

Overview & Scrutiny

Budget Scrutiny Task Group: Adult Social Care

All Members of the “Budget Scrutiny Task Group: Adult Social Care” are requested to attend the meeting to be held as follows:

Tuesday, 8th November, 2011

8.00 am

Room 103, Hackney Town Hall, Mare Street, London E8 1EA

Gifty Edila

Corporate Director of Legal, Human Resources and Regulatory Services

Contact:

Tracey Anderson

☎ 0208 356 3312

✉ tracey.anderson@hackney.gov.uk

Members: Cllr Luke Akehurst, Cllr Emma Plouviez and Cllr Patrick Vernon

Agenda

ALL MEETINGS ARE OPEN TO THE PUBLIC

- 1. Apologies for Absence**
- 2. Urgent item / Order of Business**
- 3. Declaration of Interest**
- 4. Minutes of the Previous Meeting** (Pages 1 - 8)
- 5. Service Review Summaries: Adult Social Care** (Pages 9 - 16)
- 6. Any Other Business**

This page is intentionally left blank



Budget Scrutiny Task Group: Adult Social Care 8 th November 2011 Adult Social Care	Item No 4
---	---------------------

Outline

Attached is the draft notes from the informal meeting of this task group on 15th September 2011.

Action

The Budget Scrutiny Task Group is asked to:

- Agree the accuracy of the minutes

This page is intentionally left blank

Budget Scrutiny Task Groups Adult Social Care

Aide memoire of informal meeting of the Adult Social Care Budget Scrutiny Task Group

Thursday 15 September 2011 8.00 am to 9.40am in Room 103, Town Hall

Present: Cllr Luke Akehurst (Chair)
Cllr Emma Plouviez (Task Group Member)
Cllr Patrick Vernon (Task Group Member)

Other Members:

Cllr Robert Chapman (Chair, Governance & Resources)
Cllr Jonathan McShane (Cabinet Member for Health, Social
Care and Culture)

Officers:

Rob Blackstone (AD Adult Social Care)
Martin Calleja (Lead Programme and Project Manager)
Tracey Anderson (Overview and Scrutiny Officer)
Jarlath O'Connell (Overview and Scrutiny Officer)

1. The Members received a detailed briefing on the fast track Service Review process and the associated budget scrutiny task group process. The presentation gave an overview of cost, scope and value for money within Adult Social Care, cost pressures and savings opportunity and the emerging issues so far from the review process.
2. During the discussions Members sought clarification on a number of points in the presentations and in the ensuing discussion the following key points were noted:

Background

- (i) Noted that the Council needs to make £65m in savings over the next three years and that adult social care made up a third of the Council's controllable budget. Noted that there is limited scope for efficiencies as these have now been ongoing over the past three years. Increasing demand for services as a result of wider budget cuts will lead to significant cost pressures. Noted too that many other councils' were actually building in growth plans into adult their social care budgets. The challenges locally reflects national cost pressures in the care sector and increasing levels of need as people live longer. In addition LBH has relatively high levels of both mental health and learning disabilities need.
- (ii) Members asked if these proposals were being tested out with service users. It was noted that this was a level 1 analysis and the focus was initially on value for money but it would be expected that services

would of course have a high level of intelligence about their own service users.

- (iii) Noted that the new assessment process was very much focused on needs, unlike the old system that accommodated wants. Noted for Learning Disabilities of the 60 reviews only 6 had been reduced substantially from previous package.
- (iv) There was a discussion on the impact of the changing demographics in the borough on future adult social care provision and it was noted that 3 year and 10 year advance plans were in place. There could be key benefits in targeting re-enablement so that clients are kept out of expensive residential social care for as long as is possible. Noted the system was only 2 months into implementation so still monitoring benefits. Properly planned the Council would end up paying the highest cost therefore for a shorter period of time.

Operations and Costs

- (v) In terms of benchmarked costings noted that LBH's commissioning and procurement costs were lower than the 3% average and that costs for social care staff were also hitting the average and that cuts to senior management posts had been taken as far as they could in the PPP review.
- (vi) Members asked whether, because of inflationary pressures on the NHS, the council was absorbing higher costs. It was noted that the Commissioning Team was aware of this and generally successful in negotiating around it.
- (vii) Noted that joint funding of placements was the biggest bill for Adult Social Care and it was to be welcomed that Health partners were not avoiding their responsibilities or shunting costs in the direction of the council. Members suggested it would be beneficial for the Council to confirm that proportional split with health was not putting undue pressure on ASC budget.
- (viii) Noted that it was not unusual to not hit saving targets in this area (although 87% were achieved in 2011/11) as this was a complex area in terms of managing cost pressures and statutory requirements. It was suggested that a contingency on rationing should be carried out.
- (ix) There was a discussion on the impact of the cuts to the voluntary sector on service delivery by the Council as community groups and faith groups for example have a key role in preventative care. Noted that there maybe services which lost funding that we don't know about and which might have been providing low level care or support. This would come back as a cost pressure on the Council in the future. Noted for example that a national increase in homelessness of 17% will be likely to impact on social care budgets down the line.

- (x) Noted that a Red Amber Green PI system can put unhelpful pressures on officers when savings targets are unrealistically high. Noted that LBH has highly motivated managers but if every area was on 'Red' for protracted period there would be a perception that a service was under performing and this would impact on staff morale.
- (xi) Noted that while LBH was proactive in securing a 4 star excellent rating it, on the other hand, did not seek to introduce the maximum social care charges and it had also retained in-house services when other councils had usually outsourced these. Members want to take a deeper look at the added value of having an in house service model.
- (xii) Noted that a best value review of Provided Services would form Phase 2 of these service reviews. Also agreed that there need to be political leadership too on the subsequent way forward.
- (xiii) In relation to externalisation it was commented that you "can't make something work that is not working by contracting it out as it will merely keep on not working". Decisions would need to be made if the review revealed services could not continue to be provided as a sustainable viable option long term.
- (xiv) Noted that LB Camden's approach to budget cuts was one of slash and burn e.g. closing day care centres and the aim here was to avoid that.
- (xv) Agreed that LBH must understand the reasons why Provided Services cost more for Members to have an informed debate.
- (xvi) Suggested that this review should bear in mind the work done by the Treasury on Social Return on Investment and that decision cannot be made on a purely financial basis.

Telecare

- (xvii) Noted that take up of telecare packages was limited in some cases by clients lacking a telephone line or having pre pay electricity meters which made installing telecare unsafe. The issue for this group would be to explore whether Hackney's telecare had been used to its maximum potential. Noted some proactive work in this area through new builds of supported living, to allow the option of telecare to be available.

Personalisation

- (xviii) Noted that LBH is ahead of the curve on the Personalisation Agenda and it has strong preventative services in place.
- (xix) The Personalisation Programme was discussed and it was noted that the jury was still out on whether its transformation programme will

significantly impact how ASC is delivered and how service users access the service. It was acknowledged the pathways to care in LBH were well structured.

- (xx) Suggested that LBH could benefit from scenario planning on Personalisation e.g if 30% of clients went for it what would the impact be across the other services.
- (xxi) It was noted that there had been a phased TRASC programme with the Older People client group this was quite advanced. Roll out of the programme for Learning Disabilities underway and the programme for Mental Health would follow.
- (xxii) There was a discussion about increased use of personal budgets and how it was expected to change demand for provided services. Clients under Personalisation might seek to choose alternative options and there would be tension between the desire to give people control over their own care vs. the need of the Council to maintain services which they provided in-house. What would happen if most people, given their own budgets, decided not to spend it with LBH? Would there be empty spaces in day-care centres? Noted that a wider systems approach was needed together with scenario planning and of course in house services would have to become more flexible.
- (xxiii) Officers were asked to clarify where Hackney was in terms of the wider health and wellbeing market. Noted that you can set a budget on the basis of 'must dos' and that any stretch would then be a bonus. However if you just have fixed targets for more risky endeavours you run this risk of ending up being boxed in. Members thought it would be useful for LBH to consider the above point for future service modelling.

Integration

- (xxiv) There was a discussion on integration and what it might look like. Noted that a key area of focus here will have to be integration of health and social care services. There were two options in terms of dealing with health partners either to await the outcome of the move to GP Commissioning or to take the initiative and begin to speed up the integration process now.
- (xxv) Noted that progress could also be made on fully joining up case management. The Council and the Health Partners use different case management systems in both Learning Disabilities and Mental Health. Another area for reducing costs would be to join up the management in Provided Services.
- (xxvi) Noted that there is a level of choice on how far you go. Could LBH quickly reduce costs by using externalisation of services? Agreed that there is a need for hard data to inform such a decision and there needs to be a Member level debate on the benefits of such a change.

Housing

- (xxvii) This issue of dedicated housing for vulnerable clients was discussed. Ward councillors described how constituents were presenting at their surgeries with social care problems and housing was a key factor in these. These clients could remain for longer in their homes if the housing issues could be resolved. The example of 322 Queensbridge Rd was raised. This had been a dedicated block for the over 50s until its status was changed. That provided a degree of security, community and reassurance for the residents who had social care needs but this level of dedicated provision was no longer available.
- (xxviii) It was suggested that the social care assessments should have joined up the issues in the above case and that the three options of either – floating support, the cluster model or residential care – should have been more carefully applied. Agreed that too often clients remain in inappropriate housing and there was a need to strengthen the relationships with housing providers and provide some challenge here. Noted that City of London didn't put many people into residential care because of the quality of their social housing meant that these clients could remain in their homes for longer.
- (xxix) Noted that generally people with complex needs thrived in supported housing and a lettings policy which allowed for more dedicated blocks would be beneficial. Such a policy would also encourage those living in under-occupied houses or flats to move to more suitable accommodation. The barrier here was that these people knew their neighbours and had important networks but these could also be developed and encouraged in dedicated block similar to how 322 Queensbridge Rd had been in the past. Members want a housing needs policy that addresses both housing and social needs at the same time. The leverage which housing needs has in the management of social care for these clients has been maximised and greater transparency is needed on this.
- (xxx) Noted that there was a need to look at transaction cost between the different parts of the council. In the above example it was easier for Hackney Homes to do nothing and perhaps transfer the cost pressures elsewhere. Members suggested LBH should review if ASC was absorbing cost pressures from other areas. This needed to be addressed.

Next Steps

- (xxxi) Noted that the Adult Social Care's budget represented a third of the overall budget and it was imperative that progress be made here on issues such as personalisation and integration. It was commented that the Personalisation plan had first been discussed three years

ago and it should be delivering now, and not discussed in terms of coming on stream.

(xxxii) Officers acknowledged that the review process and input from Scrutiny Councillors would bring some fresh eyes to these problems.

(xxxiii) Noted also that the review should be careful not to come up with convoluted recommendations which are not grounded on present realities but at the same time there was an urgent need for prompt action here.

(xxxiv) Noted that while there is an agreement as to the urgency of this task there is a question mark over the speed and capacity of getting from A to B. Noted too that there was of course a risk of service rationing down the line if there was a failure to make progress on this.

3. **Actions**

a) Officers to provide Members with some costed options including the tough/radical options and choices of what might be possible to discontinue.

b) Officers to provide Members with a vision and outline plan for what full Integration of health and social care services might look like and the impact on the budget and timeline for benefits realisation.

c) Officers to provide Members with an overview of where LBH is in the health and wellbeing market locally and an assessment of how much further personalisation can be driven.

4. Agreed that the formal meeting of the Task Group would be held c. 2nd week in October.

Note: although not a formal meeting Cllr Chapman declared he was Trustee of TLC Care Services and Cllr Vernon declared he was a Trustee of Social Action for Health.



Budget Scrutiny Task Group: Adult Social Care 8 th November 2011 Adult Social Care	Item No 5
---	---------------------

Outline

The initial work of this Budget Scrutiny Task Group is focused on the following services within Health and Community Services:

- Adult Social Care

The task group has been working informally to date alongside a 'fast track service review' process being carried out internally. The attached report provides summary findings from those reviews and presents an initial formation of ideas for redesigning service delivery.

Action

The Budget Scrutiny Task Group is asked to:

1. question and comment on the information based on these reviews with lead officers
2. consider its preferences for action to be taken in light of the reviews, and form a report with recommendations to be submitted for approval to the Overview and Scrutiny Board

This page is intentionally left blank

Service:	Adult Social Care	11/12 Gross Expenditure:	£121.6m	11/12 Net Expenditure:	£102.2m
Key Services & Activities:		<p>Adult Social Care services are delivered within the Health and Community Services Directorate and focus on four specific client groups: older people, people with mental health problems, people with physical disabilities and people with learning disabilities.</p> <p>Within the directorate, the Health and Wellbeing Service provides the primary access and assessment point for social care, in addition to a range of preventative, rehabilitation and reablement services aimed at reducing need, promoting independence, and therefore ultimately reducing costs. This part of the Adult Social Care systems is referred to as the 'front' of the social care system. The 'back' of the system is the Adult Social Care Service which provides a range of vital front line community and residential care services for vulnerable people with longer term and complex care and support needs which enable them to live as independently, safely and healthily for as long as possible in the community.</p> <p>The 'front' and 'back' aspects of the system have been integrated through an innovative three tiered system (universal offer and sign posting, assessment and reablement, and long term services) focused at every stage on prevention. It aims to maximise independence and prevent people moving to longer term care packages. The system is organised around a new progressive care pathway which aims to ensure something for everyone, a little bit extra for some, and a more for those who need it most. This pathway, established in partnership with health, is in the process of bedding down. It responds to the personalisation agenda, and builds on the strong track record of the service in delivering successful preventative and reablement packages to deliver better outcomes.</p> <p>Services across the system are provided through a mixed economy (in-house provision, commissioned) with the exception of long term residential and nursing care which is procured. Hackney has a large number of in-house provided services (31.5% of all commissioned services) compared to other local authorities, which allows it to provide flexibly and focus on meeting the most complex of needs - but this does come at a premium price. In 2010/11 1,036 services users were receiving a residential/nursing care service and around 4,541 received a community based service in their own home.</p>			

The ASC service has a strong track record of maximising savings to meet ongoing cost pressures associated with longer life expectancy and higher needs. It has successfully improved use of resources through investment in prevention and reablement, service redesign, commissioning and procurement, minimising the cost of support functions, co-location of functions and moving people from high cost residential placements to lower cost community based provision.

- Hackney can evidence a strong track record on reablement and rehabilitation. In 2009/10 this work benefited 812 people, with 54% completely reabled or having care package substantially reduced. This represented an ongoing saving to commissioning budgets of £1.9m (based on average unit cost of homecare).
- Investment in community based services including supported housing with care and high quality home care has significantly rebalanced care with numbers in residential settings down 10% and a strong relationship between reablement and rehabilitation to cost package reduction has been established. Over the medium term other key savings drivers have been: reduced costs in back office support, rigorous review to set the fair reduction of care package costs (particularly for LD and MH), use of assistive technology, leaner delivery of provided services, re-procurement and reducing agency staff costs.
- The new structure implemented by the Joint Service Review has reduced administration functions by 36% partly through better use of systems. Reductions have also been made to policy and performance functions (excluding workforce development) – the budget for this area in 2011/12 is a third of what it was in 2010/11 as a result of corporate and service based reviews.

The 11/12 gross budgeted expenditure is inclusive of £0.720m for priority growth (for a range of demographic pressures including an ageing population, increased longevity of service users and transitioning young adults with Learning Disabilities). The budget also included the requirement to deliver £3m savings. Key services are delivered with Health partners through section 75 agreements, these are for people with Learning Disabilities, people with Mental Health needs and Joint Care for Older People (our first response and hospital discharge service). In line with national trends spending on adult social care has increased over the last 5 years due to cost pressures associated with an ageing population and increased longevity – particularly for Learning Disabilities.

The challenge for the sector and locally is the very limited means to continue to increase funding and the speed at which funding reductions which will be required in most localities.

The focus of current savings plans are built around an increased impact from and investment in prevention and reablement to deliver future savings by preventing people from reaching higher levels of need, and supporting existing users in long term packages to move to lower cost care packages through the promotion of independence, efforts to reduce needs and reviewing arrangements. A bespoke and robust framework (BIANCAH – Benefits Investigation and Cost Analysis in Hackney) is in place to robustly assess the benefits of preventative and reablement investment over time; and the initial picture that this will pay dividends is very encouraging.

The design and delivery of savings have been supported by structured programmes which align improved value for money with service transformation (TRASC, JSR and Commissioning4Personalisation). These programmes continue to focus on identifying and releasing further savings over the next medium term. Key focal points include re/decommissioning to meet the differing choices increased personalisation will bring, further service redesign through the next phase of the Joint Service Review (which will look at in house provided services, therapy services and non-statutory services). There will be a continued focus on partnership working with health and the development of 75 integrated funding arrangements.

Whilst the personalisation agenda is a core focus of service transformation, it is not yet clear what this will mean for savings and emerging evidence at the national level does not suggest that savings will be easily delivered.

Costs justification within the existing model of service delivery:

Overall spend levels on ASC per head of the population have been higher than average for closest London comparators (at around the upper quartile threshold) although needs levels are also highest across a range of key indicators and spend levels for the most deprived boroughs in London are closely clustered. The *proportion* of total Council spend on Adult Social Care in Hackney is however lowest in London and over the last five years increased spend levels reflect the national trend.

A wide range of references all support the justification of costs. Core service unit cost comparators demonstrate value for money and work is well underway to tackle the limited higher cost outliers for Learning Disability and Mental Health residential care. The 2010 Care Quality Commission assessment rated adult social care, including commissioning and resource management as excellent. In addition, levels of spend on commissioning, procurement and back office support represent around 2.5% of total costs which is low considering the scale and

	<p>pace of the service development agenda taking place. Levels of spend on care management also compare well with the exception of LD where there is currently a significant transformation programme taking place.</p>
<p>Advice on existing savings plans (including 12/13 proposals):</p>	<p>Initial work on future savings for the next medium term has taken place, although a significant level of further work is required to assure delivery. The agenda represents a continuation of the sound agenda outlined above. Specific possibilities include a significant rationalisation of community-based preventative contracts (including voluntary sector services), opportunities for re-commissioning, increased charges, continued expansion of supported housing with care, and workforce development to align the design and structures for delivery with the personalisation agenda. The level 1 review assessment confirms that the savings agenda is based on sound design principles but that current plans are unlikely to protect front line services from the scale of savings that may be required.</p>
<p>Advice on the current approach:</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 14</p>	<p>Whilst Level 1 assessment provides a strong account of cost management within the service we offer the following advice on managing the scale and complexity of the challenge;</p> <ol style="list-style-type: none"> 1) The service should be supported to develop its approach to negotiation and change management on changing care costs, packages and models of service, particularly where review work concludes a significant reduction is appropriate. This should more explicitly set the agenda for how we balance speed of delivery and targets setting with unavoidable constraints and the case by case work with service users, carers and providers that is required to reach an agreement on changes. This would better enable the service to set targets and ensure care managers are empowered and directed to work to a fully defined approach. 2) Medium term financial and service planning should be strengthened, with a fuller consideration of savings opportunities and cost pressures across the whole service and care pathways. In particular all focal points for savings should be managed through a more structured system. This should classify the delivery phase of efforts from new aspirational opportunities, through to rapidly developing business plans/design principles, fully specified savings plans, delivery, and finally, routes to savings that are fully exhausted. There is a need to map out the whole picture as clearly as we can over the medium term and manage each opportunity through the delivery cycle as quickly as possible.

- 3) The service needs to manage high levels of risk associated with meeting stretching savings targets at speed and keep up with the unavoidable demands of meeting statutory needs. In order to do this now is the time to set out contingency options for tolerable levels of service reductions. Even within the context of work to make substantial savings to date reductions will need to focus on commissioning, performance and service improvement, assessment and care management costs, and as a last resort, lower level care packages. In addition, given the severity of our financial position, partnership work with the PCT and MH Trust partners to identify further savings and negotiations underway to manage the significant funding reduction to the adult social care budget will be key to delivering services and a balanced budget.
- 4) A range of focal points key principles for service development and cost management should be used to further explore the scope for additional savings, including;
- Increasing high quality housing allocations and/or further refocusing of supporting people funds to further support personalisation and ASC cost management.
 - Working to deliver any final efficiencies in assessment and care management delivery taking into account the bedding down of the new system this year; efforts to secure more permanent workers, and time limited demands associated with intensive reviews of existing cases in MH and LD which should be exhausted over the next year.
 - Reducing commissioning and procurement costs through reduced use of spot contracts and closer alignment of the monitoring and quality management function to senior social work managers.
 - Setting a sustainable agenda for the continued delivery of provided services ensuring services match changing trends in user choice and higher costs are aligned to a completely justified high value market position.
 - More carefully targeting rehab, prevention and lower cost care packages.
 - Wherever possible further streamlining management structures.
 - Refocusing as much commissioning and performance team capacity to the delivery of savings as is possible to limit agency and consultancy costs.
 - Fully projecting return on investment from prevention, reablement and rehabilitation across the client group care pathway systems; in terms of reduced numbers and levels of long term community, residential and nursing care which will be required.
 - Setting the agenda for further service integration with health partners for the management and provision of aligned services.

Options for Radical Redesign 1:	<p>The service is in the business of radical redesign in terms of both personalisation and integrated service delivery. There is a sufficient body of evidence to indicate that the new health integration and personalisation agendas are the only practical means to the sort of big value savings that will be needed to sustain front line service delivery. Design principles and associated options for more radical changes to service delivery structures need to be set out so the scope of what is possible is more clearly defined.</p>
Potential Benefits:	<p>Benefits need to be focused on protecting front line services; providing the range of high quality services needed to prevent and meet needs within the context of the new financial climate.</p>
Advice on change management (including risks, dependencies, costs and dis-benefits):	<p>The service has well established programmes for delivering personalisation and service reviews and a strong framework for annual savings planning. TRASC, Personalisation and Joint Service Review programme proposals are being strengthened through the formation of an integrated programme delivery framework which will provided improved co-ordination, dependency management, financial modelling and change management.</p>