style="list-style-type: none"> • Project scopes reviewed and agreed • Corporate resourcing of Transformation Programme to undertake planning and project management • Key decisions required are identified and planned into Cabinet forward plan 	G
<p>Other market pressures on care providers may outweigh the impact of beneficial changes to the cost of care</p>	<p><i>Our actions, as a borough and across the North Central London, to manage the market and to work closely with providers to remodel the way care is delivered do not occur in a vacuum. Negotiations with providers will also need to take into account the financial pressures they face and the risks of potential provider failure that may need to be avoided.</i></p>	<ul style="list-style-type: none"> • Provider forums to maintain open dialogue with the market and pre-empt issues • Working across North Central London for increased leverage in care markets • Involving providers in initiatives to explore more enabling models of care, including AT and Positive Behaviour Support 	A/R
<p>Scope for increasing independence of our current and future cohort may be more limited than expected</p>	<p><i>Maximising independence of our residents who use services and taking account of their strengths is a proven approach in the sector, but it remains subject to the needs of the individuals. There is no simple way to evaluate or predict the extent to which additional independence can be achieved or how our profile of need may change, which represents a risk to delivery of the planned savings strategies.</i></p>	<ul style="list-style-type: none"> • Drawing upon national evidence about prevalence of need and impact of key interventions • Involving practitioners in projects like piloting new AT to undertake 'best interest' assessments • Co-design with service users and carers to find appropriate and desirable new models 	A/G
<p>Changing the practice in Adult Social Services to focus on strengths and maximise independence may take longer than expected</p>	<p><i>The adult social care workforce is stable and ways of working have developed over a long time. The knowledge, skills and attitudes of practitioners to support a more empowering and enabling model of practice will take time to be nurtured and will require specific training and development on areas such as assistive technology, direct payments and community alternatives.</i></p>	<ul style="list-style-type: none"> • Care Authorisation Panel to provide increased oversight of decision-making and feed back points for development to practitioners • Redesigned workflows and forms to prompt assessment of strengths and focus on outcomes • Workforce Strategy and L&D plan drafted setting out priorities and actions 	A/G

Strategic risks

Risk	Mitigation	Owner	Prob	Impact	Prox	RAG
Demographic change, including above average transitions from Children's Services, leads to increases in demand that are greater than those projected within our revised MTFS	<ul style="list-style-type: none"> ➤ Adult Social Care Redesign with clear culture and practice change objectives and communications strategy ➤ Strengthened Performance & Finance Framework to regularly monitor demand flows and costs ➤ Whole population approach to prevention embedded through Health in all Policies and prevention pyramids ➤ Transitions project being established with Priority 2 lead and increased project support; shared respite/short breaks policy across Adults and Childrens to manage expectations ➤ Taking opportunities with Growth and Tottenham people agenda to support residents to live healthy, independent lives 	Beverley Tarka	4	4	M	A/R
Complex and challenging organisational dynamics across the system make it harder to deliver integration with partners, providers and other boroughs, jeopardising the development of new models of care	<ul style="list-style-type: none"> ➤ Maturing approach to health and care integration and relationships with CCG / BCF ➤ Design Framework agreed to provide a clear starting point for our strategic engagement with partners ➤ Engagement with partners as part of the Borough Plan development will further strengthen alignment ➤ Wellbeing Partnership agreement and action plan provides clarity on working with Islington and local health providers ➤ Increasing work across five NCL boroughs 	John Everson	3	4	M	A/R

Strategic risks

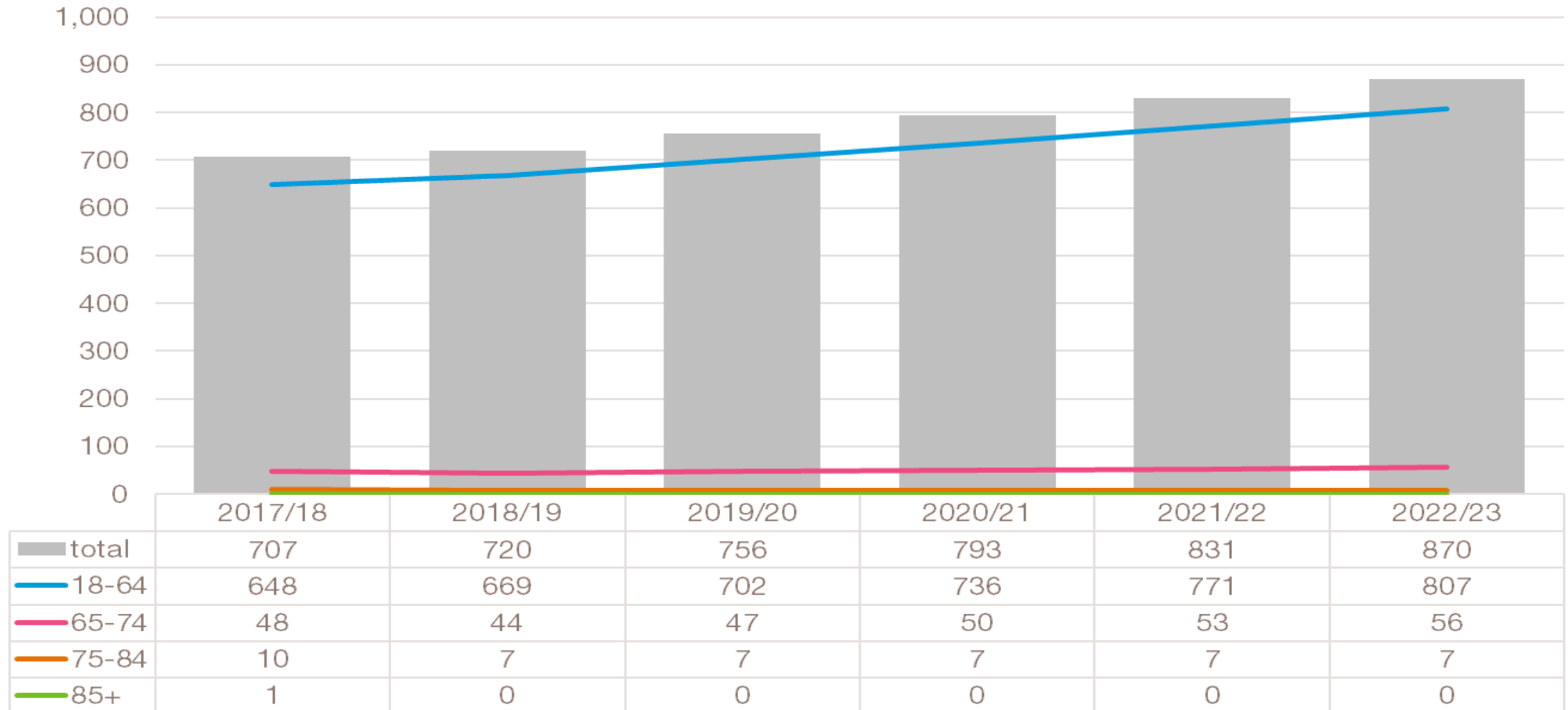
Risk	Mitigation	Owner	Prob	Impact	Prox	RAG
<p>Barriers to stimulating and strengthening key markets (including the community offer) to deliver sufficiency, quality and value for money constrain the ability of adult social care and brokerage to provide options that maximise independence and manage demand for high cost care</p>	<ul style="list-style-type: none"> ➤ Market Development Steering Group set up with key commissioning managers ➤ Markets & Commissioning project reporting to P2, increasing focus on market development activity ➤ DPS for a range of provision to stabilise the market Innovative alternative models are being explored across all types of provision, including Homecare ➤ Community Wellbeing Framework asset mapping with BRT improving picture of community offer ➤ North Central London market development work now resourced and in progress 	Charlotte Pomery	4	4	M	A/R

Appendix: Demand, Cost & Savings Strategies by Service User Group

Learning Disabilities

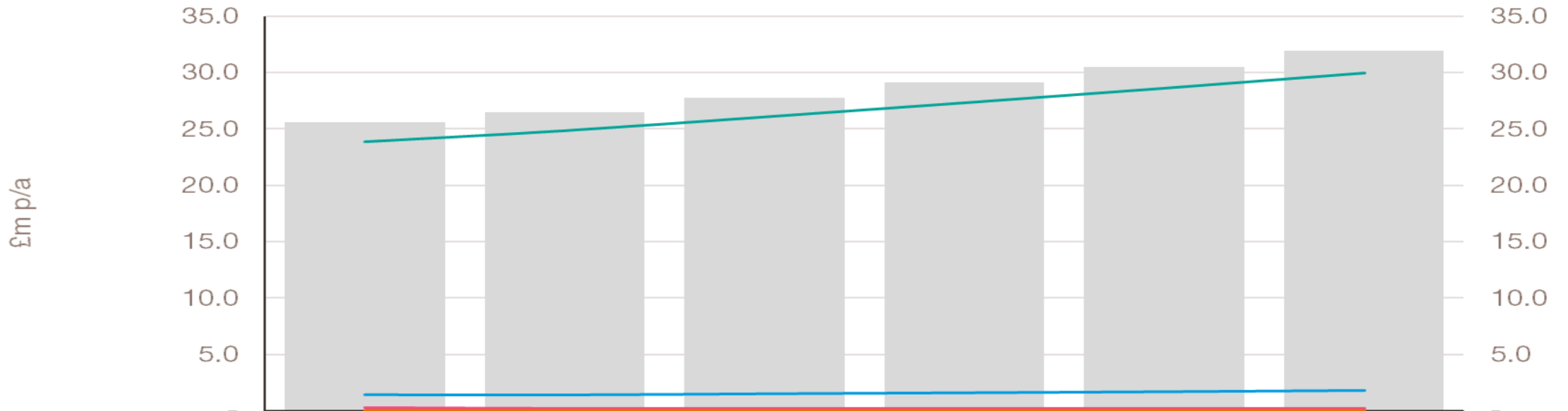
Learning Disabilities: modelled numbers of clients 2018-23

Numbers of clients in receipt of a care package



Learning Disabilities: modelled cost of growth 2018-23

Costs of providing care packages £m p/a



	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
total	25.6	26.4	27.8	29.1	30.5	31.9
18-64	23.9	24.8	26.0	27.3	28.6	29.9
65-74	1.4	1.4	1.5	1.6	1.7	1.8
75-84	0.2	0.2	0.2	0.2	0.2	0.2
85+	0.0	-	-	-	-	-
annual growth		0.9	1.3	1.3	1.4	1.5

Learning Disabilities: savings 2018-23

MTFS Savings

2018/19	£1.14m
2019/20	£1.14m
2020/21	£1.43m
2021/22	£1.43m
2022/23	£1.43m
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	£6.57m
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Savings strategies

Demand management

- Application of indicative needs bandings
- AT to reduce the need for live-in or double-handed care
- Improved Transitions from CYPS to ASC
- Strengths-based assessment and support planning

Market management

- Avoid residential and facilitate step-downs where VfM
- Deregistration of current residential providers
- Developing the market for Day Opportunities and PA's
- Expand Supported Living units
- Joint commissioning of services across the NCL boroughs
- Outcomes based commissioning from providers on PBS
- Specialist brokerage capacity for care packages

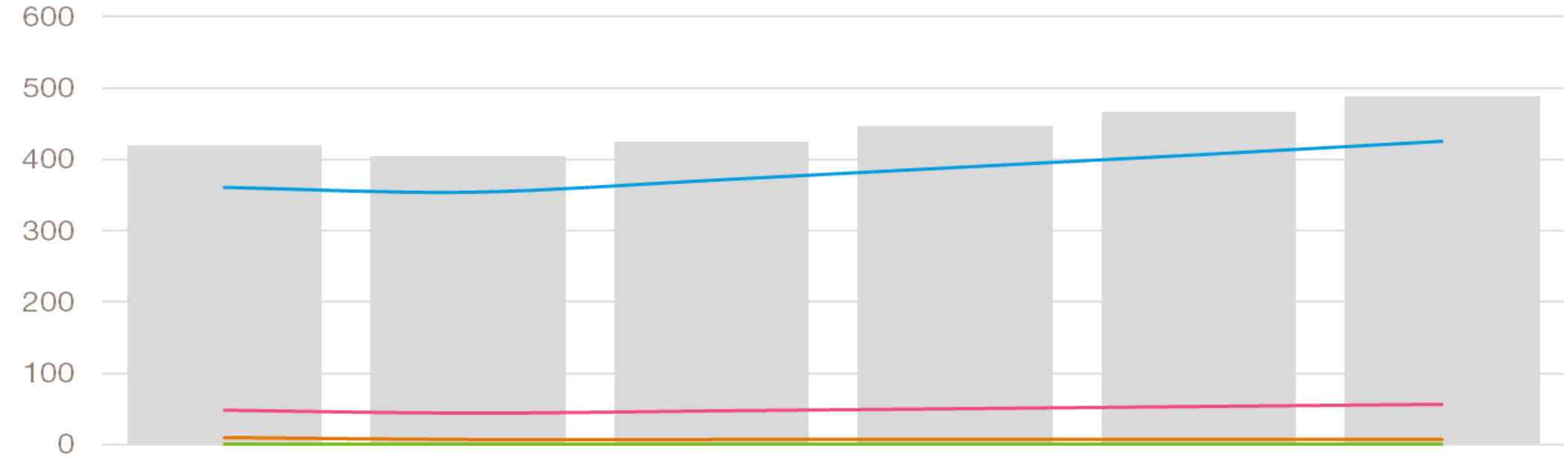
Operational management

- Apply 'top up' policy
- Operational alignment across CCG and Adult Social Care
- Workforce development

Mental Health

Mental Health: modelled numbers of clients 2018-23

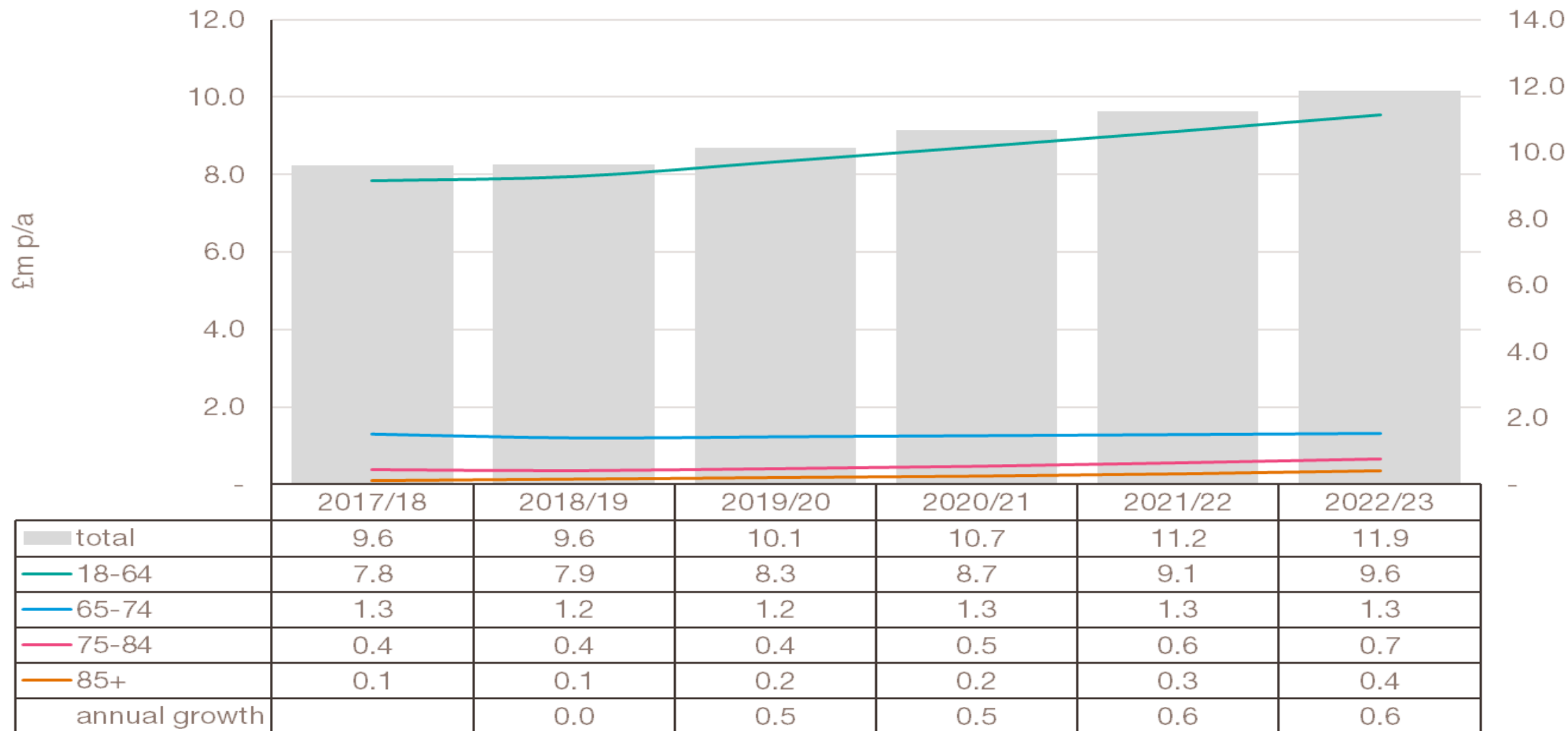
Numbers of clients in receipt of a care package



	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
total	420	405	425	446	467	489
18-64	361	354	371	389	407	426
65-74	48	44	47	50	53	56
75-84	10	7	7	7	7	7
85+	1	0	0	0	0	0

Mental Health: modelled cost of growth 2018-23

Costs of providing care packages £m p/a



Mental Health: savings 2018-23

MTFS Savings

2018/19	£0.39m
2019/20	£0.39m
2020/21	£0.49m
2021/22	£0.49m
2022/23	£0.49m
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	£2.25m

Savings strategies

Demand management

- Application of indicative needs bandings
- Coordinate response to forensic cases community discharge
- Enablement' pathway, including Primary Care Locality Hubs
- Increase take-up of Direct Payments by Mental Health clients

Market management

- Avoid residential and facilitate step-downs where VfM
- Deregistration of current residential providers
- Developing the market for Day Opportunities and PA's
- Expand Supported Living units
- Joint commissioning of services across the NCL boroughs
- Outcomes based commissioning from providers on PBS
- Specialist brokerage capacity for care packages

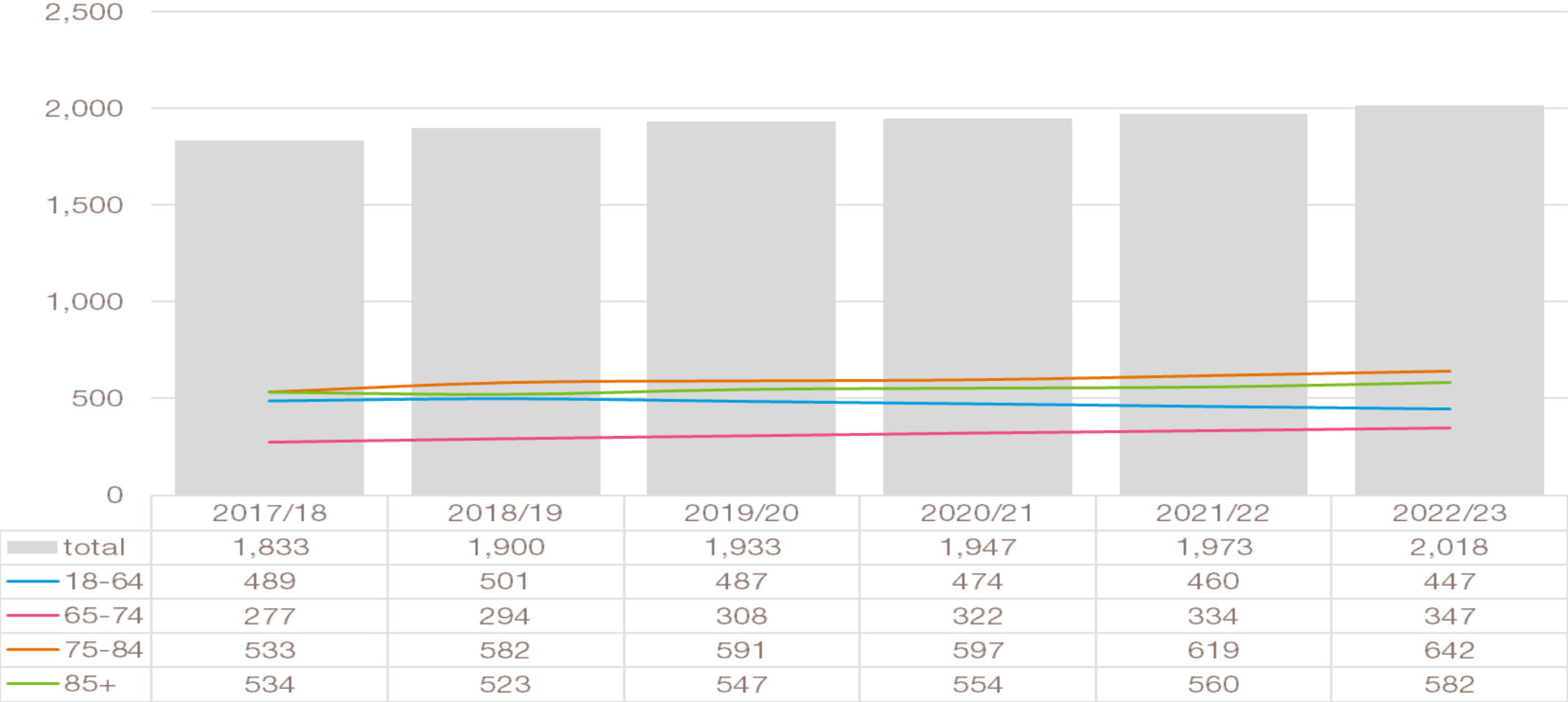
Operational management

- Apply 'top up' policy
- Operational alignment across CCG and Adult Social Care
- Workforce development

Physical Support

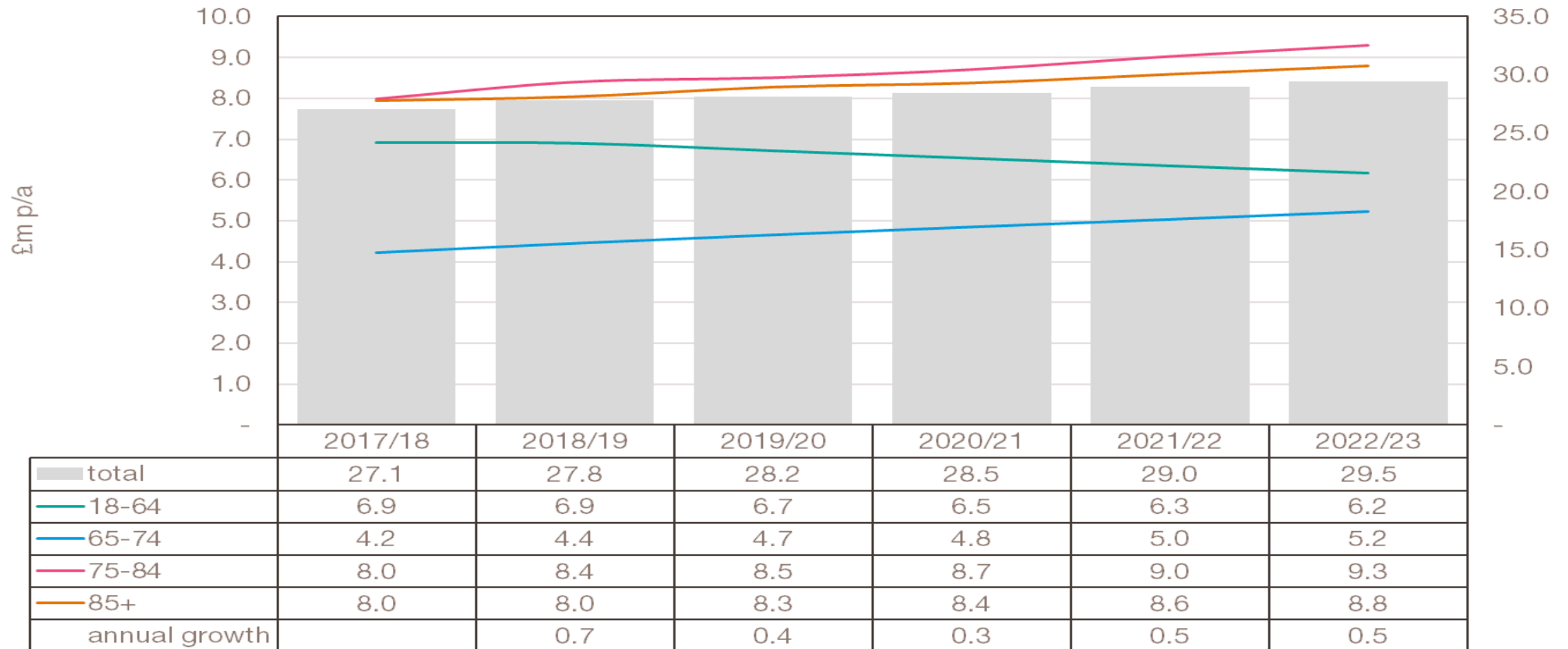
Physical Support: modelled numbers of clients 2018-23

Numbers of clients in receipt of a care package



Physical Support: modelled cost of growth 2018-23

Costs of providing care packages £m p/a



3. Physical Support: savings 2018-2023

MTFS Savings

2018/19	£0.86m
2019/20	£0.86m
2020/21	£1.07m
2021/22	£1.07m
2022/23	£1.07m
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	£4.93m

Savings strategies

Demand management

- Discharge to Assess, OOH services & intermediate care
- Expand the AT offer within reablement & long-term care
- Targeted expansion of reablement
- Use of preventative equipment - admission avoidance

Market management

- Develop a more outcomes-focused Homecare offer
- Expand the provision of Extra Care supported housing
- Target intermediate care provision and manage voids

Operational management

- Apply 'top up' policy
- Continued evaluation and review of BCF-funded services
- Develop an integrated Occupational Health offer