

<b>DECISION-MAKER:</b>	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
<b>SUBJECT:</b>	ADULT SOCIAL CARE BUDGET PROPOSALS		
<b>DATE OF DECISION:</b>	THURSDAY 12 <sup>TH</sup> DECEMBER 2013		
<b>REPORT OF:</b>	CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>			
None			

### **BRIEF SUMMARY**

This report briefly outlines the adult social care budget proposals. Some of the proposed efficiencies will be realised as a consequence of the People Directorate transformation which will redesign adult services to improve outcomes so that people can remain independent for longer and therefore delay access to long term care. The focus will be to try and achieve an immediate resolution for customers at the first point of access. This will include eligibility assessments, changes in care packages, arranging respite care, signposting and advice and information. This will improve the service for customers who currently experience long waits and multiple assessments. All service users who are eligible for services will be offered a reablement service to maximise their independence. Evidence indicates that of those who receive a maximum 6 week reablement service 60% will not require ongoing services for up to 2 years.

The Integrated Commissioning unit improve outcomes and reduce costs through re-tendering and reviewing placements. The intention is also to build on the transfer of the public health function to help people lead healthier lifestyles so that they are less dependent on council and health services.

### **RECOMMENDATION:**

- i. To note the health and adult social care portfolio budget proposals

### **REASON FOR REPORT RECOMMENDATIONS**

1. This report provides an explanation of the Health and Adult Social Care budget proposals
2. The proposals are based on a review of national best practice, areas where the council does not benchmark well against other similar authorities in outcomes and spend as well as priorities within the Health and Wellbeing Strategy.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. N/A

### DETAIL (Including consultation carried out)

#### **H&AS 1 Improve outcomes from reablement services so fewer people need care packages and for those where ongoing care is required they have reduced support needs**

4. This proposes an increase in the efficiency of the current reablement service provided by in house teams, City Care First Support domiciliary care and Brownhill House residential provision, to support an additional 300 people over and above people currently supported annually and a further reduction in long term care needs for the existing 1,400 clients above what is already achieved. These services work with individuals to maximise their capabilities following deterioration in their health or a change of circumstances, promoting independence and reducing dependence on purchased long term care. This reduced dependency is expected to save nearly £700,000 in a full year but the full year effect will not be achieved until 2015/16 so a saving of half this amount is proposed for 2014/15.

#### **H&AS 2 Proactively assisting up to 600 people to access low level services to delay access to long term care by between 3 to 6 months**

5. This proposes a £337,000 full year saving to be achieved by proactively supporting up to 600 people who are currently identified as ineligible for support from the Council under the Fair Access to Care eligibility but who are clearly deteriorating or likely to develop needs for which they would be eligible within the next six months to a year. It is expected that directing these people towards services provided universally and proactively following them up to provide support to access such services, their care needs will be prevented or delayed so reducing the point at which they may require Council funded services. A post to undertake this proactive work has already been built into the Adult Transformation proposals. Preventative action such as this has been shown to achieve results nationally. Although a financial saving is expected to be achieved this proposal also increases independence and the ability for individuals to manage their own lives for longer.

#### **H&AS3 Move from SCC provided horticultural and woodwork Day Service to an alternative model of delivery for same service**

6. H&AS 3 proposes that the current horticultural day service and the woodwork day service for people with learning disability and mental health issues could benefit from the economies of scale that could be achieved from procuring the management of such services from existing similar not for profit organisations. Service specifications will be completed in line with the current service expectations. The Council would then contract with such organisation or organisations, following a tender exercise, at a rate that is expected to be lower than the cost of the current provision. It is expected that TUPE may apply to some staff but these are management functions

which are currently shared across other in house services so making TUPE unlikely for those staff where other organisations could gain the management economies of scale. There is current overlap between what is provided in-house and what is provided externally – there are 2 nurseries (horticulture) provided by voluntary sector providers one of which also has a coffee bar. There are other services concentrating on small woodwork projects. All are producing merchandise for sale and offer the potential to expand employment based activity. These services are accessed via spot purchase or direct payment. There would be efficiencies in identifying an alternative provider for the work with no major impact on the clients.

**H&AS4 Retender of Domiciliary Care across all care groups. Increased focus on improving quality and reducing/delaying future long term care needs of clients**

7. The proposal is to retender domiciliary care for the city, for both SCC and Southampton City Clinical Commissioning group (CCG). Snapshot data provided in July 2013 identifies that the domiciliary care market within Southampton currently provides care for approximately 1,810 people in any given week (1,750 SCC and 60 SCCCG). It accounts for a £20M spend (£15M SCC and £5M SCCCG). There are currently up to 75 providers (65 spot purchased and 10 framework providers contracted) working in the city and delivering care packages on behalf of SCC and the CCG.
8. There is a significant variation within the type and quality of care provided and in the rates charged. The aim of the tender is to significantly improve the quality within domiciliary care services and to ensure services are able to respond to changing needs and demands. Currently higher prices are paid in spot purchase as local provision is not available. The aim is to ensure the best value available within the market and this will release savings for both the council and CCG. There is a need to change the domiciliary care model as well to support the developments of personalisation across the city.
9. The design of the model of provision to be delivered through a framework agreement is proposed to address current areas of improvement by offering:
  - Greater flexibility and capacity
  - Clearer quality standards and performance indicators (KPIs) linked to contract terms and conditions which will support the drive for quality
  - A more streamlined systems approach as outlined in the service specification with a strong emphasis on promoting personalisation and independence
  - A requirement to deliver outcome based support using flexible care plans that shift away from minute by minute calls
  - A more generic approach focussing on need rather than diagnosis.
10. The costs to SCC of the services to be tendered will be met from within the existing domiciliary care budget held within the Health and Adult Services Portfolio.

11. This saving will be achieved through two main strands. The average price paid for Domiciliary care across all client groups will be reduced as a result of the new framework and negotiations with providers. Also the new framework will include an expectation that the long term care providers build in an element of reablement within the care they provide so as to delay existing clients needs from increasing and requiring more intensive support. Through more efficient and effective commissioning and improved clarity with providers there is a potential for savings to be released through this tender. This has been modelled and could range from £500,000 to £800,000 per year for SCC and £400,000 to £600,000 for SCCCG.
12. A proportion of the SCC saving has been included as a saving proposal for the 2014/15 budget. However, an element of the anticipated saving will be used to offset the growing pressure within the Learning Disability budget that has generated an overspend position in 2013/14.

#### **H&AS5 Review above standard cost Residential and Nursing Packages**

13. This proposal is to undertake a review of all current residential and nursing packages to achieve a 10% reduction in current above standard cost placements. It will also include better commissioning of placements that are required to be above standard cost to ensure best value and improved support in residential settings to maintain clients' independence and reduce the need for nursing care.
14. A review of placement costs has commenced using a nationally recognised tool Care Funding Calculator (which has generated savings of over 10% when used elsewhere) which is already releasing some savings.
15. In excess of 25% of the Residential and Nursing packages purchased by SCC are above the standard agreed weekly rate. (High cost placements are considered at £600 and over per week).
16. Some negotiations may lead to providers refusing to accept reduced rates. Where this is the case, risk assessments will be undertaken to determine the impact on the individual, alternative options and the risks associated with this.
17. The establishment of the Integrated Commissioning Unit and within this a Provider Relationships team will allow for a much improved focus in this arena. There will a "buyers /placement team" who will work with care managers and health colleagues to ensure effective placements are made initially so SCC and SCCCG don't continue with variable costs and outcomes into the future.

#### **H&AS 6 Review of placements for 1) clients with an Acquired Brain Injury (ABI) and 2) clients with a Learning Disability to ensure appropriateness of current accommodation**

18. There are some elements of the process outlined above for clients with ABI or learning disability to reduce cost of packages. However, there is more of a focus with this proposal in moving out of area clients back into the city to

improve usage of local resources and to increase use of supported living. The Department of Health (2007) highlights services commissioned for adults with complex needs should be based on local individualised support solutions which provide a good quality of life. The failure to develop appropriate services has led to an increase in the use of placements which are expensive, away from the person's home, and not necessarily of good quality. The CCG has some capital to potentially invest in this area to support availability of suitable accommodation.

19. There is a small element savings to be found in reviewing effectiveness of void payments, overnight cover arrangements and day care provision.
20. SCC predominantly uses one ABI rehabilitation service in the city. This service, while of good quality, is often full and has a number of individuals waiting to move into more appropriate accommodation following their rehabilitation. Speeding this process of positive move-on will enable the city to make the most appropriate use of this resource, reducing unnecessary costs, and supporting the rehabilitation plan of each individual.

#### **H&AS 7 Reviewing day service provision for older people and improving Community Options to support reablement**

21. This proposal is to achieve a 10% reduction in day care costs as a consequence of clients using direct payments to make their own choices which will lead to a reduction in the level of block contracting required. There will also be a development of community options to support reablement. Rationalising day care provision within fewer venues will lead to an 8% reduction in the cost of contracted Day Care from April 2014.
22. The current spend is approximately £1million across two providers and approximately 300 users are supported through these services. The contracts are being reduced as part of a process of reflecting a reduction in clients as a result of alternative choices being made by self-directed support clients, a reduction in eligible clients via Fair Access to Care.
23. Some clients will have a change of venue and may need support to adapt to this. There may be a problem for some carers who feel that the Day Care provides them with respite. Carers' assessments will be undertaken as part of the review.

#### **H&AS8 Remodelling through use of Social Care transfer funding allocated via NHS and maintaining eligibility criteria**

24. This proposal to use the transfer grant to maintain current eligibility criteria avoids reducing to critical only and maintains some current frontline services and staff posts.

#### **H&AS9 Savings from various recurring and one off contingencies no longer required**

25. Recurring savings from various areas of the Portfolio.

### **H&AS10 Remodelling in Substance Misuse provision**

26. Detailed work has already been undertaken to review substance misuse services within the city and to bring together a range of separate contracts. Linking the commissioning of adults and children's services and drug and alcohol services enables economies of scale including reduction of staffing within the Drug Action Team. Improved support reduces need for substance misuse packages. The revised service will be out to tender shortly. The staffing savings identified are two vacant posts.

### **H&AS11 Review of current Public Health supported services & refocus of investment to improve outcomes for children and young people and reduce health inequalities**

27. Review of services for early intervention to identify opportunities to remodel and integrate with other services. This is describing major commissioning review into the commissioned services that transferred across to SCC with Public Health. This could have a potential impact on the current provider organisations as services could be collated into a tender for a new model of provision.

### **H&AS12 Reduction in Nursing Block Contract Beds**

28. The council and CCG currently have a long term block contract with one provider for a number of Nursing home beds. This contract includes a clause which comes into effect in 2015/16 which would mean that the number of contracted beds could reduce. SCC will then be able to purchase from the market at the standard rate thus generating a saving. It is expected that the transfer of beds purchased from block to spot will occur evenly during the year and so a full year saving will not accrue until 2016/17.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

29. The overall proposed savings will be £6,811,000 in 2014/15

### **Property/Other**

30. N/A

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

31. S.101 Local Government Act 1972 and S.1 Localism Act 2011. Any procurements will be in accordance with the authority's Contract Procedure and Financial Procedure Rules, The Public Contracts Regulations 2006 and the EU Procurement Directives 2006, The Council is working to implement The Social Value Act into procurement. Officers are seeking to develop opportunities of applying the principles against any procurement.

### **Other Legal Implications:**

32. None

## **POLICY FRAMEWORK IMPLICATIONS**

33. The proposals in this report are wholly in accordance with the Council's budget and policy framework.

**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	None directly as a result of this report
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	None
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**Documents In Members' Rooms**

1.	None
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**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	Yes – all proposals have an impact assessment
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**Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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