



## **2018/19 Budget Proposals**

### **Scrutiny Report of Adult Care and Health Overview & Scrutiny Committee**

**January 2018**

## CONTENTS

	<i>Page</i>
<b>1 INTRODUCTION.....</b>	<b>3</b>
<b>2 BUDGET PROPOSALS - OVERVIEW.....</b>	<b>3</b>
<b>3 COMMITTEE MEMBERS' COMMENTS.....</b>	<b>4</b>

---

### **APPENDICES**

<b>1 Workshop attendance.....</b>	<b>7</b>
-----------------------------------	----------

---

## 1. INTRODUCTION

A dedicated 2018/19 budget proposals workshop for Members of the Adult Care and Health Overview and Scrutiny Committee was held on Tuesday 9<sup>th</sup> January 2018. This provided the committee members with the opportunity to examine in greater detail the budget proposals affecting services that fall under the remit of the committee. All of the budget proposals within the remit of the Committee were selected for further examination by the Chair and Party Spokespersons. This report summarises the proposals scrutinised and the comments and suggestions of Members attending the workshop.

Members agreed to the Chair's proposal that, following the workshop, a report summarising comments would be produced. Following sign-off by the Chair, Vice Chair and Group Spokespersons the report will be presented to the next meeting of the Adult Care and Health Overview & Scrutiny Committee on 30<sup>th</sup> January.

The Spokesperson for the Conservative Group requested that it be recorded that the Conservative members do not believe that a workshop is the appropriate way for the Cabinet's budget proposals to be considered by this Committee. The Group feel that discussions regarding budget proposals should be held in public, at a formal meeting of the Committee that is minuted and recorded. The Spokesperson, therefore, welcomed the Chair's statement that the budget proposals will be listed as an agenda item at the next meeting of the Committee.

## 2. BUDGET PROPOSALS – OVERVIEW

The Director of Health and Care delivered a presentation which provided an overview of the current budgetary position, the pressures that are anticipated for 2018/19 and the strategy to be employed to meet those pressures.

### **Current Budget Risks – 2017/18**

The key risks for meeting the budget in the current financial year (2017/18) were identified as:

- An increased demand for services in winter months;
- The increasing level of patients being admitted and discharged from hospital into social care;
- A challenge to fee rates offered to specialist care providers;
- An increasing use of 'top ups' across care home sector;
- A lack of capacity in domiciliary care market;
- Value of risk estimated at £1.5m, caused by the significantly high level of demand for services.

### **Budget Pressures - 2018/19**

In anticipation of the 2018/19 financial year, the following additional pressures have been identified:

- An ageing elderly (65+) population (increasing at the rate of 1.7% per year);
- Growth in number of young people with disabilities;
- Increase in the rate of inflation (2.9%) and the National Living Wage (4.4%);
- Loss of one-off Adult Social Care (ASC) Grant;
- Planned reduction in supplementary iBCF (Improved Better Care Fund) funding;
- Pre-agreed savings targets for Learning Disabilities and Mental Health (agreed in the Medium Term Financial Plan).

Although the overall budget (for 2018/19) has increased by £6.9m, there is an anticipated gap of £5.7m which will need to be met by a series of measures designed to ensure the management of demand.

Pressures	(£m)	Mitigation:	(£m)
Demographic Growth	2.7	Increase in iBCF	6.9
National Living Wage Impact	2.4	Social Care Precept	4.0
Inflation	1.0	Loss of ASC Grant	(1.8)
LD/MH Savings	2.0	Reduction in Supplementary iBCF	(3.2)
16/17 Contingency Payback	2.0		
Est. Pressure from 17/18	1.5	<b>Demand Management</b>	<b>5.7</b>
	<b>11.6</b>		<b>11.6</b>

### Proposed strategy for Demand Management during 2018/19

- Containing the cost of existing packages of care within the available budget;
- Enhancing the efficiency of partnership working;
- Investing in T2A (Transfer to Assess) and reablement services to reduce the demand for long-term care;
- Investment in extra care (for the older population) and specialist housing for people with learning disabilities;
- Increased pooling of budgets with Wirral CCG (Clinical Commissioning Group) to use the money to best effect;
- Re-commissioning of outcome-based domiciliary care;
- Increased promotion of self-care / self-management and effective signposting to alternative services.

### 3. COMMITTEE MEMBERS' COMMENTS

#### Demand Management

Members were informed that Demand Management is recognition of the need to make resources go further by reducing the unit cost. Examples cited include:

- **Extra care housing** - proposals to build additional extra care housing as a more cost effective alternative to residential care. Plans are being developed for a variety of sites across the borough. It was considered that slippage in the projects would add to the pressures facing services and this should be guarded against. It will be possible for a strategic plan naming specific sites and timescales to be made available to a future meeting of the Adult Care and Health Overview & Scrutiny Committee.
- **Learning disabilities** - provision of slightly larger units for people with learning disabilities will reduce overheads and therefore improve cost effectiveness. Members were reassured that there is no intention to develop large institutions and that key to the provision will be that service users will have their own front door albeit with support staff being shared.

Concerns were expressed by members regarding the ability of the Council to effectively control the demand for services and, therefore, deliver services within budget. A member commented that, although there is an intention to increase the availability of reablement in the community, members were informed at a recent committee meeting, that there were waiting lists for reablement services.

A member sought reassurance that, as the levels of funding for other Council services have been reduced, the proposed Council budget is deliverable and will be effective. Members were informed that the Council is under a legal obligation to provide care packages to meet the assessed entitlements. That element of the budget is significant as is the spending on children's social care. Members were informed that there are already pressures to achieve the required £6.0m savings set in the 2017/18 budget for Adult Care and Health. There are no easy answers as many services have already been stopped where there is the flexibility to do so.

Members were informed that the best use of the "Wirral pound" is in domiciliary care and reablement. In addition, there is a continued ambition to increase the promotion of self-care and maintain independence of people living in the community. An ongoing reduction in demand for nursing and residential care has already been detected which, in the long-term, will help to reduce the spending profile.

A member sought reassurance that demand management does not lead to a slowing down in activity and a lowering of standards. Members were informed that there are no plans to slow down assessment times as this would become counter-productive and people would become more poorly and needs would increase.

### **Top-up fees**

Members were informed that there has been a growth in the number of care homes offering services in return for payment of 'top-up' fees by service users / families. The development of this national trend is partly fuelled by the inability of Local Authorities to pay higher fees to providers. Members were informed that it is important for the Council to provide a balance between giving Council tax payers value for money while also supporting the sector. It is not possible legally to prevent providers from asking for 'top-up' fees.

### **Increasing demand for acute hospital services**

Members were informed that the level of demand coming through the hospital so far this winter has been far higher than anticipated. This has led to an increase in demand for social care. However, through the Better Care Fund (BCF) there has been a pooling of resources with the NHS. The increase in demand must be seen in a health and social care context.

There has also been an increase in the acuity of patients presenting during the last 3 weeks. Although a robust plan to absorb winter pressures had been in place it has now proven necessary to make available an additional 40 beds in the community and at Clatterbridge. This situation, although very challenging locally, is a reflection of the national picture.

At a national level, the long-term plan is to reduce spend in acute hospital facilities while investing more in community provision. However, the conundrum is that the acute hospital spend must be maintained until community care is built up to such a level as the demand for acute services starts to reduce. It was confirmed that the NHS contributes to the BCF as well as providing funding for Continuing HealthCare and the NHS-funded nursing care.

### **Relationship between the housing sector and social care**

A member sought reassurances regarding the impact of the funding gap (and increased demand for services) on the social housing sector acknowledging that, in order to maintain people in the community, it will be necessary to work with the social landlords to ensure that facilities are available to keep people in their own homes. Members were informed that the housing budget is not part of the pooled resources. The only funding implications for the Council are the Supporting People budget which is employed to support vulnerable people. In addition, the Disabled Facilities Grant (DFG) is a means-tested financial grant to help meet the cost of adapting a property where a person with disabilities lives. This grant is passported from the Better Care Fund to the Council, which is responsible for delivering the service. Social workers will assess the needs of the client; the relevant housing provider will arrange for any work to be carried out.

## **Appendix 1 – Workshop Attendance**

### **Members of Adult Care and Health Overview & Scrutiny Committee:**

Julie McManus (Chair)

Bruce Berry

Wendy Clements

Gerry Ellis

Phil Gilchrist

Adrian Jones

Moira McLaughlin

Christina Muspratt

Tony Norbury

Tracey Pilgrim

Leslie Rennie

Paul Stuart

Irene Williams

### **Officers:**

Graham Hodgkinson     Director for Health & Care

Jacqui Evans             Assistant Director Integrated Commissioning

Andrew Roberts         Senior Finance Manager

Matthew Gotts            Principal Accountant

Carl Gurnell              Team Leader, Performance & Scrutiny

Alan Veitch                Scrutiny Officer

### **Apologies:**

Cllr Paul Doughty

Cllr Treena Johnson