

# Social Care & Health Financing Adult Social Care: Briefing on changes arising from the budget

6

## Purpose

1. To brief Members of the budget allocation for 2011/12 for adult social care services, and the impact this has had on the services provided by the Adult Social Care and Health portfolio.
- 1.1 Members will be aware that the County Council is required to save £168 million over the four years 2011/12 to 2014/15. Over the same period the council will be reinvesting £72.9 million in meeting additional budget pressures largely in services for vulnerable adults and children.
- 1.2 The Adults Social Care and Health portfolio will be delivering savings and efficiencies of approximately £62.1 million over a four year programme between 2011/12 and 2014/15. Out of this, a total of £26.6 million of savings and efficiencies are to be delivered during 2011/12. Additional budget pressures allocations to the Adult Social Care and Health Portfolio will total £44.8 million over the next 4 years of which £12.6 million will be made available in 2011/12.
- 1.3 The gross budgeted expenditure for the Adult Social Care and Health portfolio for 2011/12 is £305 million. Budgeted income is £86 million, resulting in a net revenue budget of £219 million. This sum is primarily to provide services for older people, people with physical or sensory disabilities, people with learning disabilities, and people with mental health needs. The budget also includes provision for some expenditure on other adult services and for strategic management and support services costs. A breakdown of the budget by these respective service groups is set out below:-

	Gross expenditure	Income	Net expenditure
	£M	£M	£M
Older People	138	40	98
People with Physical or Sensory Disabilities	34	13	21
People with Learning Disabilities	96	29	67
People with Mental Health Needs	14	2	12
Other Adult Services	14	1	13
Strategic Management and	9	1	8

	Gross expenditure	Income	Net expenditure
Support			
	<b>305</b>	<b>86</b>	<b>219</b>

- 1.4 The net revenue budget for 2011/12 is approximately £11 million less than the corresponding budget for 2010/11. A summary of the changes in the budget between 2010/11 and 2011/12 is shown below:-

	£M
original Budget 2010/11	230
Net Transfers to Other Portfolios	( 3)
Budget Pressures Allocation	13
Budget Reductions	( 27)
Inflation	<u>6</u>
Original Budget 2011/12	<u>219</u>

- 1.5 During 2010/11, the department completed a review of all of its services to determine which services the department has a statutory duty to provide either directly or through external providers, and which of its services are discretionary. The reviews also considered what changes could be made to services in order to reduce costs and thereby be delivered more cost effectively. Equality Impact Assessments were also completed as part of this process.
- 1.6 The outcome of the service reviews informed the proposals that were considered by Full Council in October 2010 and which were then subject to a comprehensive consultation exercise running from October 2010 though to late January 2011.
- 1.7 The savings and efficiencies proposals were and approved in February 2011, by Full Council where members also approved the budget for 2011/12.
- 1.8 Officers within the Department have been working with the Improvement Director and the Improvement Team to put together the implementation and delivery plans, and various activities and programmes have already commenced in order to enable the Department to meet its savings and efficiencies requirements of £26.6 million for 2011/12.
- 1.9 The portfolio savings and efficiencies programme has a total of 44 projects of which are 8 high governance projects and 36 are low governance projects.
- 1.10 The high governance projects make up over half of the overall savings required by the department over the four year period. A brief description and their current saving profiles are listed below:

### **Reablement and Home Care Service – £1.575 million over two years**

This project entails further development of reablement services to help reduce people's reliance on long term packages of care by re-enabling service users to retain and/or regain their independence. Some NHS funding is being provided to Councils by the Government for priorities that support social care. In Nottinghamshire, part of this funding is being used to support reablement with a view to reducing the need for long term care packages. The profile of the savings is:

2011/12 £875K  
2012/13 £700K

**Reduction in Community Care spend through review of eligibility and support packages - £4.425 million over two years**

Following approval at Full Council in February, the 'Fair Access to Care services' (FACS) eligibility criteria were raised so social care services would be provided to people who were assessed as having 'critical' or 'substantial' risks to their independence. Those people assessed as 'moderate' risk to their independence would no longer be eligible for services. With effect from 1<sup>st</sup> April, all service users are being reviewed with the aim of reducing the hours of support where appropriate and determining more cost-effective ways of service delivery. The savings profile is:

2011/12 £2.425 million  
2012/13 £2.000 million

**Day Services Modernisation - £4.982 million over three years**

Subject to approvals at Full Council on 30<sup>th</sup> June, the modernisation of day services will deliver savings and efficiencies of £5m. This will entail reductions in the number of the Council's internal day centre buildings from 35 to 14, and development of a multi-care group model of day service provision from 13 of the buildings. In addition to this, one of the buildings will become the base of Supported Volunteering to be established for people who have mental health issues. The profile of the savings is:

2011/12 £0.600 million  
2012/13 £1.216 million  
2013/14 £3.166 million

**Reductions in the use of residential care and develop alternatives – approximately £2.708 million over four years**

Relative to other councils, Nottinghamshire continues to place a higher number of people in residential care. This project aims to reduce the number of people entering residential care through the extension and development of alternative services including extra care, outreach extra care, use of assistive technology and other community based services. The savings profile is:

2011/12 £0.190 million  
2012/13 £0.280 million  
2013/14 £1.133 million  
2014/15 £1.105 million

**Sale of the Council's Older People Care Homes - £2.500 million over two years**

The Council is currently seeking to sell its 12 older persons' care homes as going concerns. The tender process is underway and evaluation of tender bids is currently being completed. The savings profile is:

2011/12 £1.250 million  
2012/13 £1.250 million

### **Reductions in expenditure on Learning Disability and Mental Health Community Care – approximately £5.124 million over four years**

Members may recall a report to committee detailing the programme to reduce the commissioning expenditure for Learning Disability and Mental Health community care budgets and the associated projects relating to this including identifying savings through the use of the Care Funding Calculator, expanding supported living services as an alternative to residential care, outsourcing the Council's directly provided supported living service, reviewing NHS funding transferred to the Council, developing assistive technology solutions, and reducing the packages of community based support packages. The savings profile is:

2011/12	£1.281 million
2012/13	£1.281 million
2013/14	£1.281 million
2014/15	£1.281 million

### **Reductions in Supporting People services - £10 million over four years**

The majority of services funded from the Supporting People budget are discretionary. Following two comprehensive consultation exercises, the proposal is to reduce the level of funding in most areas of service provision with a view to targeting the remaining Supporting People funding for services that meet the needs of the most vulnerable people. Most accommodation based services will continue to be funded, albeit at reduced levels. Floating support services, which offer support to people in their own homes, will be commissioned jointly across different service user groups, thereby reducing costs and management overheads. Community alarm and warden services will be reviewed so that the services are targeted at those people with the greatest need to enable them to remain independent in their own homes. The savings profile is:

2011/12	£2.423 million
2012/13	£4.071 million
2013/14	£2.915 million
2014/14	£0.591 million

### **Organisational Redesign - £2.909 million over two years**

This project includes a number of initiatives to restructure the department, including reducing the staffing compliments. The first phase of the project has already been completed, removing a tier of senior managers consisting of 65 Service Heads, Locality Managers and Service Managers, and replacing them with 19 Group Managers. Work is underway to restructure the staff levels at tiers 5 -7. The savings profile is:

2011/12	£1.800 million
2012/13	£1.109 million

- 1.11 Altogether, the above high governance projects make up £34.2 million of the savings required for the four year period. Each of the projects is governed through a Project Board, lead by a Service Director, with representation from the Corporate Improvement Programme, HR, and Finance colleagues.

- 1.12 In addition to the high governance projects, there are a large number of other low value and low governance initiatives also underway. Each of the initiatives has their own savings and efficiencies targets and project plans and is subject to rigorous governance and reporting arrangements.
- 1.13 The Project Leads for each of the initiatives, including the high governance projects, submit reports to the Department's Business Improvement Board which meets monthly. One of the key roles of the Board is to note progress on each of the initiatives, and to consider any issues or risks that are identified which may compromise the realisation of the savings. The Board is required to ensure that all risks are mitigated against to ensure the savings requirements do not become compromised. Additionally, each of the initiatives is reported to the Corporate Improvement Programme on a monthly basis.

**Recommendations:**

2. It is recommended that the Joint Health committee consider and comment on the information provided

**Councillor Ged Clarke**  
**Chair of Social Care and Health**

Lead Officer: Caroline Baria

Scrutiny Co-ordinator: [martin.gately@nottscc.gov.uk](mailto:martin.gately@nottscc.gov.uk)

Background papers: nil