

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>			

Savings to date - track record & focus:

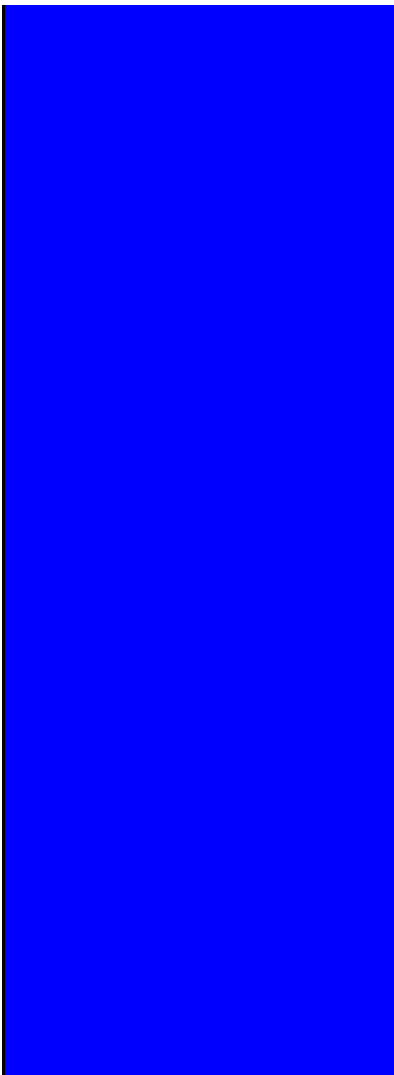
The ASC service has a strong track record of maximising savings to meet ongoing cost pressures associated with longer life expectancy and higher needs. It has successfully improved use of resources through investment in prevention and reablement, service redesign, commissioning and procurement, minimising 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.

	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p>Costs justification within the existing model of service delivery:</p>	<p>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 <i>proportion</i> 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.</p> <p>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>

	<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>
Advice on existing savings plans (including 12/13 proposals):	<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>
Advice on the current approach:	<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.

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- 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:	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.
Potential Benefits:	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.
Advice on change management (including risks, dependencies, costs and dis-benefits):	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.