

<b>Subject:</b>	<b>Budget Scrutiny Task Group</b>
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## **1. Introduction**

### **1.1 Adult Social Care and commissioning in Hackney**

Adult Social Care (ASC) supports vulnerable adults, primarily older people, and people with Learning Disabilities, Physical Disabilities and for Mental Health problems. ASC is committed to develop support and services for residents that help people live as independently as possible with fairness, equity and independence at the heart of these crucial services. This is outlined in the Adult Social Care “Promoting Independence” Commitment Statement. The current eligibility criteria for receiving a service is determined by the Care Act and via natural eligibility threshold. We also commission targeted prevention services to those who have needs that do not meet these criteria.

- 1.2 Adult social care services are provided across a mix of in-house (internal) and independent sector (external) providers covering the entire care process from safeguarding vulnerable adults, advice, signposting, referrals to universal services, initial assessment, to brokering and commissioning of individual packages of care for clients, to review and ongoing support. This includes clients with mental health issues, physical disabilities, learning disabilities and older people. We also work very closely with carers across the Borough to ensure they are supported in their caring role. Differing service provision types include residential care, homecare, day care, occupational therapy, transport services, and meals on wheels to name but a few. Adult Social Care service gross spend in 2015/16 will be approximately £83.4m and typically this supports around 5,300 service users every year. In addition we provide Supporting People services which provides services to ASC clients as well as young people, the homeless, people experiencing domestic violence, ex-offenders and people with substance misuse problems.
- 1.3 The Contracts and Commissioning service has a total gross budget of £15.5m. The Supporting People (SP) programme, which supports vulnerable members of the community to attain or maintain a tenancy, via the provision of housing-related support. Support can include budgeting so that rent payments are kept up to date, and understanding how to be a good neighbour by keeping a property well maintained. The SP programme resource for 2014/15 funds approximately 63 commissioned contracts, and serves an estimated 7,200 Hackney residents. A review programme is continuing, which is consolidating contracts to enhance service delivery and improve outcomes.
- 1.4 ASC works with a number of key stakeholders notably City and Hackney Clinical Commissioning Group, Homerton University Hospital Foundation

Trust (HUHFT), the East London NHS Foundation Trust (ELFT) and a range of third sector partners. We are currently developing a single commissioning plan for 16/17, this is to enable commissioners to reduce the duplication of spend and/or effort and to ensure providers are given a clear vision about the future of the market(s) for older people, people with learning disabilities, mental health and physical disabilities.

1.5 In 2015/16, around £18.1m is planned to be spent to provide the following services, in partnership with key stakeholders, for adults with learning disabilities:

- 1213 people, of which 1032 are 65+ years (65,000 hours of homecare per year)
- 145 residential placements
- 147 supported living placements
- 77 clients receiving direct payments

1.6 Around £9.4m is planned to be spent to deliver the following for People with Mental Health needs:

- 25 people (6,000 hours of homecare per year)
- 84 residential placements
- 47 supported living placements
- 12 clients receiving direct payments

1.7 Around £36.5m is planned to be spent to deliver the following for older people and adults with physical and sensory disabilities:

- 56 people (508,000 hours of homecare per year)
- 219 residential placements
- 104 nursing home placements
- 260 clients in supported housing with care
- 256 clients receiving direct payments
- 70% of clients receiving a service will be via a personal budget

1.8 Preventative Services plans to spend £19.4m in 2015/16 on the following functions:

- £12.5m relating to Hackney's contribution to Concessionary travel in London
- Client referrals of around 5,000 people
- Preventing around 2,640 people from being admitted to hospital through early intervention and prevention
- Facilitating around 1,310 discharges from hospital

## 2. Resources

### Overview - Controllable Spend before recharges 15/16:

	Care Management & Adult Divisional Support	Provided Services	Care Support Commissioning	Mental Health	Preventative & Reablement	Supporting People & Commissioning	Total 15/16 Budget
	£000	£000	£000	£000	£000	£000	£000
Employees	3,726	9,745	1,226	4,613	6,091	2,237	27,638
Premises	-	192	-	24	97	1	314
Transport	12	370	-	42	27	1	452
Supplies and Services	48	314	4	39	76	72	553
Third Party Payments	-	337	38,430	4,649	13,066	13,204	69,686
Capital Charges	-	181	-	32	20	2	235
<b>TOTAL EXPENDITURE</b>	<b>3,786</b>	<b>11,139</b>	<b>39,660</b>	<b>9,399</b>	<b>19,377</b>	<b>15,517</b>	<b>98,878</b>
External Income	(2,326)	(1,009)	(8,402)	(1,612)	(931)	(250)	(14,530)
Internal Income							-
<b>Total Income</b>	<b>(2,326)</b>	<b>(1,009)</b>	<b>(8,402)</b>	<b>(1,612)</b>	<b>(931)</b>	<b>(250)</b>	<b>(14,530)</b>
<b>Net Expenditure</b>	<b>1,460</b>	<b>10,130</b>	<b>31,258</b>	<b>7,787</b>	<b>18,446</b>	<b>15,267</b>	<b>84,348</b>
<b>FTEs</b>	<b>72</b>	<b>307.34</b>	<b>0</b>	<b>82.80</b>	<b>154.64</b>	<b>36.70</b>	<b>653.48</b>

The following table summarises ASC and Commissioning budgets from the previous table:

	£m	%
<b>Total Gross Budget</b>	<b>98.9</b>	
Of which -		
Employees (excluding Provided and Preventative Services)	11.8	11.9%
Care Packages - External	41.0	41.5%
Care Packages – In house provision	10.8	10.9%
Preventative Services - In house provision	6.7	6.8%
Voluntary Sector Contracts	1.9	1.9%
Supporting People Contracts	13.2	13.3%
Other	0.4	0.4%
Fixed (includes Concessionary Fares)	13.1	13.2%
<b>Total Income</b>	<b>14.5</b>	

## 2.1 Care Management and Divisional Support

2.1.1 This service covers the assessment and review of older people, adults with physical disabilities and adults with learning disabilities. The information in the table below excludes adults with mental health needs.

2.1.2 The information also includes the Occupational Therapy and Telecare, key elements of our prevention and demand management strategy. It also contains the budgets for the strategic management of the service and the income from charging for community based care and support and residential care. The assessment and reviews are a statutory requirement of the Care Act 2014.

<b>Gross Budget £3,726K – 72 FTEs</b>	
<b>May 2015/16 forecast</b>	£53k underspend
<b>Cost drivers</b>	<ul style="list-style-type: none"> <li>Gross spend is 98% staffing which covers care management (social workers for Older People, Learning Disabilities and Physical Disabilities – 57 FTEs) plus support (15 FTEs). This function represents</li> <li>Income budget of £2m from charging for community based care (charges for residential care is accounted for with the costs of placements)</li> </ul> <p>Whilst all of the costs and income within this service are variable they are linked to the delivery of statutory assessments and reviews, and are also a key part of our Promoting Independence agenda.</p> <p>Any reductions in the service need to be considered in the light of requirements under the Care Act and the Council statutory obligations in respect of Social Care.</p>
<b>Income considerations</b>	<p>Non-residential care charging policy and the impact of our promoting independence strategy that may reduce care packages and this will have an impact on income. Savings proposals that reduce care packages need to consider impact on charging income.</p> <p>Impact of Welfare Reforms and the reduction in the ability of residents to contribute towards the cost of care.</p>

## 2.2 Provided Services

2.2.1 This service is the Council's in house provision of care and support to adults. Services provided include Supported Housing with Care, Daycare, transport and Meals on wheels.

<b>Gross Budget £11,139K, 307.34 FTEs</b>	
<b>May 2015/16 forecast</b>	Breakeven in total but overspend of £767k in Housing with Care offset by Daycare underspend (as daycare service reduces to a lower cost base in line with agreed saving of £1m over 2 years)
<b>Cost drivers</b>	Directly provided services arm of Adult Social Care division. Staff driven (£10m of £11m gross budget) functions covering: <ul style="list-style-type: none"> <li>• 200 FTE care workers in Housing with Care</li> <li>• 61 FTE in Daycare (though this already planned to reduce to 37)</li> <li>• 25 FTE in transport</li> <li>• 11 FTE Meals on Wheels</li> </ul>
<b>Income considerations</b>	Of £1m budget, £220k is contributions from service users (£136k meals on wheels), £650k relates to Supporting People funding of Housing with Care

### 2.3 Older People & Learning Disability Care Support

2.3.1 These budgets are for externally commissioned care packages for all client group except those with Mental Health needs. Services are provided under the Care Act.

2.3.2 The Council has a statutory responsibility to meet a person's eligible care needs so which overall the budgets are variable – once a person has been assessed as having an eligible need and a personal budget agreed to meet that need the cost is fixed until the next review, usually a year. Our demand management strategy is such that there is robust management of resource allocation to meet eligible need, therefore in all likelihood the care package will be fixed until a fundamental change is a person's care needs, for older people, which makes up the majority of the costs, this means until a person is eligible for continuing health care funding or until they die. The average length of stay in a residential care home is about 2 years.

<b>Gross Budget - £39,660K 0 FTEs</b>	
<b>May 2015/16</b>	£4.3m overspend – primarily related to non-delivery of promoting

<b>forecast</b>	independence savings (ie care package cost reduction)
<b>Cost drivers</b>	<p>£39.7m budget covering externally commissioned packages of care for Mental Health, Physical Disabilities and Learning Disabilities.</p> <p>Learning Disabilities:</p> <ul style="list-style-type: none"> <li>• 65,000 hours of homecare per year</li> <li>• 145 residential placements</li> <li>• 147 supported living placements</li> <li>• 77 clients receiving direct payments</li> </ul> <p>Older People and Physical/Sensory Disabilities:</p> <ul style="list-style-type: none"> <li>• 508,000 hours of homecare per year</li> <li>• 219 residential placements</li> <li>• 104 nursing home placements</li> <li>• 260 clients in supported housing with care</li> <li>• 256 clients receiving direct payments</li> </ul>
<b>Income considerations</b>	<ul style="list-style-type: none"> <li>• £3m client contributions</li> <li>• £675k Free Nursing Care</li> <li>• £4.5m health funding (mostly for LD, though this contribution is lower and budget adjustment to be made)</li> </ul>

## 2.4 Mental Health Care Support

2.4.1 This budget meets the cost of both the assessment and review and care packages for adults with mental health Needs. It is delivered in partnership with the East London Foundation Trust (ELFT) under a Section 75 Agreement. ELFT are the Lead Provider. The agreement provides for an integrated service but the budgets are not integrated they are aligned. This means that the Social Care Budgets are held by the Council and the Health budget held by ELFT.

2.4.1 The Service provided by the partnership deliver the Council's statutory responsibilities under the Care Act in respect of this client group.

### Gross Budget £9,399K, FTES 82.8

<b>May 2015/16 forecast</b>	£937k underspend (£600k staffing, £612k underspend in vol sector contracts, £200k overspend in other commissioning, £50k income shortfall)
<b>Cost drivers</b>	<p>Jointly provided service with East London Foundation Trust delivering:</p> <ul style="list-style-type: none"> <li>• 6,000 hours of homecare per year</li> <li>• 84 residential placements</li> </ul>

	<ul style="list-style-type: none"> <li>• 47 supported living placements</li> <li>• 12 clients receiving direct payments</li> </ul>
<b>Income considerations</b>	£1.6m budget, of which £1.3m is health contribution towards staffing and clients forecast at £1m (under recovery netted off staffing underspend above)

## 2.5 Preventative Services

2.5.1 The budget for this service includes £12,561K for concessionary fares and taxi cards which is a fixed cost.

2.5.2 The remaining budget is the Council's front door to long term services and delivers the preventative element of the Promoting Independence Agenda. Included within this service is the Integrated Independence Teams which we deliver in partnership with Health. We plan to enter into an agreement with Health to deliver this service for three years, so this element of the service is relatively fixed, £3.1m.

2.5.3 Other services delivered include, hospital social work team, safeguarding team, interim care and other preventative service contracts.

<b>Gross Budget £19,377K, 154.64 FTES</b>	
<b>May 2015/16 forecast</b>	£226k underspend
<b>Cost drivers</b>	<ul style="list-style-type: none"> <li>• Client referrals of around 5,000 people</li> <li>• Preventing around 2,640 people from being admitted to hospital through early intervention and prevention</li> <li>• Facilitating around 1,310 discharges from hospital</li> <li>• Includes £12m budget for Concessionary Fares</li> <li>• Staffing driven service, 45 FTE in access and assessment</li> <li>• New joint service with Homerton for re-ablement and intermediate care commits Council to circa £2.5m to £3.7m pooled budget, £3.1m linked to a contract with the Homerton.</li> </ul>
<b>Income considerations</b>	<p>Currently there is a £0.9m income budget which is primarily a contribution from health towards the old joint care Section 75 contract for hospital discharge.</p> <p>This has developed into the IIT service which is now part of the Better Care Fund.</p>

## 2.6 Commissioning, Contracts and Supporting People

- 2.6.1 The budget for this service deliver the Supporting People Programme of services and commissions, procures and manages the externally procured adult social care contracts.
- 2.6.2 The budget also meets the cost of the performance and learning and development teams for the directorate.
- 2.6.3 The bulk of the budget, 87% fund Supporting people contracts. All contracts have a six month break clause included within their terms and conditions so are variable.

<b>Gross Budget £15,517K, FTEs 36.7</b>	
<b>May 2015/16 forecast</b>	Breakeven
<b>Cost drivers</b>	<ul style="list-style-type: none"> <li>• 30 FTEs covering commissioning, procurement and management of externally procured adult social care contracts, performance and improvement support function and liaison with the public (e.g. FOIs) and Carers. A recent restructure delivered savings in excess of £200K in the current year</li> <li>• £13m Supporting People programme – circa 60 contracts providing housing related support to 7,000 Hackney residents</li> </ul>
<b>Income considerations</b>	<p>Currently there is a planned contribution from reserves to assist the service in managing down the reduction in SP services. This is funded from an earmarked reserve established from unspent SP grant.</p> <p>Commissioning is responsible for contracts with independent sector.</p>

### 3. Savings already achieved

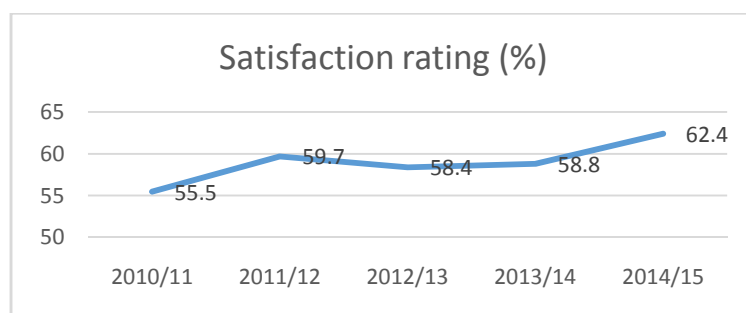
Over the last 5 years ASC and commissioning has delivered savings in excess of £14 million , with a further £7.495 million in 2015/16, see section 6 of this report

#### Budget Savings from 2010/11 to 2014/15:

	2010/11	2011/12	2012/13	2013/14	2014/15	Total Savings
OP & PD	1,763	1,487	1,812	1,300	919	<b>7,281</b>
LD & MH		1,498		200	221	<b>1,919</b>
Commissioning & SP		189		3,200	2,004	<b>5,393</b>
	<b>1,763</b>	<b>3,174</b>	<b>1,812</b>	<b>4,700</b>	<b>3,144</b>	<b>14,593</b>

#### Satisfaction rating over 5 years:





#### 4. Managing pressures in service provision in the context of increasing financial constraints

##### 4.1 Pressures in adult social care and commissioning includes

- Increased demand due to demographics
- Inflationary uplifts for providers
- Potential financial impact of the new duties in the Care Act
- Delivering services within a fair price for care
- Delivering services where staff are paid the London Living Wage

##### 4.2 These are managed in the context of:

- Exploring integration of health and social care systems in the future
- Managing change, particularly users' and carers' experiences and expectations with care.

#### 5. Savings for 2015/16 are as follows:

	2015/16
OP & PD	2,715
LD & MH	3,390
Commissioning & SP	1,390
	<b>7,495</b>

This is the last year of a five year savings plan delivered through the Transforming Adult Social Care (TRASC) programme. The plan set out that £20.1 million will be delivered by 15/16 and is reviewed at the TRASC Programme Board, chaired by the Corporate Director and the ASC Budget Board, which is chaired by the Chief Executive. Update reports are presented to Health in Hackney committee.

#### 6. Potential for savings within ASC and Commissioning in Hackney from 2016/17 onwards

##### 6.1 There are a range of areas being considered which include:-

- a) The ASC and Commissioning divisions are looking at income generation as well as cashable savings. This may come from extending charging or by selling services such as care and support or commissioning services
- b) Officers are also exploring opportunities with partners to collaborate or rebalance contributions to pooled funds. Opportunities include shared services or rebalancing joint funding of integrated services.
- c) Officers have delivered savings over the last five years in relation to demand management and service design and will continue to do so. However, given the scale of savings required, they are also looking at different models of delivery in provided services and reviewing non-statutory spend across all sectors.
- d) Officers have also built on the relationship developed by corporate colleagues to work with HCVS and identify opportunities to attract (bid for) new funding into Hackney for services that will support the council's general duty for preventative services under the Care Act from organisations such as the Big Lottery Fund and the Joseph Rowntree Foundation.