

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE Delivering strengths based and sustainable Adult Social Care: phase two Medium Term Financial Strategy savings proposals (2018/19) (SP/2017/25)	
REPORT OF Cabinet Member for Tackling Health Inequality and Promoting Independence	
FOR SUBMISSION TO Health and Adult Social Care Scrutiny Committee Cabinet	DATE 4 December 2017 6 December 2017
SUMMARY OF REPORT As set out in the Camden Plan, we want Camden to be a place where everyone can succeed and nobody is left behind. High quality sustainable adult social care is central to our ambition. Cabinet approved <i>Supporting people, connecting communities – Our plan for living and ageing well in Camden 2018 – 2025</i> in October 2017. This strategic plan is a whole Council approach for working with adults who may need support, their carers and wider communities. With Camden’s population predicted to grow and increased demand upon services, rising expectations of citizens and significant financial challenges facing adult social care, the strategic plan sets out a sustainable model for the future. The principles of the strategic plan were agreed by Cabinet in December 2016, alongside an ‘invest to change’ approach to support the transformation of services and to achieve a further £2.39m of savings in 2018/19. This report therefore sets out the next phase of savings proposals for 2018/19. Cabinet is asked to agree the phase two medium term financial plan proposals. Local Government Act 1972 – Access to Information No documents that required listing were used in the preparation of this report. Contact Officer: Sarah McClinton, Director of Adult Social Care 5 Pancras Square London, N1C 4AG Email: sarah.mcclinton@camden.gov.uk	
WHAT DECISIONS ARE BEING ASKED FOR? The Health and Adult Social Care Scrutiny Committee is asked to consider the report and forward any comments to the Cabinet. The Cabinet is recommended to: 1. Having had due regard to the equality impacts as detailed in Appendix B and subject to Recommendation 2, to agree the proposed additional savings plan for 2018/19 in principle, as summarised in paragraph table 1 at paragraph 3.4 and set out in full at Appendix A; 2. Delegate authority to the Executive Director Supporting People for each proposal at Appendix A as follows: i. To decide whether and how to implement the specific savings identified within each proposal together with any related additional savings that flow	

from the project having had due regard to the Council's general equality duties, any other applicable legal duties and the results of any consultation undertaken in respect of the proposal;

- ii. To undertake any necessary consultation exercise for the purposes of (i);
- iii. Where the proposals involve organisation restructures of more than 20 staff, to implement such organisational changes in consultation with the relevant Cabinet Portfolio Member.

Signed:



Date: 22nd November 2017

1. WHAT IS THIS REPORT ABOUT?

- 1.1. This report explains the context of significant challenges facing adult social care nationally and locally, and sets out the next phase of work to deliver a strategic response to create a strengths-based and more sustainable approach to adult social care in Camden.
- 1.2. It proposes a next phase of adult social care savings for 2018/19 within the Council's medium term financial strategy and the use of the adult social care precept to continue the investment in transformation.

2. WHY IS THIS REPORT NECESSARY?

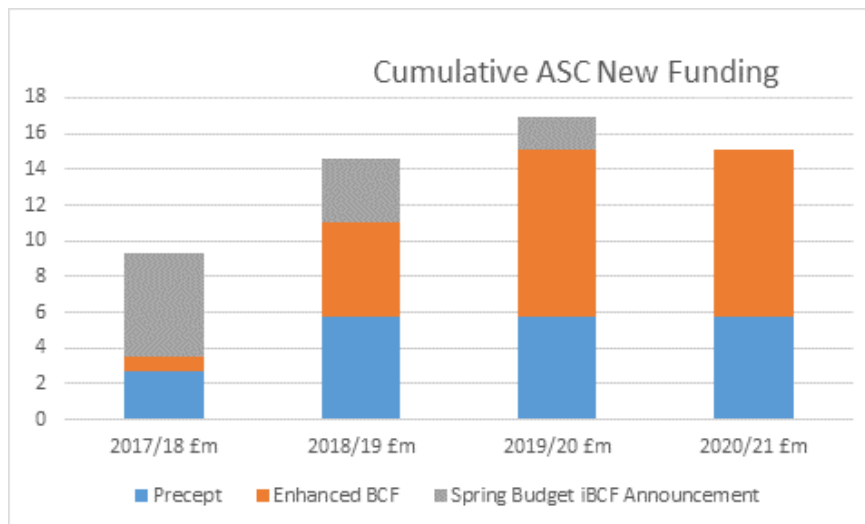
- 2.1. This report follows on from two previous reports to Cabinet:
 - December 2016: Developing a strategy for Older and Disabled People (SP/16-21);
 - October 2017: Supporting people, connecting communities – Our plan for living and ageing well in Camden 2018 – 2025 (SP/2017/24)
- 2.2. In December 2016, Cabinet approved a set of underpinning principles to inform the direction of travel for adult social care in Camden and agreed that a new cross council strategy be developed. Cabinet also approved a revised adult social care savings programme 2016/17 – 2018/19 and endorsed an 'invest to change' approach to support service transformation. There remained **£2.39m** of savings to be achieved in 2018/19 through transformation.
- 2.3. Since December 2016, considerable progress has been made to deliver phase one savings agreed by Cabinet. This has included two comprehensive public consultations (relating to changes to day services and a new resident contributions policy) with subsequent member decisions to implement these proposals.
- 2.4. In October 2017, Cabinet approved *Supporting people, connecting communities: our plan living and ageing well in Camden*. This sets out our vision of how we will prevent, reduce and delay the need for services, through maximising people's independence and harnessing their strengths. Work has already begun to start to deliver the objectives of this plan, in particular developing the strengths-based approach. For example:
 - A large number of care and support reviews have been carried out for older people and people with physical disabilities using the strengths based approach. This work is on track to save £1.35m in 2017/18.
 - In late November 2017, innovation sites began to test a new approach to working with people using the '3 conversations approach' to embed strengths based practice across our teams.

The national and financial context

- 2.5. The financial challenges facing social care both nationally and locally are well documented. The level of risk and instability in the care sector led to two significant changes in the funding arrangements for social care in 2016/17. Firstly the adult social care precept changes announced in the autumn 2016 statement and secondly, the spring budget statement that brought forward the

anticipated increase in funding for social care via a reducing three year grant to local government into the Better Care Fund (iBCF).

- 2.6. These funds have provided some welcome stability for the care sector; however, they will not be sufficient to meet ongoing pressures. The Government has announced another review of adult social care funding, although the time lines for this are not clear.
- 2.7. The additional anticipated funding (assuming a further 3% precept in 2018/19) is shown below.



- 2.8. The iBCF is being used to support care packages that will enable the Council to continue actively supporting the NHS and further develop services to underpin hospital discharges and admission avoidance. It has helped to support the social care market and enabled the development of 'discharge to assess' schemes, giving a short period of financial stability and time to undertake the transformation required to put the service on a more sustainable financial footing. However, the continuing receipt of the improved Better Care Fund grant may be dependent on the Council meeting very challenging Delayed Transfer of Care targets, though the mechanisms for any reduction in funding is unclear.
- 2.9. A report of the Council's Medium Term Financial Strategy (MTFS) elsewhere on the Cabinet's agenda describes the overall Council financial position. In summary, the financial plan is expecting to present a balanced Council budget for 2018/19, subject to council tax decisions and dependent on the complete delivery of all existing savings plans. From 2019/20, an increasing financial gap is expected to open up as reductions in central government funding continue whilst costs and demand pressures continue to increase.
- 2.10. In 2016/17, as has been previously reported, Adult Social Care faced a combination of increased demand and cost pressures together with a very challenging savings programme. A report to Cabinet in December 2016 (SP/16-21) re-phased and refocussed the ASC MTFS. Although progress was made against the new savings plan, ASC reported, a £2.293m overspend in 2016/17 after the application of one off reserves. The underlying overspend was £7.2m. Most of this overspend related to ongoing care pressures.

- 2.11. In 2017/18, 3% adult social care precept has been used to support the payment of the London Living Wage and ethical care charter costs in home care, investment in transformation and short term funding in-year until the existing savings plan delivers its target in 2018/19.
- 2.12. Overall there has been good progress in delivery of the 2017/18 savings plan (approved by Cabinet in December 2016), however, we estimate that there will be a shortfall in 2018/19 of £304k. This means the total additional savings requirement in 2018/19 increases from £2.39m (see para 2.2) to £2.694m.
- 2.13. There are a number of **risks and pressures**, which are anticipated to cause an additional financial strain on adult social care.
- The increase in the adult population and levels of complexity of need impacts adult social care demand for support, both from the absolute increase in the number of older adults in Camden, as well as the increasing numbers and complexity of need of children transitioning into adult services. The demographic pressure for adults above 65 is estimated at £0.884m a year, assuming that the numbers of adults requiring support rises in proportion to the overall increase in population, and that the complexity of need does not increase. The demographic pressure for children with complex needs transitioning into adult services is estimated at £0.9m in 2018/19.
 - Legislative changes such as the impact of recent changes to employee pension contributions levels and National Insurance costs will impact on the cost of care provision. For Camden the estimated impact on homecare contracts of the mandatory 1% a year uplift in pension costs is estimated to cost an additional £0.08m in 2018/19 rising to £0.16m by 2019/20.
 - Indications that the public sector pay cap will be lifted for some parts of the sector may increase the challenge of retaining homecare workers. Greater pay could encourage a shift towards health care assistant roles driving up pay pressures in care.
 - Recent legal judgements (Royal Mencap Society vs Tomlinson Blake 2017) have determined that arrangements that require workers to “sleep in” must be paid at minimum wage rates rather than a flat rate payment. It is anticipated that this will cause a very significant cost pressure in Camden. Many supported housing schemes may face claims for back pay as well as increased on-going employee costs. The actual impact will be dependent on negotiations with individual providers however the total ongoing cost could be up to £0.6m a year for supported living schemes.
 - The Council is committed to paying the London Living Wage (LLW) and enabling homecare suppliers to meet the Ethical Care Charter. This provides some mitigation against local providers exiting the market / being unable to deliver care. However as the LLW is rising faster than inflation generally, and a significant proportion of care costs are staffing related, this is likely to continue to cause a significant above inflation cost pressure in ASC. For 2018/19 the above inflation impact of LLW on homecare and direct payments alone is estimated at £0.44m

- The continuing pressure in the NHS and the requirement to prevent people entering the hospital system and ensuring that those that are medically fit to be discharged leave as rapidly as possible is expected to cause further demand pressures in community based services including ASC. The increasingly complex funding arrangements for social care, as exemplified by the Better Care Fund, add further uncertainty. The administrative burden imposed by the BCF regime and the duplicated reporting to both the Department for Communities and Local Government (DCLG) and NHS England together with disconnected target setting and constant policy shifts make the management of the Better Care Fund challenging. Currently £8m of core ASC services are funded from the BCF. The iBCF (funding paid directly to Local Government for social care services and pooled with the BCF) supports £6.6m of care and support costs in 2017/18. Receipt of iBCF next year maybe dependent on the delivery of challenging Delayed Transfer of Care targets. The continuation of this funding beyond the current Comprehensive Spending Review period also remains uncertain.

- 2.14. The current NHS 'Five Year Forward View' and BCF policy documents include expectations about the integration of health and care and the requirement for local areas to demonstrate plans for this. The roadmap towards integration or indeed what integration actually means is unclear. This level of uncertainty forms a further risk for the social care system.
- 2.15. This report sets out proposals for additional savings in 2018/19, which are consistent with delivery of the goals and outcomes set out in the new strategic plan, will contribute to service transformation and ensure a balanced adult social care budget for 2018/19.

3. OPTIONS

Option 1: Do nothing

- 3.1. If ASC does not deliver its transformation and savings programme it will be unable to meet rising demographic and cost pressures and meet the needs of our residents.

Option 2: Proposed additional MTFs savings for 2018/19

- 3.2. To implement the strategic plan approved by Cabinet in October 2017 and sustain adult social care services, an additional set of savings proposals for 2018/19 are set out below for the Cabinet's consideration.
- 3.3. The identification and scoping of these savings proposals has been driven by the strategic objectives of the priority areas identified and agreed in the strategic plan *Supporting People, Connecting Communities*:
- Strengths based approach
 - Supporting people at home
 - Supporting people in the community
 - Housing and accommodation

3.4. A summary of proposals is set out below in table 1 below, and further detail on each proposal can be found at Appendix A.

	£000s	
<u>December 2016 Cabinet paper position</u>		
ASC 2015/16 - 2017/18 savings programme (Dec 2014)		16,215
Savings delivered in 2015/16		4,706
Revised 2016/17-2018/19 programme (agreed in December 2016)		7,229
Application of 2016/17 precept		1,890
<i>Savings to be identified in 2018/19</i>		2,390
Required MTFS target		16,215
<u>Updated Position at December 2017</u>		
<i>New savings identified for 2018/19 (as above)</i>		2,390
Undeliverable element of Dec 2016 programme		304
Total 2018/19 Savings Target		2,694
<u>Table 1 – Phase 2 savings proposals</u>	Proposals	2018/19
	(Number)	£000s
Supporting people at home	2	1,035
Supporting people in the community	4	726
Housing and Accommodation	4	345
Strengths based approach (workforce)	1	68
Subtotal: savings proposals for agreement	11	2,174
Use of uncommitted social care money in BCF	1	290
Use of uncommitted Care Act funding	1	230
Total		2,694

3.5. In December 2014, the medium term financial strategy (MTFS) agreed a £16.2m savings programme for adult social care services (2015/16-2017/18). Just over £4.7m of savings were delivered in 2015/16.

3.6. Given the scale of challenges in adult social care a revised savings programme was presented to Cabinet in December 2016. This was approved including an extension of the programme to 2018/19. The report also flagged the need to identify a further £2.39m of savings (to reach the overall MTFS target of £16,215m) - to be achieved through transformation in 2018/19.

3.7. Delivery of the revised savings plan for 2017/18 is in progress and considerable change has been achieved. However, £0.304m of savings are assessed as undeliverable, which has increased the additional 2018/19 target from £2,390k to £2,694k. In recognition of new demand in the system, it is recommended to use £290k from BCF and £230k from uncommitted Care Act funding to reduce that savings requirement to £2.174m. The proposals set out at Appendix A and summarised at table 1 above meet this savings requirement.

4. WHAT ARE THE REASONS FOR THE RECOMMENDED DECISIONS?

- 4.1. It is recommended that option two be taken forward. This option presents additional savings proposals for 2018/19, which will help adult social care to continue to transform services, deliver a sustainable model for the future and deliver the strategic priorities as set out in the new seven-year strategic plan '*Supporting People, Connecting Communities*'.

5. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

- 5.1. The following risks and mitigating actions have been identified:

Impact/ Risk	Mitigation Strategy
Residents who need care and support will not have access to quality services unless we develop more sustainable services.	The new strategic plan ' <i>Supporting People, Connecting Communities</i> ' is founded on the principle that the new approach will seek to reduce, delay and/or prevent need for statutory services by supporting residents to access community resources and early intervention services. This will enable those residents who need long term care and support to access adult social care services.
Public lack understanding of what the savings proposals mean to them.	On-going engagement with individual service users in relation to their support needs. Ensure effective communications plan in place to communicate any changes at service level.
A number of proposals are based on assumptions with variables outside the direct control of the Council, which could put delivery at risk.	Ongoing communication and engagement with wider partners and stakeholders.
Financial risks of non-delivery of savings.	Continued oversight of programme via existing transformation programme governance.

6. EQUALITY IMPACT ASSESSMENT

- 6.1. Informing the development of the strategic plan '*Supporting People, Connecting Communities*' approved by Cabinet in October 2017 an overarching equalities impact assessment (EIA) was developed to assess the impact and risks of that plan as related particularly to equality groups. This EIA is attached at Appendix B. Given that the savings proposals set out at Appendix A deliver the goals and objectives of the strategic plan this EIA also acts as an overarching EIA for these savings proposals and it has been updated.
- 6.2. The equality impact of every proposal set out at Appendix A will be considered alongside other legal obligations (such as best value) by the delegated Executive Director Supporting People. With regards to equality, where it is considered that proposals may have an impact, a full equality impact analysis (EIA) is being prepared. The results of the EIA will be considered by the delegated Executive Director Supporting People when they make the final decision on how to proceed with the proposal and will be available as part of that decision report.

- 6.3. The Executive Director will have due regard to the results of the EIA as well as the results of any consultation activity (with both staff and residents) which has been thought necessary. Where equality impacts are anticipated, depending upon those impacts, a decision whether or not to progress will be taken. If it is concluded that the proposals should be implemented any decision will clearly set out how these impacts will be mitigated and the reason why despite the impacts it is still thought appropriate to proceed. The results of EIAs and any other consultation (including with staff) may require that the proposals contained in this report be materially altered or abandoned altogether. In such an event, the savings forgone will need to be met from alternative proposals in order for the Council to balance its budget in the medium-term.

7. WHAT ACTIONS WILL BE TAKEN AND WHEN FOLLOWING THE DECISION AND HOW WILL THIS BE MONITORED?

- 7.1. We plan to continue to work closely with partners, staff and services to monitor progress through staff and resident feedback and on-going engagement opportunities.
- 7.2. Robust programme governance and monitoring and reporting frameworks are in place and these will continue to oversee delivery of the additional savings proposals set out in this report.
- 7.3. Progress in delivery of transformation and new sustainable model for social care will be monitored via the outcomes framework and associated performance measures agreed by Cabinet in October 2017.

8. LINKS TO THE CAMDEN PLAN OBJECTIVES

- 8.1. As set out in the Camden Plan, we want Camden to be a place where everyone can succeed and nobody is left behind. This proposed savings plan contributes to the delivery of the strategic objectives in the new strategic plan *'Supporting People, Connecting Communities – living and ageing well in Camden'* that represents the Council's focus on providing clear democratic and strategic leadership, supporting communities to be self-sustaining. The plan involves strong collaboration with partners, representing the Council finding new solutions with partners to reduce inequality, and delivering value for money.

9. CONSULTATION

- 9.1. The current assessment is that there are no proposals included in this report that require public consultation. However, the delegated Executive Director for Supporting People will - in deciding whether and how to implement the specific savings identified within each proposal together with any related additional savings that flow from each project - give further consideration to any public consultation requirements and undertake any necessary consultation where required.

10. LEGAL IMPLICATIONS (comments of the Borough Solicitor)

- 10.1. The recommendations in this report are in accordance with the Local Authority's general responsibilities under the Care Act. The Local Authority has a duty to promote wellbeing, and market shaping.

- 10.2. The Local Authority is required to consult before making a decision if the proposal amounts to a change in service to the service-users.
- 10.3 Cabinet Members must take into account in coming to any decision the Councils equality duties. In summary these legal obligations require the Council, when exercising its functions, to have 'due regard' to the need to 1. Eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act; 2 to advance equality of opportunity between people who share a relevant protected characteristic and those who do not; 3. Foster good relations between people who share a relevant protected characteristic and those who do not (which involves tackling prejudice and promoting understanding). Under the Duty the relevant protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Race, Religion, Sex, Sexual orientation. In respect of the first aim only i.e. reducing discrimination, etc the protected characteristic of marriage and civil partnership is also relevant.
- 10.4 In this case the attached EIA concludes that there is no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken.

11. RESOURCE IMPLICATIONS (finance comments of the Executive Director Corporate Services)

- 11.1. The comments of the Executive Director of Corporate Services are included within this report.
- 11.2. Any resultant **impacts on staffing** will be managed in line with the principles of Camden's Organisational Change Policy and Procedure with the full support of an experienced HR Business Advisor.

12. APPENDICES

- **Appendix A:** Proposed additional Adult Social Care MTFs savings for 2018/19
- **Appendix B:** Equality Impact Assessment: Supporting People, Connecting Communities Strategic Plan

REPORT ENDS