Public Accounts Select Committee			
Title	Adult social care budget		
Contributor	Executive Director for Community Services/Executive Director for Corporate Services		Item 6
Class	Part 1 (open)	06 November 2019	

1. Purpose:

1.1 This report updates members on the current position of the Adult Social Care (ASC) budget. It provides a summary of the statutory context for Adult Social Care and an overview of the following:

- The budget for 19/20
- Pressures and trends
- Savings

2. Recommendations:

2.1 Members of the Public Accounts Select Committee are asked to note the content of the report.

3. Background:

3.1 At the scheduled meeting on the 10th July 2019, PASC requested a report on the Adult Social Care budget. This report updates earlier reports that were presented on the 27th September 2017, and the 8th November 2018. The report contains further detail regarding the trends in cost and activity that impact on the Adult Social Care budget.

4. Policy Context:

Statutory Requirements: Care Act 2014

4.1 The Care Act 2014, provides guidance as to how a Local Authority should go about performing its care and support responsibilities, for those with care needs and their carers. The overall challenge set out by The Care Act, is to promote wellbeing and independence of the whole adult population by working collaboratively with Health.

4.2 The Council has a duty to provide the public with a wide range of information and advice regardless of whether individuals are eligible for social care support.

4.3 The Care Act 2014, is a national criteria that gives local authorities a legal responsibility to carry out an appropriate and proportionate assessment for those who appear to be in need of care and support, and to ensure that the care and support plan considers what needs the person has, and what they want to achieve, and what they can do by themselves or with the support they already have, taking account of the types of care and support might be available to them in the local area.

The support plan must include a personal budget. This is amount of funding made available by the Council, to arrange the necessary care and support for the individual.

5. The Budget

5.1 The net Adult Social Care budget -19/20 is **£72.556m**.

	£m
Employees	17.878
Premises	0.411
Transport	2.276
Supplies & Services	6.43
Third Party Payments (packages & placements)	76.48
Transfer Payments (Direct payments)	10.257
Gross	**113.732**
	£m
Government Grants	16.171
Other Reimbursements*	13.538
Fees & Charges	11.467
Income	**41.176**
Net	**72.556**

*Other Reimbursements include the '*Better Care Fund*' and *'Improved Better Care Fund*' (IBCF) as well as income for Funded Nursing Care.

NB: These figures exclude £13.6m expenditure and income for Continuing Health Care, (CHC) packages and placements paid by the Council on behalf of the CCG.

5.2 An underspend of £1.9m is projected on the ASC budgets. The main underspend is on budgets retained for future pressures on placements and packages including winter pressures. This position makes the following assumptions about costs of packages and placements

- No movement in service user numbers other than transition from CYP to ASC
- Settlement with providers in line with our standard formulae reflecting impact of London Living Wage/National Living Wage except for highest unit costs where we will seek to freeze rates
- Standard discounts on non-residential services to reflect missed services

5.3 Staffing budgets are overspent, as savings which rely on IT systems improvements have not yet been achieved, due to the delay in the essential work that needs to take place. Additionally, there are high levels of agency staff in post because of the staff consultation of re-organisation. This cost pressure will reduce once reorganisation of the social work function that is in progress is completed.

5.4 The budget is £1.3m higher than 2018/19 (excluding iBCF). The changes between years are as follows:

	Gross	Income	Net
2018/19	122.044	-50.825	71.219
Pay inflation	0.399	0	0.399
Non--pay inflation	1.984	-0.699	1.285
Savings	-1.932	-0.159	-2.091
Precept	2.129	0	2.129

Package & placement adj	0.575	-0.575	0
PHG substitution	0	-0.400	-0.400
Loss of ASGSG	-0.855	0.855	0
New iBCF	2.844	-2.844	0
Other	0.415	-0.400	0.015
	127.603	-55.047	72.556

Use of new funding

5.5 Adult social care budgets have been supplemented in 2019/20 by an increase in improved Better Care Fund (iBCF) from £10.4m to £13.1m. The iBCF is principally used to address volume and other pressures allowing the service to continue to support the pressures experienced within the local health system. The additional resource in 2019/20 has been used to fund the following:

Increased costs of transition from CYP	£1.0m
Increased cost of Transition Team	£0.1m
Other demographic pressures	£0.4m
Deprivation of Liberty Safeguards (DOLS)	£0.9m
Contingency	£0.2m

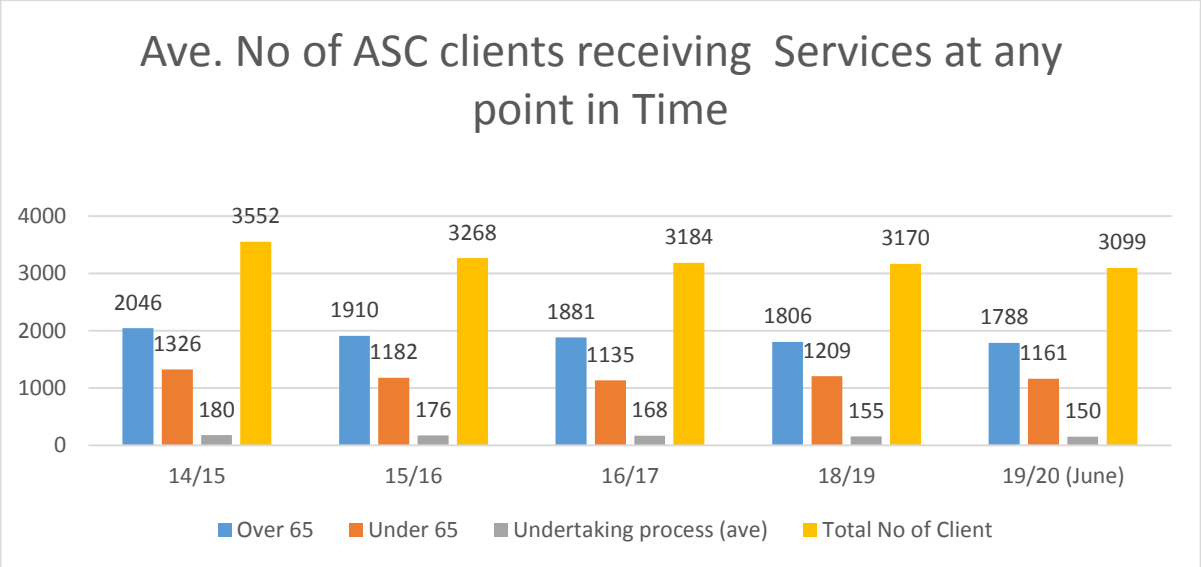
5.6 Winter Pressures Grant, first paid in 2018/19, has been extended at the same level (£1.37m) into 2019/20. This funds the increasing cost associated with the shorter length of hospital stay and the impact of earlier discharges that require more care and support to be in place especially over the winter period.

5.7 Adult Social Care precept (agreed locally at 2% = £2.01m). This is being used to fund annual provider rate increases, including sustaining London Living Wage.

6. Pressures and Trends

6.1 This section explains the various pressures on the ASC budget and demonstrates the impact of some of these on trends in cost and activity.

6.2 Prevention is a key theme of the Care Act. Proactive approaches to avoiding, delaying or reducing demand are key to our approach in ASC. Management of demand is crucial for successful control of the adult social care budget and there has been a reduction in terms of the numbers of people requiring care and support over the past 3 years.



6.3 At the 30st September 2019 the numbers of adults 18+ being supported by Adult Social Care has risen to approx. 3160.

6.4 This is a result of refining the way that contacts and referrals are dealt with and by making improvements to how demand for social care is managed. There are plans to increase the skill mix and staffing numbers at the point of contact so that people are connected to support and solutions at an early stage, making use of preventative services and short term intervention where appropriate in order to reduce or delay the need for longer term care.

6.5 A staff consultation on the reorganisation proposals is in progress, but due to issues raised by staff and unions regarding the changes, implementation has been delayed and this is having an adverse impact on our ability to reduce demand and achieve savings.

6.6 Although overall numbers of service users have reduced, average costs per user have increased. In part this is because it is the service users with lowest costs that have been supported by connecting them to solutions so they do not need commissioned services. Other reasons are set out in the following paragraphs.

<u>Increased unit costs and market stability</u>

6.7 Lewisham pays for services at either the London Living Wage or the National Living Wage. For the past 2 years, the Council has uplifted residential care services based on a formula reflecting the LLW/ NLW uplift applied as 70% of the total cost of the residential service and 1% on the balancing 30% of the cost of the service. This equates to an uplift for LLW of 2.7% (LLW increase was 3.43%, so the offer was 3.43% on 70% of the cost of the placement and 1% on 30% of the cost of placement) and for the NLW the uplift offer was 3.7% (NLW increase was 4.85%, so the offer was 4.85% of 70% of the cost of placement and 1% of 30% of the cost of placement). This supports providers to pay the minimum wage while also ensuring that providers make cost efficiencies in other parts of the cost of service. Most (though not all) in-borough providers are generally accepting of this approach as it gives clarity and transparency.

6.8 The Council's decision on uplift might also be influenced by the decision of local authorities elsewhere in the country where people are placed (approx. 350 service users are in placements outside Lewisham). So, for example, if the Council has a person placed in Somerset, the provider will expect the Council to match the uplift rate set by that local authority. Where the provider is asking for a higher uplift than that agreed by the Council, we require evidence that this is the agreed local authority rate. The Council does not make an uplift offer where providers do not ask for one.

6.9 For 2019/20, the Council has made a variation in approach for its high cost 24 hour residential services for Adults with Learning Disability (not subject to the Framework Agreement) as the ADASS cost comparison for residential care shows Lewisham as the 2nd highest mean spender across London for residential care, and officers have assumed that this may also apply to 24 hour supported living services. All but 1 of the affected providers have challenged this approach and officers are negotiating to manage down the impact of uplifts to a maximum of 2.5% rather than the 3.7% uplift offer that has been offered to other NLW providers.

6.10 The 70:30 application described for residential care is also applied to other services such as day services, though some contracts, such as extra care, have specific terms and conditions of contract that means the uplift would need to be calculated differently.

6.11 In 19/20 Lewisham lost one of its lead domiciliary care providers. This has put extra pressure on the current market providers that are also faced with the challenges of meeting care standards and maintaining a consistent workforce in terms of the availability of care homes It should be noted that the market remains fragile. Locally there were no residential or nursing home beds lost during this period, but there are a small number of homes that require improvements to meet CQC inspection standards. In the last month a very large care home provider Four Seasons, who are a national provider, went into administration, for Lewisham, this means 5 people are likely to need a new placement. Locally pressure on the market have increased due to a planned home closure in a neighbouring borough, this will have an impact on bed availability. Also any embargoes in neighbouring boroughs will impact bed capacity. Lewisham saw no growth in the provider market in 19/20 and it is unlikely that there will be any significant growth in 20/21. There is little opportunity for further cost negotiations due to the commitment to the London Living Wage and ethical care charter.

Demographic pressures

Transitions

6.12 The total number of adults with a learning disability aged 18 to 64 in Lewisham was estimated at 1,120 in 2018 and this is projected to rise to 1,190 in 2020. Currently, 750 people with a learning disability are receiving services funded by Lewisham Council.

6.13 Each year, there is an increase in numbers and complexity of needs regarding the young people with special educational needs and disabilities (SEND) who transfer to the adult social care services. Lewisham has the 4th highest autism level in the U.K. This is materialising as a demand/ pressure due to increased levels of support required to support challenging behaviours as well as an increase in the number of families with more than one sibling with autism, learning disability or ADHD diagnosis making it increasingly difficult for families to cope. Approximately 50 potential service users transition each year. Not all of these are assessed as requiring long term adult social care initially though some will require services in the future if family circumstances change.

6.14 An average weekly cost for transition cases is around £1,500 and the estimated cumulative impact over the last 5 years is £2.6m (£0.7m in 2018/19, over £1m to date in 19/20). For more complex cases the weekly costs may be as high as £3,500.

6.15 Work is in progress to establish a dedicated team that works across children's and adult services to improve the experience of transitioning to adulthood by working with young people at an earlier stage and by developing more cost effect local services.

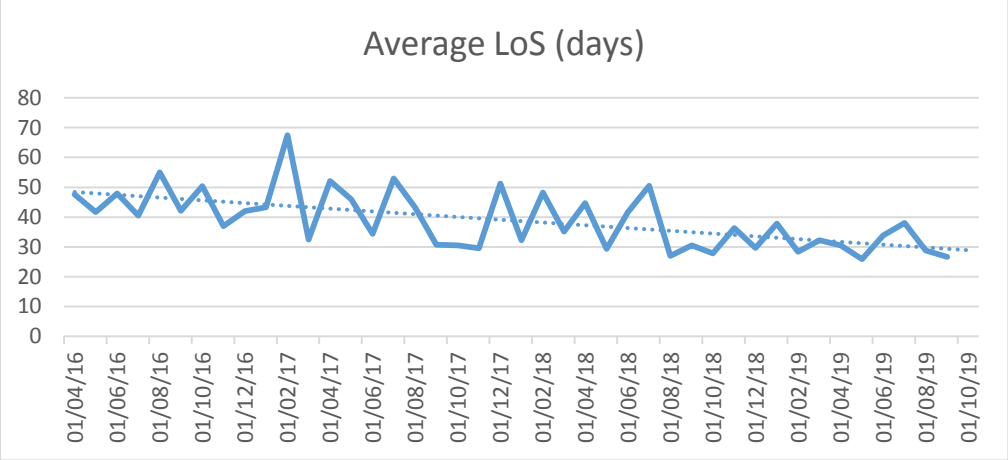
6.16 We will also be working to further develop a co-produce a Transitions Strategy over the coming 12 months in order to better shape broader strategic developments.

Hospital Discharge*:*

6.17 Approximately a quarter of adult population aged 65 plus in Lewisham attended accident and emergency (A&E) in the last three years. Almost 70% of people aged 90 or over are likely to be admitted to hospital when they attend A&E.

6.18 National pressures on the NHS have meant that there is an increase in numbers of people requiring an assessment following a stay in hospital. Hospital admission and readmission rates for older people are higher in Lewisham than the overall rate for England. Hospital Discharges have increased from an average of 270 to 320 per month.

6.19 Of these, over 250 per month require ongoing services with approximately 40 of these being new users of Adult Social Care services. In addition, the length of stay in hospital is far shorter (see graph below) and people are identified for discharge sooner. The impact of this is that more intensive and expensive packages of care are required. The numbers of patients on the Ready for Discharge (RFD) list have fallen from 55 to 8 per week since last year. The target for Lewisham is to have 14 or fewer patients on the RFD at any one time.



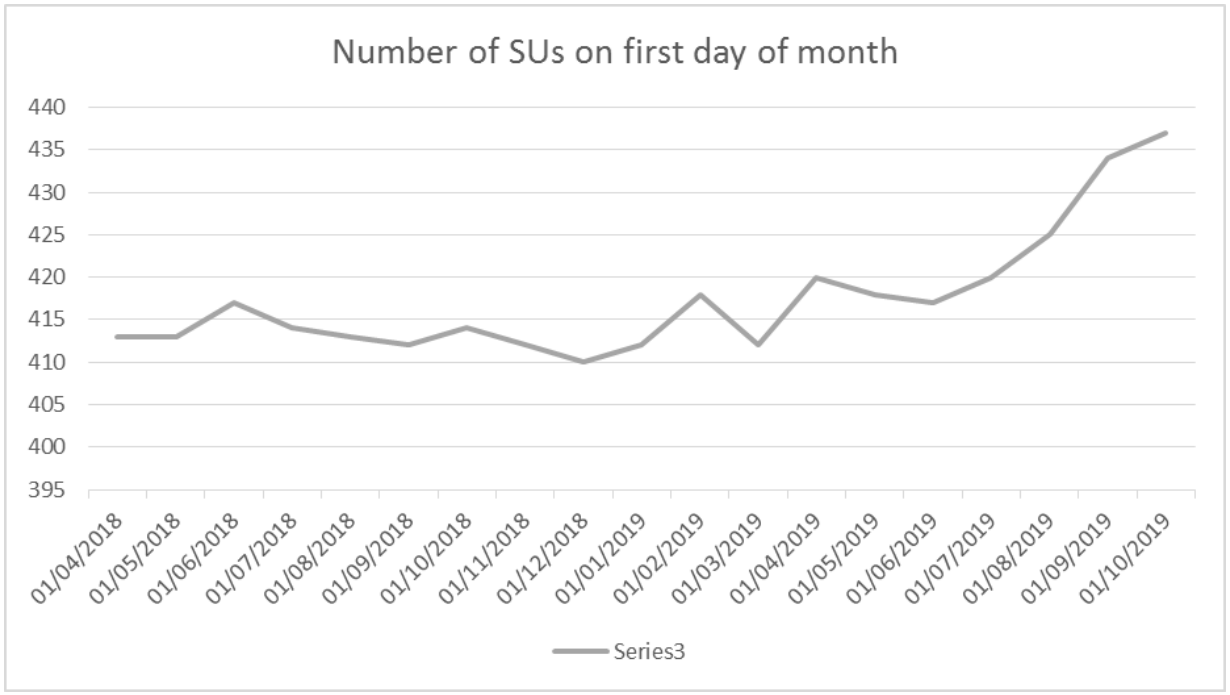
6.20 The level of care required for residents who have been discharged from hospital, and the impact of a reduced length of stay, continue to put pressure to adult social care resources Average costs of new packages following hospital admission are £350 per week this means a patient discharged 10 days earlier, will cost the Council an additional £500 on average. Assuming this applies to all discharges (including those resulting in a resumption of service) the increased cost to the Council is approx. £1.5m p.a.

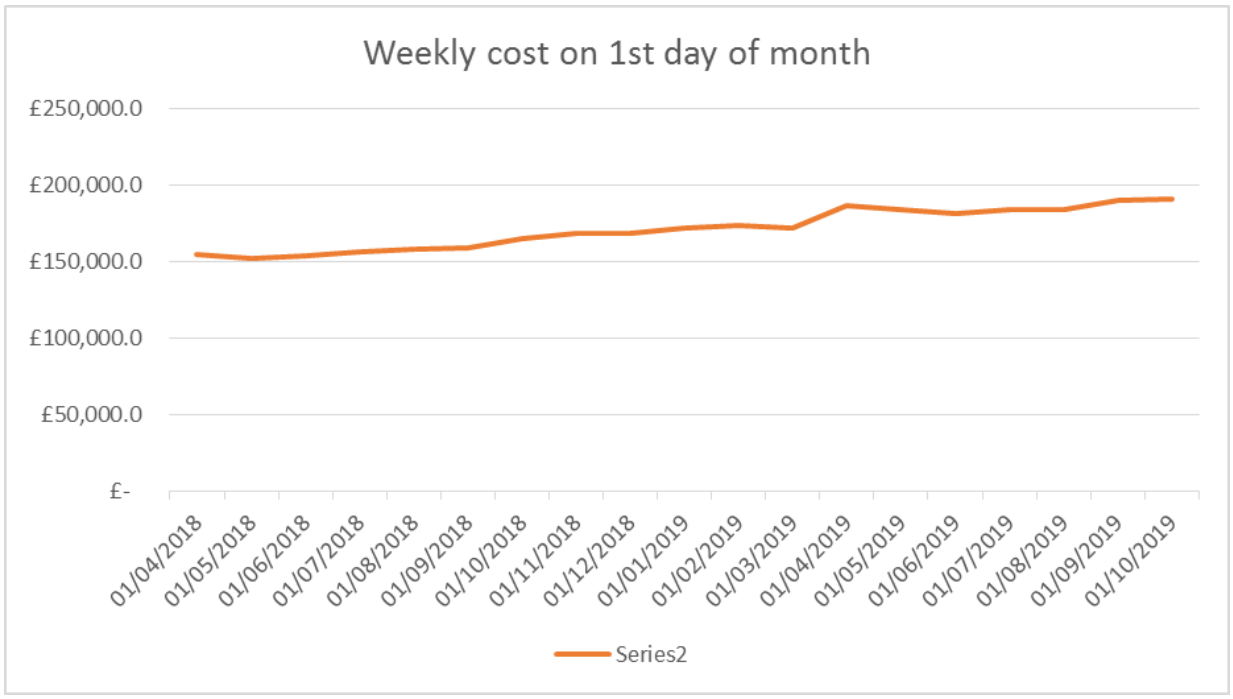
Long-term conditions and increasing complexity

6.21 Of the Adult population, 29% of residents have a long-term condition and 11.2% have two long term conditions who may require on going care and support. Health and Social Care continue to see an increase in the age and complexity of clients who need the support of Adult Social Care. People with complex dementia who are unable to live on their own or with very frail carers are our biggest challenge, along with older people whose increasing frailty and declining mobility needs the support of 2 carers to manage their personal care.

6.22 Regarding working age adults, there is increased pressure regarding support for people with Mental Health, challenging behaviour and physical disabilities. Often the only option we have is to support these people in expensive placements.

6.23 Numbers of younger adults with chronic conditions and physical support needs continues to increase, with particular issues around stroke, brain injury, other accidents including violent crime and Alcohol- related brain damage and obesity. The weekly costs associated with these presentations can be as high as £2800 p/w over the last year the number of open 18-65 services where the primary support reason is Physical Support has increased by 6% and costs by 23%.This increase is significantly in excess of that assumed in budget planning; only £400k growth was assumed for non-transition demography, funded from the iBCF.





6.24 There are also pressures in relation to Mental Health Act Section 117, aftercare costs for people with mental health needs. There is an expanding local mental health care market that has developed partly due to the availability of suitable sized properties that are cost effective for this purpose. The expanding market tends to attract placements from other London boroughs. This increases the Sec117 costs for Lewisham as the responsibility for after care legally becomes the boroughs responsibility. Work is in progress with neighbouring boroughs to reduce this risk, but this relies on voluntary cooperation from these boroughs.

Deprivation of Liberty Safeguards (DoLS)

6.25 The number of applications increased by 10% in 18/19. Whilst it is expected that the Government will change the legislation by 2020, it is recognised that this may not decrease the pressure due to the ongoing monitoring and quality assurance that will be remain a statutory duty of ASC. This has resulted in a current Cost Pressure of £800k. These figures include legal costs which has, in turn, resulted in an additional pressure on the legal budget. This is a result of an increase in the number of court cases (primarily Court of Protection), currently 24. This burden has never been properly funded by central government.

Trends in activity and cost

6.26 Reports are run from two sources – LAS and Controcc. LAS reports primarily for activity and Controcc primarily for cost. Small differences in data between the two systems mean that there are some differences in information from the two systems, although there are periodic reconciliations to ensure that differences are understood and corrected. Additionally, there are differences in the way services are counted in the two systems. Neither system holds data on mental health cases managed by SLaM.

6.27 Until 2017 not all services were recorded on LAS/Controcc and older information is less reliable than more recent reports. Some data quality issues remain but these are now less significant. (work to connect LAS and Controcc is now at an advanced stage of procurement.)

6.28 Reports based on Controcc data are attached in appendix 1 showing trends for April 2018 to date. Trends are shown for all services (18+) and for 3 types of service: nursing, residential and non-residential. In each case there are graphs showing movements in overall cost per week, service user numbers and weekly cost per service user.

6.29 Overall, numbers of service users show a reduction in 2018/19 reflecting the success of demand management strategies. In 2019/20 numbers have increased reflecting, in part, those pressures identified earlier in this section .Unit costs have increased however (£525 to £545) –partly due to the fact that as service user numbers dropped last financial year the services that remain are for individuals with higher needs and partly due to increases in hourly weekly costs.

6.30 Within this overall trend, numbers of service users per type of care show a similar pattern – reductions in 2018/19 offset by increases since April 2019. Costs per user show increases for nursing and non-residential care but reductions for residential.

7. Savings

7.1 The necessary action to savings has been taken in all but two cases. The two exceptions both relate to systems issues. The planned reduction in staffing budgets will not be possible until planned changes have been made to LAS and part of the income saving is dependent on auto-charging being enabled on Controcc.

7.2 In other cases the planned impact on costs and activity has already been seen but continued attention will be needed through the year to ensure that savings are delivered in full.

Our approach to cost control and savings

7.3 We have adopted the Local Government Association (LGA) framework to achieve efficiencies in adult social care by further refinement to the following:

- **Our approach to managing demand and assessment**, by taking into account what a person can do for themselves including the network of support that can be accessed from within the community.

- By making use of **prevention and short term targeted support.** This can be applied to a range of presenting enquiries and needs and can often delay and/or reduce the need for longer term care. For some people, good advice and information is sufficient to maintain health and well-being. This includes access to equipment including assistive technology to support independence. Short term re-enablement with a focus on recovery following a crisis is more appropriate to those people who may have had a hospital admission or to further prevent deterioration and promote independence.
- **A joined up approach** across health, mental health, social care, housing and with care providers. Our ambition is to reduce duplication, be responsive to the needs of our residents at an earlier stage so that we can promote every opportunity for good health and well-being and reduce the need for long term care and support whenever safe and appropriate.
- **Commissioning and developing a robust market place** that can respond to a range of needs with services that are of a high standard and are cost effective. We are reshaping some of our provision in order to provide a more personalised offer that supports people to remain within the community wherever possible. Commissioners have good links with counterparts in neighbouring boroughs and routinely benchmark costs.
- **Improving our approach to support young people who transition** from children's services to adult social care. The demographics of the borough are challenging in relation to effective transitions with a younger population, a more diverse background and higher that average levels of deprivation compared to the rest of England. We are working on a whole system approach to transition with a focus on improvements and good practice, as well as developing a border strategy to shape and inform commissioning of a range of services in Lewisham.
- **Applying resources proportionately and accurate charging.** There is good oversight in place to compliment the asset based approach to assessment. There are panels in place monitoring expenditure for care provision.

7.4 We have been working with colleagues in Customer Services, Finance and Transformation/Digital to develop an interface between Controcc and Accounts Receivable. This will allow invoices, to service users, to be amended across each billing period to reflect any changes in the level of care received and any changes in the financial circumstances of the service user. We also work with the CCG to ensure that all cases meeting Continuing Health Care criteria are identified promptly and that financial responsibility is transferred to health where appropriate.

Approach for 2020/21

7.5 2020/21 savings proposals are shown in Appendix 2. These were considered by Mayor and Cabinet on 30th October.

Risk

7.6 The level of savings required by the budget strategy assume significant reductions in both numbers of service users and average unit costs. Whilst costs have stabilised the current trend will not be sufficient to deliver the proposed savings. Adult Social Care working with both services users and staff to reduce demand, Commissioners are exploring further use of local resources to support people with independence and more cost effective care choices. Our largest risk areas are the support needed for people being discharged from hospital and those in Transition. The demographics of the borough are showing increase in the levels of complexity related to increasing frailness, complex Mental Health presentations and multiply diagnosed illness, the system pressure to release acute beds in hospital settings, continues to add to social care budget pressures.

7.7 The Council has a responsibility under the Care Act for market sustainability. In the absence of the Green Paper and clarity of long term funding for adult social care the market is showing signs of fragility with providers indicating that the current position is not sustainable. Over the past 6 months potential pressures of over £800k from local residential and nursing providers have emerged.

8 Summary:

8.1 The information provided within this report demonstrates the aspiration from ASC is to support more people to live independently and thus to achieve savings and to remain compliant with statutory requirements. Adult social care is demand led and it is therefore difficult to be precise and exact on reducing expenditure as whilst savings are being achieved, the landscape of pressures and trends have to be monitored and attended to.

8.2 The Joint commissioners work in collaboration with the core ASC assessment teams to stimulate a diverse range of care and support services to ensure that residents and their carers have a choice over how their needs are met and are able to achieve things that are important to them.

8.3 Preventative services- Budget management for adult social care is dependent on working with voluntary and community sectors, and on alliances with other parts of the health and care system. It is therefore important that we align the public health budget and voluntary sector investments to ensure there are a range of services available to residents that go some way towards preventing the need for longer term care.

8.4 Closer working with health, mental health, the voluntary sector, and housing partners is also essential to ensure there is a whole system approach to promoting and sustaining independence and well-being where possible.

9 Financial implications

9.1 The financial implications are contained in the body of the report.

10 Legal implications:

10.1 There are no further legal implications arising from the report. Specific budget proposals may require further reports with legal implications as to the process and proposals, including an Equalities Impact Assessment if required.

10.2 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

10.3 In summary, the Council must, in the exercise of its functions, have due regard to the need to: Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act. Advance equality of opportunity between people who share a protected characteristic and those who do not. Foster good relations between people who share a protected characteristic and those who do not.

10.4 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

10.5 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice". The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value.

The statutory code and the technical guidance can be found at:
http://www.equalityhumanrights.com/legal-and-policy/equalityact/equality-act-codes-of-practice-and-technical-guidance/

10.6 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

1. The essential guide to the public sector equality duty.
2. Meeting the equality duty in policy and decision-making.
3. Engagement and the equality duty.
4. Equality objectives and the equality duty.
5. Equality information and the equality duty.

10.7 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty, including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.

Further information and resources are available at:
http://www.equalityhumanrights.com/advice-and-guidance/publicsector-equality-duty/guidance-on-the-equality-duty/

11 Crime and Disorder Implications:

11.1 There are no specific Crime and Disorder implications arising from this report and its recommendations.

12 Equalities Implications:

12.1 There are no specific Equalities implications arising from this report and its recommendations.

13 Environmental Implications:

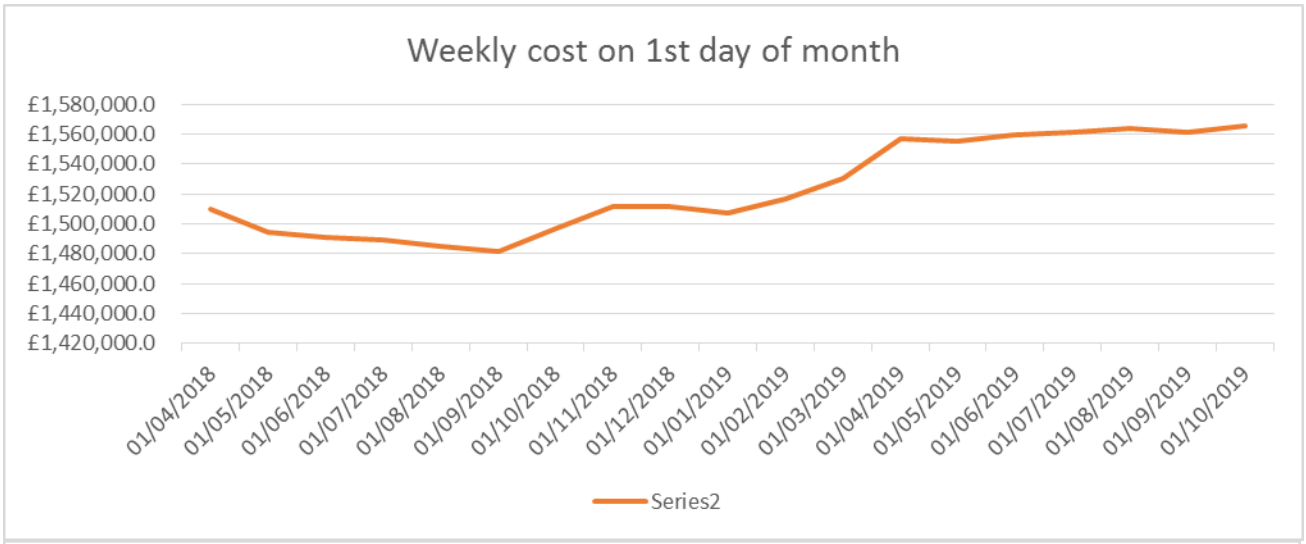
13.1 There are no specific Environmental implications arising from this report and its recommendations.

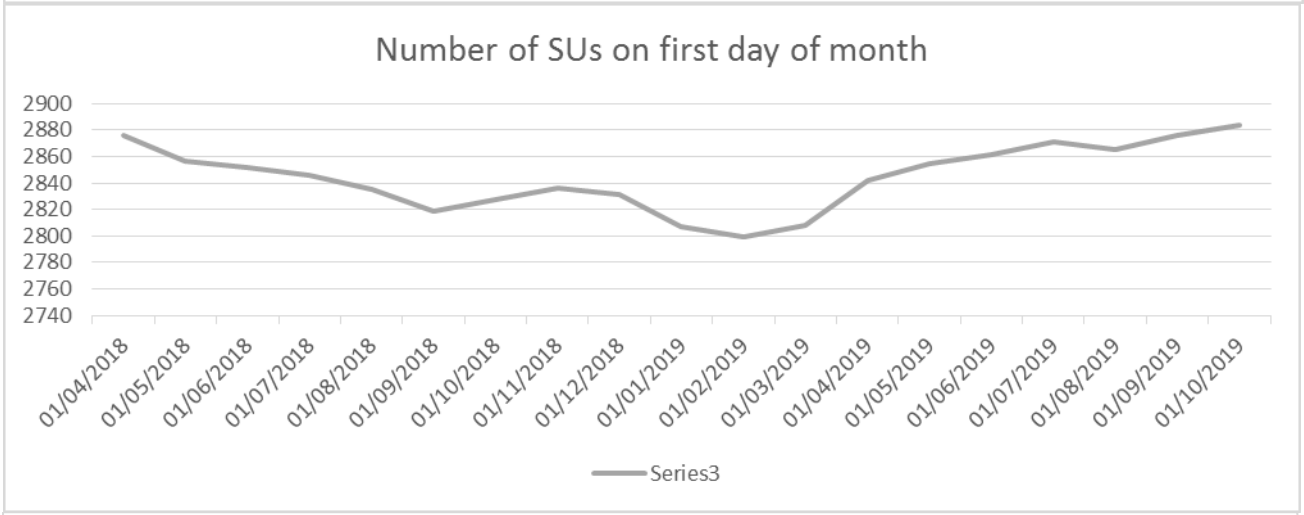
Background Documents

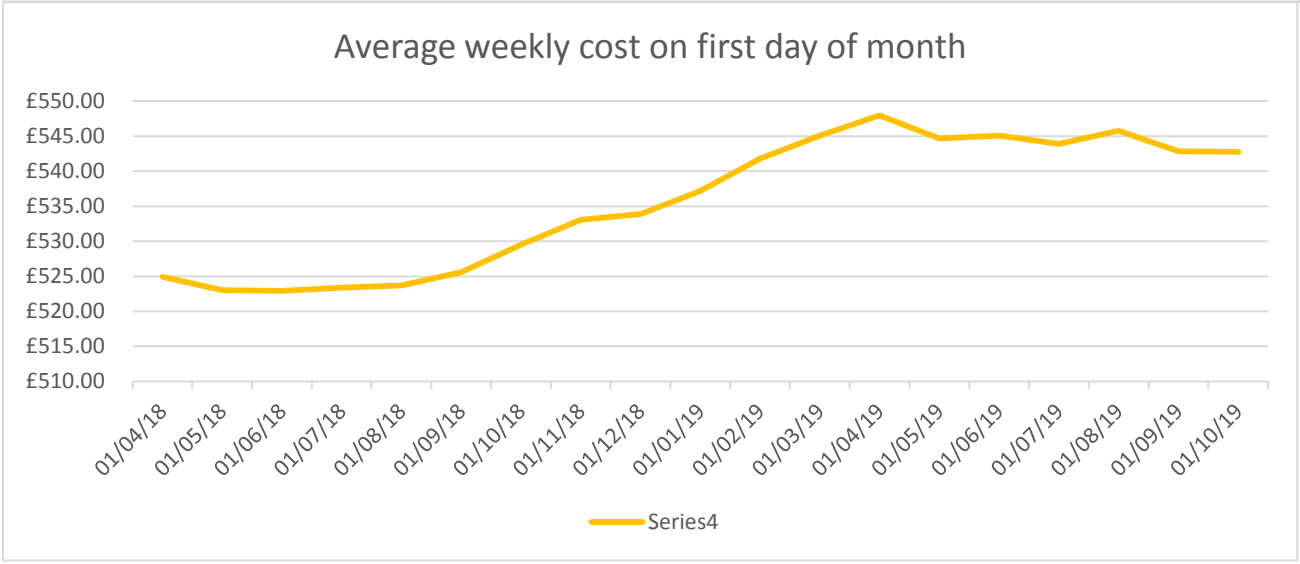
If there are any queries on this report please contact Joan Hutton, Head of Adult Social Care (Tel: 020 8314 8364) or Robert Mellors, Group Finance Manager on 020 8314 6628

Appendix 1

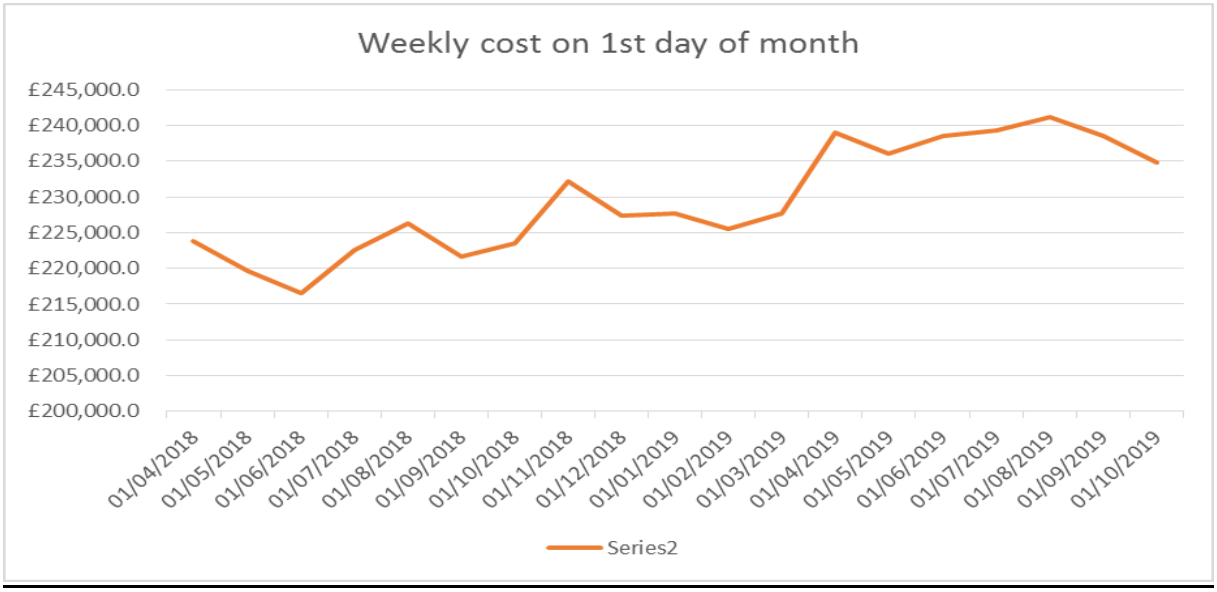
Weekly costs and service user numbers for all PSRs, age 18+, All services

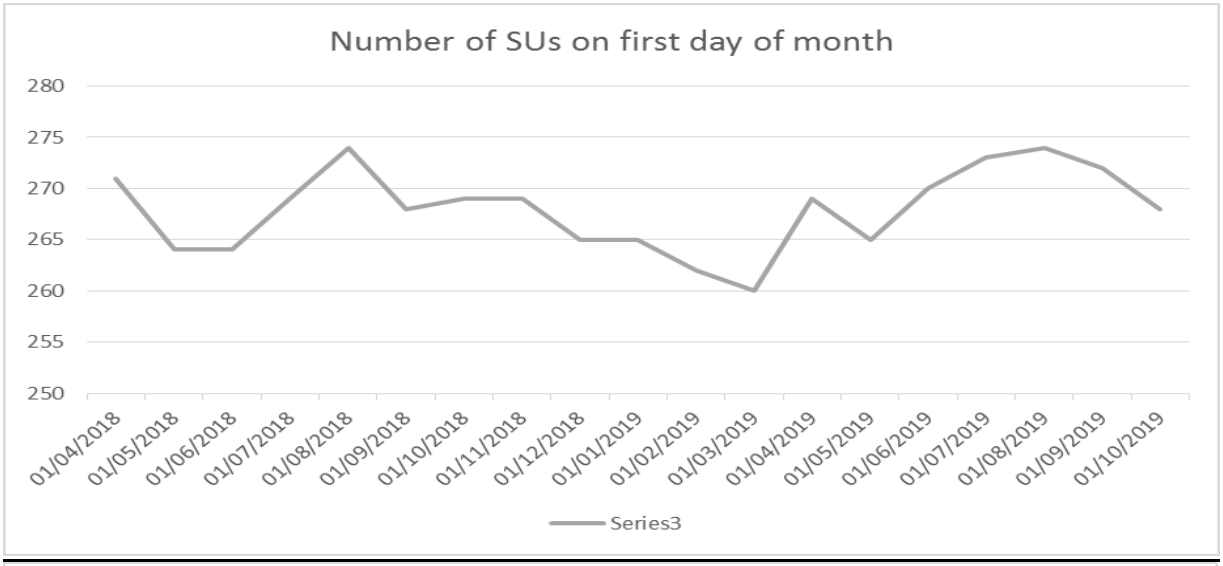


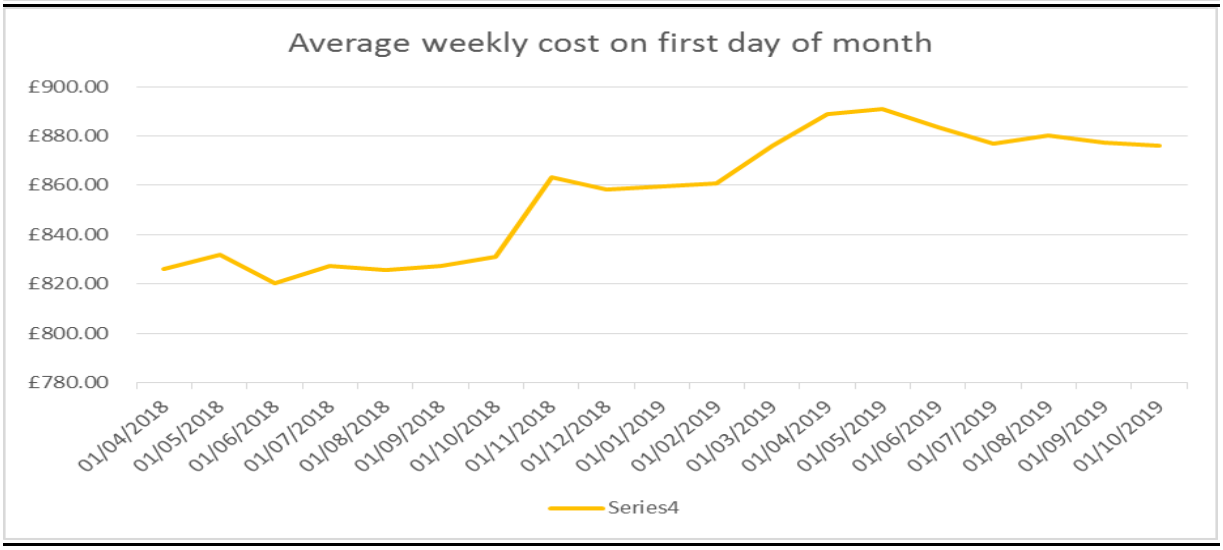




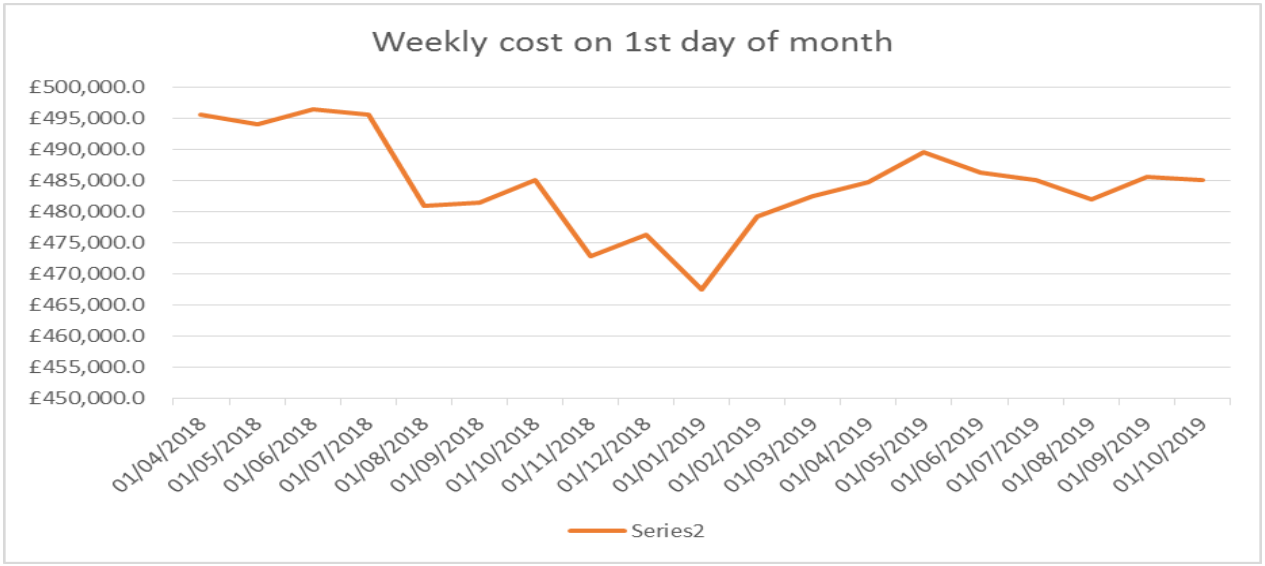
Nursing Placements

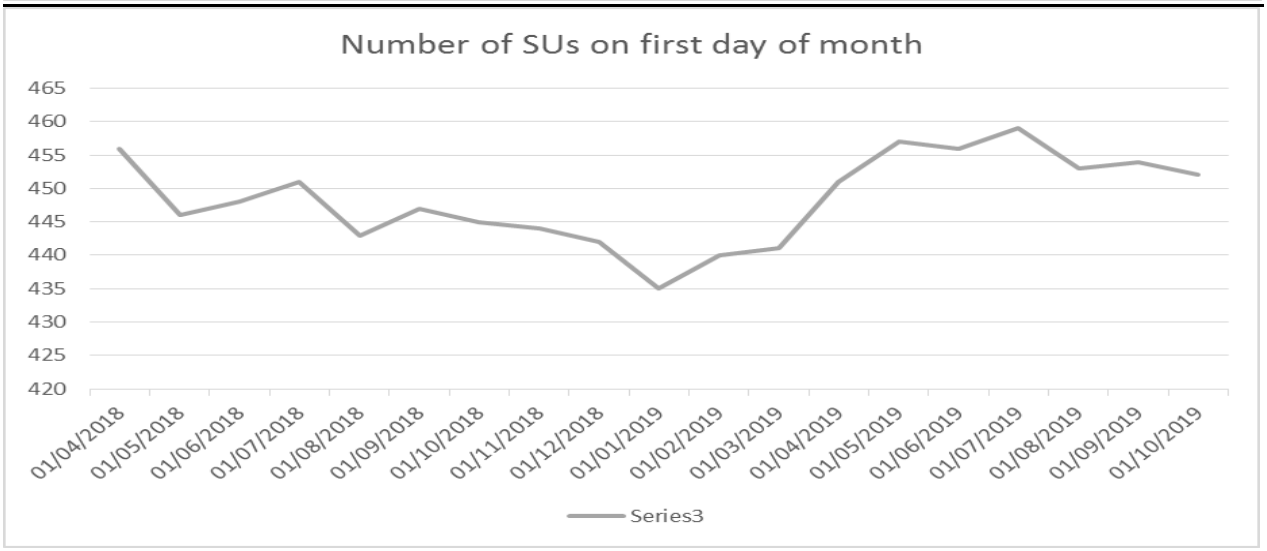


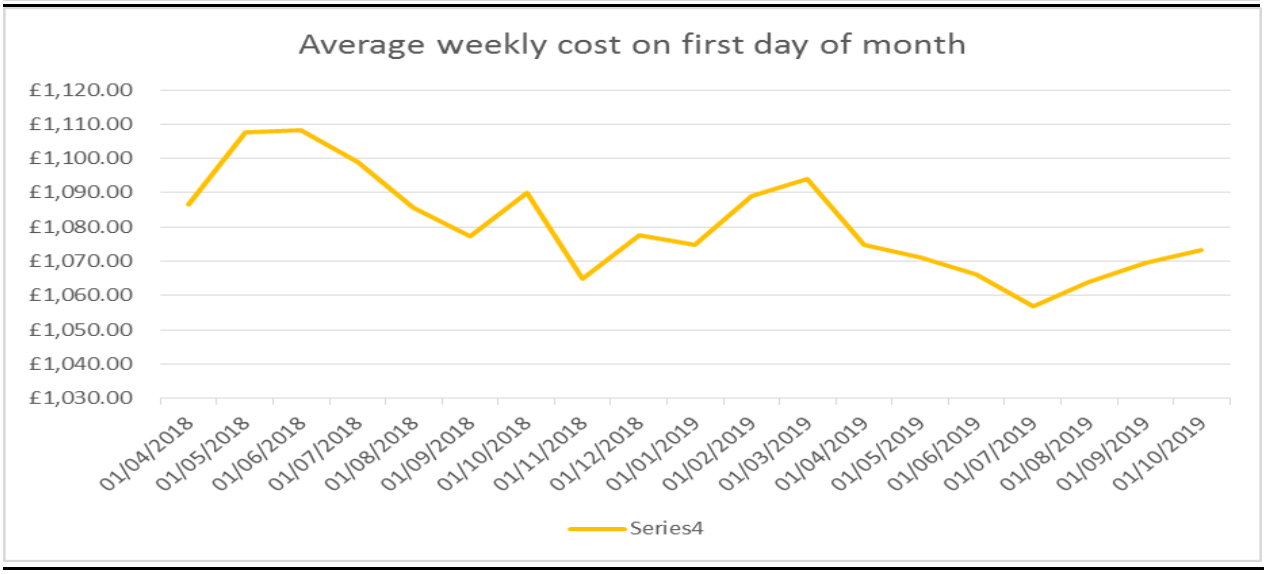




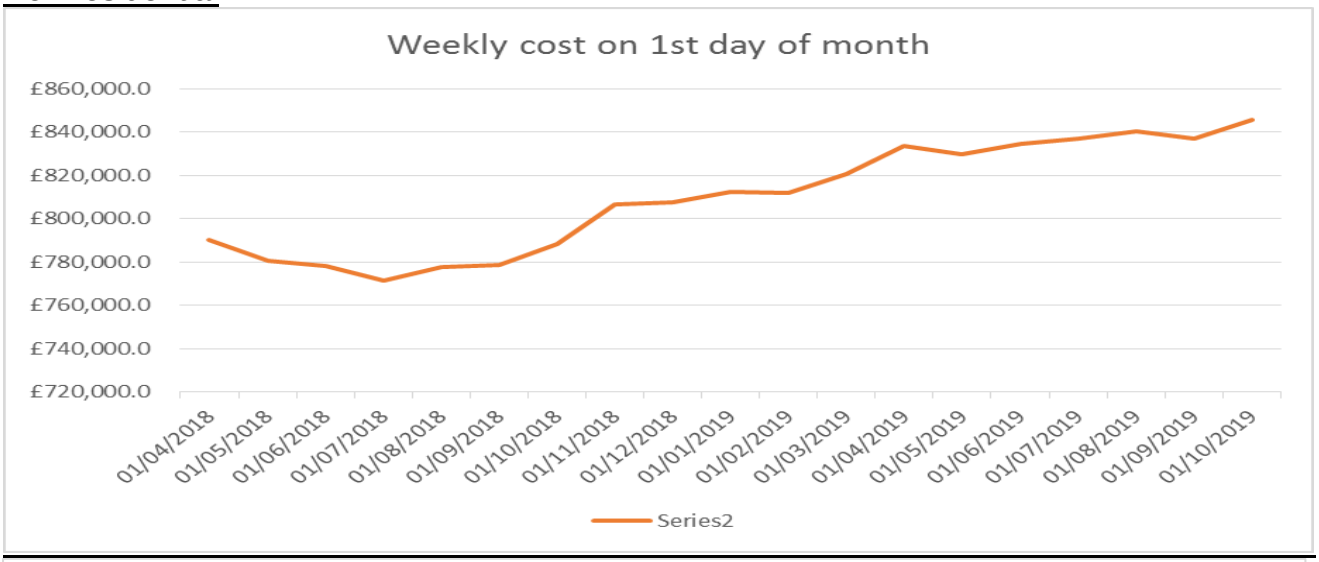
Residential Placements

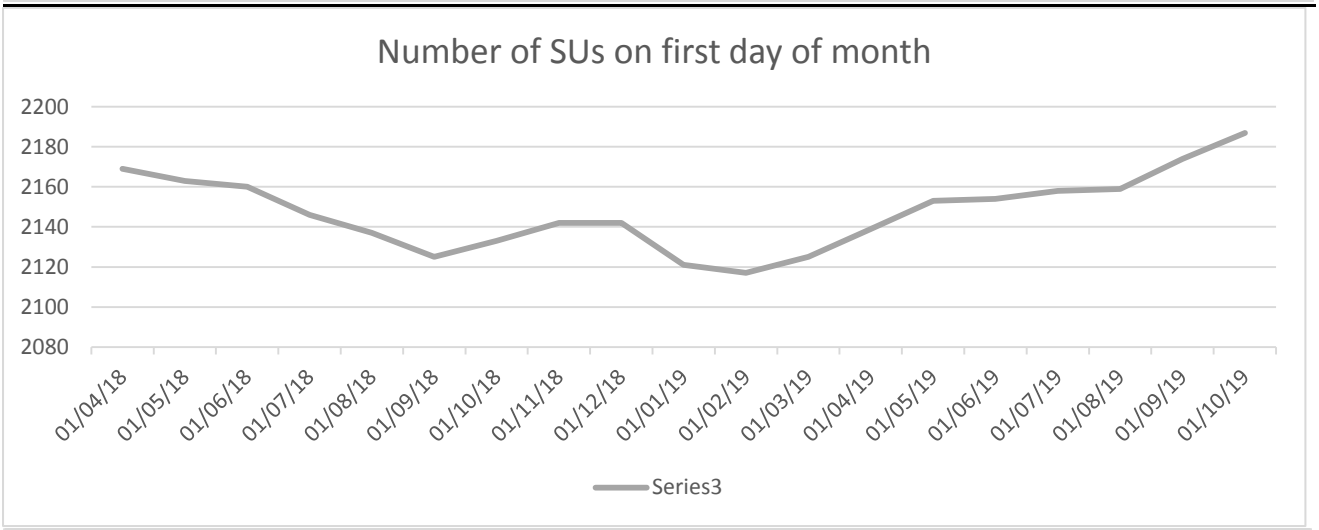


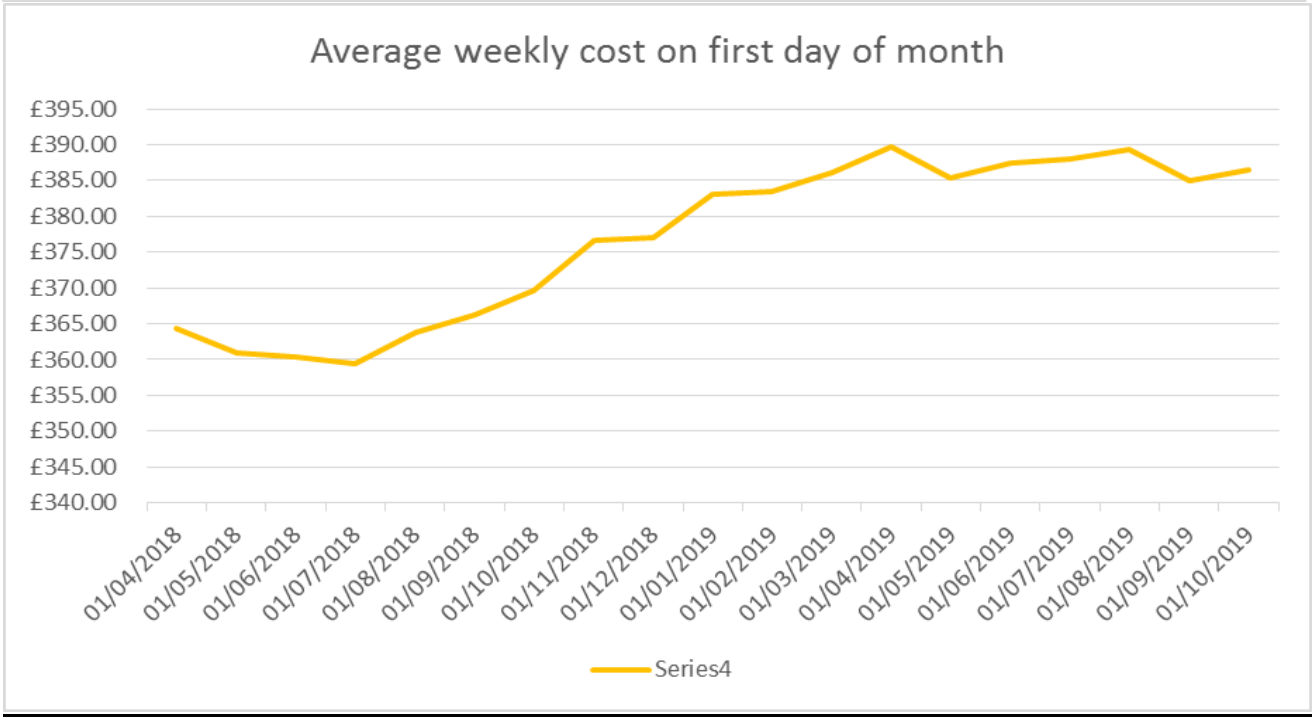




Non-residential







Appendix 2

1. Cuts proposal	
Proposal title:	Adult Social Care
Reference:	COM1a, COM2a, COM3a and COM18
Directorate:	Community Services
Director of Service:	Director of Operations Adult Social Care, Joan Hutton & Director of Joint Commissioning, Dee Carlin.
Service/Team area:	Adult Social Care (ASC)
Cabinet portfolio:	Cabinet Member for Health and Adult Social Care – Cllr Chris Best
Scrutiny Ctte(s):	Healthier Communities Select Committee

2. Decision Route			
Cuts proposed:	**Key Decision Yes / No**	**Public Consultation Yes / No**	**Staff Consultation Yes / No**
a) COM1a Managing demand at the point of access to adult social care services: **£1.0m**	Yes	No	No
b) COM2a Ensuring support plans optimise value for money: **£500k**	Yes	No	No
c) COM3a Increase revenue from charging Adult Social Care clients: **£500k**	Yes	No	No
d) COM18 funding inflationary increase from within the ASC Grant **£2.0m**	No	No	No

3. Description of service area and proposal

Description of the service area (functions and activities) being reviewed:

<u>COM1a & COM2a COM3a</u>

The two main points of access to adult social care are 1) the community via the Social Care Advice and Information Team (SCAIT), and 2) the acute hospitals via the Hospital Discharge Team. The principles of the Care Act 2014 regarding assessment and eligibility criteria are applied to determine the appropriate response to these contacts and referrals.

Adult social care have been piloting differing approaches to deliver both effective outcomes for residents who make contact for support, and effective management of demand and the use of resources. This is known as the 3 conversation approach strength and asset based approach to assessment.

This approach places the use of prevention and early intervention that can promote self management, independence, rehabilitation and recovery at the heart of practice. If a person has needs that are not eligible at that time, there is support available to access information and advice or preventative services.

3. Description of service area and proposal

The approach used builds further on the arrangements that have been put in place to manage demand appropriately and effectively. It is complemented by the Councils commitment to community development that links those with care needs to opportunities that are available from universal services and the third sector organisations within the community.

The four neighbourhood assessment teams established across the borough and a team that work specifically with adults who have a learning disability provide the main assessment and support planning function for those with care needs. In accordance with the approach to integration across health and social care and by building on the "Care at home" approach to multi-disciplinary working we will ensure the right support is in place to individuals and work to reduce duplication where possible.

As part of the assessment process and in accordance with the national 'fairer charging policy framework', people in receipt of care and support are financially assessed to ascertain the level of contribution they need to make towards the cost of their care.

Whilst adult social care is chargeable, healthcare is free at the point of delivery. For those people who have support for their healthcare needs there are arrangements in place for the Council to recharge the CCG.

The Adult Social Care budget is divided into two areas of expenditure, care costs £76.4m and staffing costs £11.2 m. There are annual inflationary increases and uplifts which amount to approximately £2.2m, these will be covered using the ASC base grant.

Attached in Appendix 1B is further detailed information relating to these proposals.

Cuts proposal*

COM1a - £1m COM2a - £0.5m

We have considered good practice identified from benchmarking the use of resources, using a focused analysis of our spend by the Association of Directors for Adult Social Services (ADASS), Local Government Association (LGA) and Independent Peer Challenge (IPC).

This has estimated that a local authority shouldn't spend more than 15% of the domiciliary care budget on a person for 10 hours or less per week, as this level of care can often be accessed by other means particularly ensuring that the correct levels of benefits are in place. Support is provided to people from the staff within the SCAIT team to connect them to these resources and solutions. The proposal would reduce ASC spend from 15.5% of the budget currently, in line with the 15% recommended.

The £1.0m identified under COM1a is an extension of the £122k identified and achieved under the 19-20 COM1 cut by piloting new ways of working that "Manage demand for Social Care effectively using the (3 conversations) strength based approach to practice".

There are approx. 3,175 adults receiving care at any one time. By managing demand and reducing this number by 100 to 3,075 there will be an anticipated cost cut of £1m.

The approach will:

3. Description of service area and proposal

- Connect people at an early stage to support them to get on with their lives independently;
- Identify when people are at risk and apply solutions to make them safe;
- provide a fair and proportionate personal budget that considers where sources of funding come from which includes the persons own resources or health funding if this is appropriate;
- Identify people who are self-funders at an earlier stage and provide them with information and advice so that they can make their own arrangements; and
- provide short term intervention such as rehabilitation, recovery, recuperation and reablement, including therapeutic help, for people who contact the service from within the community via self-referral or from the GP as well as when discharged from the hospital.

In accordance with social care best practice and Care Act requirements, there will be continued reassessments of support plans using the strength asset based approach. This will include the following actions:

- All care packages will be based on medium term goals that assist a person where possible to move to greater independence;
- Continuing Health Care decisions to be completed within national timeframes; and
- Commissioners will continue to work with the care market to ensure that the social care investment used is the most cost effective and of good quality.

COM3a - £0.5m

This proposal relates to an increase in income generation rather than a budget cut and involves joint working between Adult Social Care, Customer Services and Resources and Regeneration.

Since January 2018, corrective work has been carried out to bring everyone's charges up to date, resulting in provisional estimates of additional income of £25k weekly.

Further corrective work and an earlier financial assessment along with the introduction of auto-charging and the provider portal to the financial system, will provide more accurate billing and invoice processing to both the service users who are charged and more accurate payments to the range of care providers who are commissioned.

COM18 - £2m

The approach will rebaseline adult social care budgets to reflect the continuation of grants. The service will fund inflationary uplifts by using existing ASC grant budget.

4. Impact and risks of proposal

Outline impact to service users, partners, other Council services and staff:

COM1a and COM2a

This has required a cultural shift to practice for staff who deal with contacts and assessments. The approach is supported by a learning and development programme led by the Principle Social Worker (PSW).

The approach may reduce or delay the need for care and support provided or commissioned by ASC. It promotes self-management which can have a positive impact on an individual's psychological wellbeing and promotes independence where possible.

The approach may not always meet the initial expectations that residents have from ASC and as a consequence, it is likely, there may be an increase in complaints.

4. Impact and risks of proposal

The approach is dependent on there being a range of services available that people can access from the voluntary and community sector, particularly for those who focus on support for vulnerable adults. In addition, council run or commissioned universal services will need to be accessible to support individuals where appropriate.

This is set out in more detail in the separate paper to the Healthier Select Committee for their meeting of the 3 September. The Lewisham Offer, is a summary of the strength and asset based approach that is used to manage demand and resources effectively.

COM3a
Some service users may cancel their care due to the financial contribution they are assessed to pay. They will be supported on an individual basis to ensure they have access to any benefits that they are eligible for.

COM18
By using the grant to fund inflationary increases, there is a risk that providers will request an increase that is higher than we can afford. The Council remains committed to paying the London Living Wage.

Outline risks associated with proposal and mitigating actions to be taken:

In relation to the new cuts being offered, as these are extensions of those previously agreed, the main risks for each area are as follows:

- People will choose not to purchase the care and support they need. This can be mitigated by maximising their take up of welfare benefits;
- There is a risk that community based solutions become less available as funding restrictions impact on voluntary sector partners; and
- Delays in publishing the Green Paper and the longer term care integration and funding proposals for adults social care mean uncertainty regarding the management of pressures going forward.

There will be comprehensive risk assessments undertaken as part of the assessment process.

5. Financial information

Controllable budget: General Fund (GF)	**Spend £'000**	**Income £'000**	**Net Budget £'000**	
	64,869	11,261	53,588	
HRA	**n/a**	**n/a**		
DSG	**n/a**	**n/a**		
Health				
Cuts proposed*:	**2019/20 £'000**	**2020/21 £'000**	**2021/22 £'000**	**Total £'000**
COM1a		1,000		1,000
COM2a		500		500
COM3a		500		500
COM18		2,000		2,000
Total		4,000		4,000
% of Net Budget	%	7.4%	%	%
Does proposal impact on: Yes / No	**General Fund**	**DSG**	**HRA**	**Health**
	Y	N	N	N

5. Financial information				
If DSG, HRA, Health impact describe:				

6. Impact on Corporate priorities		
Main priority	Second priority	Corporate priorities 1. Open Lewisham 2. Tackling the Housing Crisis 3. Giving Children and young people the best start in life 4. Building an inclusive local economy 5. Delivering and defending: health, social care & support 6. Making Lewisham greener 7. Building safer communities 8. Good governance and operational effectiveness
5	3	
Impact on main priority – Positive / Neutral / Negative	Impact on second priority – Positive / Neutral / Negative	
Neutral	Neutral	
Level of impact on main priority – High / Medium / Low	Level of impact on second priority – High / Medium / Low	
N/A	N/A	

7. Ward impact	
Geographical impact by ward:	No specific impact / Specific impact in one or more
	No specific impact
	If impacting one or more wards specifically – which?

8. Service equalities impact			
Expected impact on service equalities for users – High / Medium / Low or N/A			
Ethnicity:	N/A	Pregnancy / Maternity:	N/A
Gender:	H	Marriage & Civil Partnerships:	N/A
Age:	H	Sexual orientation:	N/A
Disability:	H	Gender reassignment:	N/A
Religion / Belief:	N/A	Overall:	N/A

For any High impact service equality areas please explain why and what mitigations are proposed:

Most people who contact ASC are vulnerable due to age, frailty or disability. Individuals are risk assessed to make sure they remain safe, supported and as independent as possible. Often the care can be provided by partners or family members if deemed appropriate which can fall disproportionally on women. Carers often provide informal support to service users and are considered as part of the strength and asset approach to assessment. It is important that they are offered and encourage to accept a Carers assessment in their own right that takes into account their Health, Wellbeing and supports them in their caring role.

For all of the proposed cuts areas the same cohort of services users with the same needs and protected characteristics will be effected. Impact assessment above covers all proposals. We will complete separate EIA's in areas where there are changes to provision.

Is a full service equalities impact assessment required: Yes / No	No

9. Human Resources impact	
Will this cuts proposal have an impact on employees: Yes / No	No

10. Legal implications

State any specific legal implications relating to this proposal:

The Care Act 2014 replaced and clarified the role and responsibilities of Local Authorities in terms of supporting and assisting adults in the community to understand and plan, for their current care needs and into the future. It shifted the emphasis completely from that of the NHSCC Act of 1990, which required Local Authorities to consider which services they should provide, post assessment to adults, to a consideration of what support the adult needed, post assessment, and the possible sources of that support.

This has meant that the most significant service provided by the expertise of the Local Authority is one of assessment; and the duty to assess (unless an assessment is refused by a capacitated adult) remains with a low threshold. However, thereafter, the adults needs , personalised preferences, existing sources of support, and desires ,and possible/ achievable outcomes, are considered in a very open and transparent model of working with the adult, and their carers, if applicable.

Eligibility for services are considered against nationwide criteria for the first time, and adults are advised as to all of their identified needs, whether or not those needs are eligible for consideration for support from the Local Authority. Thus adults are signposted to suitable universal services, which may be of assistance; given advice about strategies and support to avoid or delay deterioration in their situation, and open discussions are conducted to look at the adults own resources, and sources of strength and support.

Following an assessment, the eligibility criteria identify those needs for which a service should be arranged; unless in very complex cases, that support is now arranged through the calculation and provision of a suitable level of Direct Payments, allowing the adult to organise a level of support on a personalised basis.
The results of assessments for both adult and any carer/s are provided in writing, and shared as directed by the subjects concerned.

The Care Act lays a very clear emphasis on the role of personalised planning, and the duty upon the Local Authority to signpost to widely available sources of support and help, which are of course external to the Authority itself, as well as universal services. Hand in hand with this is an expectation that the Local Authority will endeavour to support and assist the development of a diverse and robust care service environment in the community, representing value for money and reasonable cost, to assist adults to have and be able to exercise choice.
Once eligible needs are identified, and a care package agreed, it remains the case that the Local Authority retains the discretion as to how eligible needs are to be met, and may therefore, whilst having regard to an adults preferences, make the final support decision themselves, taking into account available resources, proportionality in terms of levels of service and outcomes. This discretion has been confirmed by the Courts in McDonald v RLB Kensington and Chelsea 2011, Davey v Oxfordshire 2017, and VI v LB Lewisham 2018.

The principle also remains that care plans should be reviewed regularly or as necessary, and service plans cannot be changed without such re assessment (RADAR v Gloucestershire.) However, care plans may be reduced, if an adults condition improves, e.g. following a short term intervention such as a reablement package of support, and, if upon assessment, the adults identified eligible needs are already met by arrangements in place, there is no duty to replace them or change that support, unless for some reason it should cease. Local Authorities may and should

10. Legal implications

have regard to issues of value for money and best use of available resources when considering any support to be provided, following assessment.

As the right to an assessment is now extended to a far greater population of adults, many of whom will not develop eligible needs for considerable periods, if ever, a fresh approach to monitoring equalities impact assessments has had to be devised. Thus the Council records the numbers of enquiries dealt with and satisfied by way of signposting and information, those requiring a more in depth approach, and of course, the deepening level of involvement required by more complex presentations. The Council can adopt a lawful approach of proportionate involvement, as the Care Act assessment duty extends over such a wide spectrum of necessary involvement, from information, to 'light touch' to full detailed assessment. Similarly, to ensure this service is suitable to meet the needs of the wide population to which it now applies, follow up sampling is carried out, to ensure the information and support provided has been relevant, of assistance, and has met the needs and expectations of the adult. Similarly, detailed records are kept and reviewed concerning numbers of presentations resulting in more complex responses, and analysis of user groups supported in the community, all of which is used to assist forward planning Planned specific services changes will require EIA analysis.

Adult Social Care is fully aware that service pathways are likely to alter and the client groups, although also including those who may use the services in the future and are therefore difficult to capture, will also comprise existing or proximate users, and these statistics are carefully monitored.

The cost of Social Care services is subject to financial assessment and charging. Health services are free at the point of delivery. The respective roles of Social Care and Health partners (eg in s117 support plans) must be clearly agreed and implemented. Local Authorities have a duty to seek to balance budgets and work in a financially responsible framework when planning and delivering services. Timely and accurate financial assessments should be undertaken , with a suitable level of information provided to the adult concerned as to methods of payment , to enable charges to be levied, and collected ,promptly, avoiding unnecessary debt and promoting efficient collection of sums due.

11. Summary timetable

Outline timetable for main steps to be completed re decision and implementation of proposal – e.g. proposal, scrutiny, consultation (public/staff), decision, transition work (contracts, re-organisation etc..), implementation:

Month	Activity
May to July 2019	Proposals prepared (**this template and supporting papers – e.g. draft public consultation paper, equalities assessment and initial HR considerations**)
August 2019	Proposals submitted to Scrutiny committees leading to M&C Full Delivery Plans developed and monitoring arrangements in place
September 2019	Scrutiny meetings held with consultations ongoing
October 2019	Proposals to M&C, including Equality & HR assessments
November to December 2019	Consultations undertaken and full decision reports (where required) prepared
January 2020	Decision reports return to Scrutiny at the latest
February 2020	Final decisions at M&C with the Budget
March 2020	Cuts implemented

APPENDIX 1 B - ADULT SOCIAL CARE CUTS CONSIDERATION 20/21

1. Planned Cuts Position:

Title	Cuts Target 2019-20	May 2019 Update
Managing demand for Social Care (3 conversations) strength based approach to practice	£122k	**Cut now full achieved**
Ensure support plans optimise VFM	£250k	**Cut now fully achieved**
Increase revenue from ASC charging	£159k	**Cut now fully achieved despite auto charging and configuration still not complete – prospect to improve charging in 20/21**
Reducing unit costs for LD in line with London benchmarking companies	£600k	**Work in progress – full achievement expected**
Increase Personalisation	£60k	**Work in progress – full achievement expected**
Reduction in ASC contribution to MH Integrated Community Services	£100k	**Cut now full achieved**
Reduction of MH residential care costs	£300k	**Work in progress – full achievement expected**
Increase use of shared lives	£200k	**Cut now fully achieved**
Develop a more cost effective model for transitions Cost reduction target	£300k	**Work in progress – partial achievement expected in 19/20**

Proposed Cuts	£2.091m
Achieved Cuts	£1.891 m
Difference	£200k with work continuing

2. End Year Position 18/19

Adult Social Care finished the year with a £1.1m underspend

Ongoing Budget Pressures

- **DoLS**

  DoLS numbers increased by 10% in 18/19. Whilst it is expected that the Government will change the legislation by 2020, it is recognised that this may not decrease the pressure due to the ongoing monitoring and quality assurance that will be still be a statutory duty of ASC. Current Cost Pressure £750k

- **Transitions**

  Transitions care cost are expected to increase in 19/20 due to the numbers of young adults transferring from Children's Services, with each an expected weekly cost of approx. £1,500. The Majority of these costs will impact on the Learning and Disability (LD) budget. There are additional cost pressures associated with the cohort of young people who transition to adult services with a dual diagnosis of autism and LD who often have complex needs and challenging behaviour.

- **Hospital Discharges**

  The level of care required for residents who have been discharged from hospital and the impact of a reduced length of stay continue to put pressure on the adult social care budget.

  Approximately 30 people are discharged from hospital a week through a process known as Discharge to Assess. This approach aims to reduce of length of stay within an acute hospital setting by 3 nights. On average a person leaving hospital through Discharge to Assess receives 6 extra hours of care to support them to return home, this cost pressures amounts to £168.5k per year (30 x 6 x £18 = £3,240 per week and £3,240 x 52 weeks = £168,500)

  The figure above does not include other discharge pathways where people with more complex needs are supported to leave hospital with more complex packages. We are working on defining the cost pressure for these people leaving hospital following a shorter stay.

- **Managing demand and Complexity**

  Adult social care is a demand led service where there is a continued increase in the age and complexity of clients who need support, for example, there are often high Costs associated with supporting residents who have complex Dementia and are unable to live on their own or where the family Carer is also funding it difficult to cope. There is also an increasing cohort of older people whose increasing frailty and declining mobility requires the support of 2 carers to manage their personal care.

  There is increased pressure regarding the support required for people with Mental Health, challenging behaviour and physical disabilities. Often the only option available to manage these complex needs is long term placements that can often be expensive.

- **Market stability.**

  Lewisham saw no growth in the provider market and it is unlikely that there will be any significant growth in 19/20. There is little opportunity for further cost negotiations due to overall market conditions and the commitment to the London Living Wage and ethical care charter.

  In 19/20 Lewisham lost one of its lead domiciliary care providers. This has put extra pressure on the current market providers that are also faced with the challenges of meeting care standards and maintaining a consistent workforce

  In terms of the availability of Care homes, the market remains fragile. Locally there were no Residential or Nursing home beds lost during this period but there are a small number of homes that require improvements to meet CQC inspection standards. Recently a very large national care home provider

Four Seasons, went into administration, for Lewisham, this means 5 people are likely to need a new placement.

Locally pressure on the market has increased due to a planned home closure in a neighbouring borough. This will ultimately have an adverse impact on bed availability, particularly for people with dementia. In addition, any embargoes in neighbouring boroughs will impact on bed capacity.

3. Current Proposed Cuts for 20/21

Title	Amount ('000)	Proposed Delivery
Continue to manage demand through the front door of the Council /community and manage the demand from acute hospitals.	£250	- Restructure that will add capacity and enhance skill mix at the point of contact so that initial enquiries can be resolved. - Linking people with community solutions and Prevention - Better Support Planning and Monitoring - Consultation with Health Partners regarding the restructure has been undertaken.
Reduce unit costs for LD in line with benchmarking reports	£700 £100	- Further work on implementing the recommendations from the ADASS/LGA "Use of Resources" Report - Review Day Service and Transport use including undertaking Consultation on proposed changes with current service users - Transforming Care (National agenda to reduce out of borough placements for LD) - Better management of resources and voids
Increase Personalisation	£112	- Increase no. of PA's to support Direct Payments and Personal Health Budgets
Ensure short term intervention are effective optimises independence	£164	Increase the productivity of Enablement to enable more rehab thus reducing the need for long term care where possible.
Reduce ASC contribution to MH integrated Community Services	£50	- Reduce management costs - Reduce non-direct costs
Reduce MH residential care costs	£200	- Review all Section 117 support to determine eligibility. - De-registering a number of CQC registered home and support providers to provide care in more cost effective supported living placements where people are offered tenancies.

Title	Amount ('000)	Proposed Delivery
Increase the use of Shared Lives	£370	- Increase number of Shared lives Carers. As this offer is more cost effective and personalised and less restrictive and institutionalised and can reduce the need for placements or support living. -
Develop a more cost effective model for transitions	£200	- Further develop local model offer to reduce Transitions costs in relation to out of borough placements and colleges. - Mapping exercise to be undertaken to identify gaps in local market provision. This may necessitate further consultation with Service Users, Parents and Carers.
Deliver 19/20 predicted unachieved cuts	£200	- Linked to new transitions approach.
TOTAL	**£2.246m**	

4. Areas for further consideration 20/21

In 18/19 ASC used Care Analytics and some focused London Benchmarking Data on the use of resources and care costs. The recommendations within these reports confirms the continuation of existing strategies that are in place to manage resources effectively. The following areas were identified for potential cuts and reflect the recommendations from these reports:

a. Further improvements to the management of demand at the front door to the council from the community and from acute hospitals - £1m

The staffing restructure will be fully embedded and there will be more capacity and a wider staff skill mix that will enhance the development of how contacts and enquiries for ASC are managed. The approach is dependent on utilising solutions from within the community and focusing on what a person can do for themself. Early identification of people who are able to self-fund is essential as they can be supported to identify how their support needs can be met by providing good access to information and advice. Effective use of short term interventions such as Enablement, rehabilitation and recovery is also important as this can reduce or delay the need for longer term care by providing assistance to regain independence. Supporting family Carers to remain healthy and able to continue to provide care and support, should they want to, is also important in terms of managing demand for services.

Measure: The intention is to continue to reduce the numbers of adults accessing long term care and support:

There is a baseline of 3,175 adults receiving care at any one time. By reducing this number by 100 to 3,075 adults at any one time, using the average cost of £200 a package of care per week: = 100 x £200 = £20,000 x 52 = £1.04m

b. Reducing costs in high spend areas - £500k

Benchmarking data suggests that we have are higher costs associated with some placements and packages of care for:

- People with a Learning Disability;
- Working age adults with physical disabilities;
- Older people who are Elderly Mentally Ill (EMI);
- Older Adults who are frail and elderly; and
- Mental Health placements.

These changes have to be dealt with on a case by case basis. The cuts are dependent on more cost effective solutions being accepted and the possibility of commissioning more cost effective options that meet outcomes and take account of any risk management issues.

Measure: Reduce costs by 5% in line with benchmark intelligence.
For example: adults 18-65 Placements & Mental Health Working Age Adults

c. Charging, generating Income and reducing debt- £500K

In line with the Charging Policy, we will ensure that following an Financial Assessment that determines what people can afford to pay, we will charge fully (where applicable) for the care that is being provided to Service Users . This will include Residential & Nursing placements, Day Services, Extra Care Housing care element costs, Respite, Telecare, Personal and Domestic Care and Transport.

We are also exploring Local Authority costs associated with Mental Health Section 117 services to ensure that the LA and NHS are sharing the cost of care for individuals.

Implementing changes to the IT systems that support assessment. Charging and the purchasing of care will provide an opportunity to increase revenue and make payments for care reflect accurately the care that has been provided.

Identifying people who can self-fund their care, and giving people information at an early stage who are chargeable will go some way to reduce further debt.

The following tasks will be improved through digital enhancements to the 3 systems that support the customer journey:

- Faster notification of Financial Assessments and outcomes;
- Accurate and timely charging;
- Improve uplift of costs of services;
- Deliver Auto Charging;
- Improvement in provider invoices process;
- Reduction of debt including support for Self Funders; and
- Improved debt collection.

Measure: Reduce numbers of Self Funders where we pay for their care then recharge when we eventually identify them. Provide more timely information so people can make an informed choice regarding the potential cost of care following a financial assessment in line with national guidance:

Implement national guidance on charging for the management of care for self-funders by Introducing a charge for managing Self Funders services = 300 x £300 = £90k 9 (Band3)

Decreasing time taken between Financial Assessment and Billing (average. 6 weeks) = 150 x £1,500 = £225k

Increase numbers being charged by introducing Auto-Charging = 50 x 5,200 = £260k
(50 x £100 per week x 52 Extra Care, Day Care, LD and MH) (Band 11)

Further work is being undertaken to confirm the measures and indicative figures above, we will use these to monitor and deliver the cuts proposed.