

	<p style="text-align: center;">Performance and Finance Select Committee</p> <p style="text-align: center;">4 November 2008</p> <p style="text-align: center;">Report from Director of Housing and Community Care</p>
<p>For Information</p>	
<p style="text-align: center;">Budget Pressures within Adult Social Care and Resources for Transformation</p>	

1. Summary

This report sets out progress on the implementation of Adult Social Care Transformation to date and provides an up-date on the budget for Adult Social Care in 2008/09. It describes what ASC Transformation is and what it is aiming to achieve and successes achieved in 2007/08. It explains what the Social Care Reform Grant allocation to Brent Council is and what central government expects to achieve through the payment of the grant. The report details the likely cost of delivering Transformation in 2008/09 and the budgeted savings to be achieved. It states that the budget for ASC is projected to overspend at the end of 2008/09 and measures being taken to control spending.

2. Recommendations

That Performance and Finance Select Committee notes this report and in particular the allocation of £460,000 of Social Care Reform grant to Brent Council for 2008/09 with additional sums payable up to 2010/11.

3. Detail

3.1 What is Adult Social Care Transformation?

ASC Transformation is a programme to radically change how services operate. It is doing this by:

- Bringing in the best new ideas for ways to deliver services
- Asking what outcomes the department is trying to achieve and looking at the best way to get those outcomes for clients
- Using modern management techniques to measure effectiveness and delivery
- Focusing on clients' needs and how best to provide them while maintaining independence as far as possible in the communities in which people live.

Appendix A provides more detail.

3.2 What has been achieved so far?

A clear framework for ASC Transformation has been established. There are monthly meetings of the Transformation Board with representatives of all departments, the corporate centre and Brent PCT. The highlights are:

- Good links with national sources of expertise and best practice
- A clear direction for change and ambition to improve services for clients
- Budget savings of £0.875m achieved in 2007/08
- An increase in direct payments for social care in all client groups – with learning disabilities now being one of the highest rates nationally.
- In-house team of staff working full-time on Transformation.

Further details are provided at Appendix B.

3.3 Social Care Reform Grant

3.3.1 Government Policy

Government policy is clear and is steadily reinforced by the Green paper: *Independence Well Being and Choice*, (in 2005) and in the White Paper: *Our Health, Our Care, Our Say* (in 2006) and the concordat *Putting People First 2007*; together with other government publications, the assessment criteria of the Commission for Social Care Inspection (used in their annual inspections) and ministerial speeches. The policy direction is to increase the personalisation of adult social care, calling for more choice, more preventative services, the promotion of well-being and more control by users of services. This means less directly provided care, fewer institutional settings and less intervention at a crisis stage.

3.3.2 Social Care Reform Grant

This grant reinforces central government's commitment to change how services are delivered and provides resources for councils to fund the cost of change. £511m has been made available to councils in England to support the delivery of transformation of social care. Brent's allocation is shown below.

Year	Annual Allocation	Increase
2008/09	£460,000	£460,000
2009/10	£1,069,000	£609,000
2010/11	£1,309,000	£240,000

The grant is to fund reform and redesign of service delivery together with training. Specifically the grant is to fund:

- Changing the social care system to be more flexible and efficient: so that it delivers outcomes focused on peoples' needs
- Promotes independence for clients
- Gives power to clients
- Integrates services from the NHS and councils

The grant is not ring-fenced and spending is mainly likely to be reviewed through the CSCI inspection process rather than through formal auditing of grant spending. Further information on what central government state that the grant to achieve is given in Appendix C.

3.4 Cost of Delivering Adult Social Care Transformation

The department has sought to use existing council resources and free external consultancy wherever possible. Nevertheless, a programme of this scale and complexity has a cost to deliver. Spending on Transformation has cost / is budgeted to cost:

2007/08	£187,000 - actual
2008/09	£430,000 – planned
2009/10	£14,000 – planned

It is planned that a significant proportion of the £430,000 will be funded either from capital grant or spend to save resources. A specific capital grant has been made available by central government.

Further details are provided in Appendix D.

3.5 Budget Savings from ASC Transformation

Targets were set for savings from ASC Transformation for 2007/08 and 2008/09:

2007/08	- £1m.
2008/09	- £1.642m

Details of specific savings targets are provided at Appendix E. These savings reflect current work and are subject to change as projects evolve. The nature of Transformation means that we are not implementing an existing blue-print but the department is working out what the shape new services should have and priorities

for implementation. A Budget Working Group meets twice monthly to monitor and up-date the savings and the costs of the programme.

3.6 Next Steps

ASC Transformation has a detailed and evolving work programme for 2008/09 and 2009/10. The performance of the department will be assessed by CSCI and delivery of the Transformation / Social Care Reform agenda will be key in assessing the department's capacity to improve and hence the CSCI's scoring of the department. CSCI already assesses the department as *improving well* and we have ambition to move to *excellent prospects*. A key target for the department is delivery of the savings of £1.642m of savings for 2008/09.

3.7 Delivery of a number of projects has fallen behind schedule and total savings for 2008/09 are now projected to £0.640m less than budgeted. The main areas where savings are not projected to be achieved are listed at Appendix E.

Officers are working urgently to speed up the delivery of projects and to more accurately calculate the full savings due from them. This should lead to higher levels of savings being achieved: e.g. in the areas of extra-care sheltered housing and Direct Payments for social care.

3.8 Budget 2008/09

The budget for 2008/09 is forecast to overspend by £0.617m by 31 March 2009. Details are provided at Appendix F with a commentary on the main variances. Measures are currently in place to control and closely review spending. Plans are being prepared to reduce spending with the aim of ending the financial year on budget. This is a challenging target for the department.

3.9 Budget 2009/10

The Executive at its meeting on 14 July 2008 set Adult Social Care a target of balancing its budget at 31 March 2010 and 31 March 2011. Within the department plans have been prepared to bring the budget into balance by 31 March 2010. These plans will require the agreement of members as part of the budget setting process leading to the budget setting council meeting in March 2009.

There are two main risks for the department:

- Inflation is currently running at 5.2% (RPI September 2008) – the department spends £62.555m on purchasing care services each year. A 1% increase in these costs is £0.625m. Higher inflation is partially off-set by higher charges. However, a 1% increase in charges brings in an additional £134,000 – leaving a gap of £0.491m.
- An increase in the numbers of people who are eligible for services. Generally client numbers are relatively stable. However, small numbers of expensive clients can lead to spending above the budget. In Learning Disabilities it has been calculated that

there is a risk that 61 people may come forward and request a service or a significantly higher level of service in 2009/10. For many of these clients it is extremely likely that they will need a service: e.g. children becoming adults and people with learning disabilities being discharged from hospital.

4. Financial Implications

The report has detailed the net savings target of £1.642m for 2008/09 from Transformation. The savings target for 2007/08 was £1m against which savings of £0.875m were achieved. Agreeing or noting this report has no further financial implications for the council.

5. Legal Implications

There are no specific legal implications for this report. A key element of successful implementation of the reform agenda is consulting with service users and involving them in designing future services. This approach is likely to minimise the risk to the council of legal challenge (with associated delays and costs) to its Transformation programme.

6. Diversity Implications

There are no specific diversity implications arising from agreeing this report. Maintaining and improving access to services is a key driver of the Transformation process. The approach taken by central government aims to put the client in control based on the approach that they know best how to meet their social care needs.

7. Staffing/Accommodation Implications (if appropriate)

Agreeing this report has no specific staffing or accommodation implications. One of the work streams is aiming to maximise staff effectiveness and this is likely to include new and different ways of working. This will reduce the accommodation footprint of the department by enabling staff to work effectively outside normal office accommodation. E.g. in hospital wards.

11. Background Papers

The Green Paper: *Independence, Well Being and Choice*
White Paper: *Our Health, Our Care, Our Say*
Government publication: *Putting People First*.
CSCI inspection standards and criteria.

12. Contact Officers

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Appendix A

What is Adult Social Care Transformation?

The department's Transformation programme was launched in April 2007. It is managed by a Board on which all departments and Brent PCT are represented. Its aims are to ensure the delivery of a programme of work within Brent that contributes to improved outcomes for service users of adult social care and delivers efficiencies for the Council. In particular the programme is seeking to ensure that by 2010:

- 50% of service users are on self directed support and we use 50% less homecare hours
- Residential and nursing placements (the most expensive type of care) are reduced by 50% and clients are offered care at home instead.

Currently the programme covers 7 priority areas as follows:

1. Self Directed Support

Implement arrangements which place service users in control of their own care.
Increase the number of direct payments and introduce individual budgets

2. Modern Day care

Re-provide existing institutional day care and produce community based solutions focusing upon user centred outcomes including education, employment and leisure.

3. Transport

Look at clients' transport needs and find efficient and effective ways to meet those needs.

4. Assessment and Care management

Redesign the assessment and care management process in order to change the way we assess and review service users and identify efficiencies.

5. Maximising staff effectiveness

Review the roles and responsibilities of qualified, non qualified and administration staff.
Review Adult Placements Scheme.

6. Residential care and Nursing Commissioning Board

Programme of projects implementing the commissioning strategy for residential care and nursing. Includes less use of residential care, moving clients from residential care and nursing, developing extra care housing, and delivering a move-on strategy.

7. Establishing a Service Development and Commissioning Unit

Implementing new teams within the department in order for us to improve value for money and the responsiveness of services to clients' needs.

Bringing in the Best New Ideas

The Transformation programme has identified and worked with a number of the leaders in social care change. A number of these are based in the Department of Health's consultancy arms (Care Services Efficiency Delivery Team and Care Services Improvement Programme). They have provided expertise on improvements in:

- Homecare
- Residential care
- Assessment and Care Management
- Learning Disabilities
- Contracting and Commissioning
- Fairer Pricing of residential care
- Self-directed support

Some successes of Brent ASC Transformation Programme

The programme has set a very clear policy direction for the department over the next few years and is in line with the national policy direction. This direction now needs to bear fruit in terms of real operational change and changing the focus of services. Some noteworthy success includes:

- Programme overseen by monthly corporate Transformation Board
- 7 Priorities in programme agreed along with final terms of reference.
- Transport phase 1 report for change delivered in April 2008 with recommendations for efficiencies from consultants (Northgate Kendric-Ash)
- Increase in Direct payments across all client groups but especially in Learning Disabilities
- Self Directed Support pilot in Learning Disabilities
- Savings of £875K achieved for 2007/08.
- Savings target of £1.64m for 2008/09
- In-house team of staff identified to work full time on the Programme,
- External resources being utilised for programme including the Care Services Improvement Programme (DOH) Catalyst for Change, the DOH Care Services Efficiency Delivery team, an offer from IDeA (to be explored), RSe and Suffolk County Council
- Modernising Day care programme underway
- Involvement of front line staff in redesigning the assessment and care management process. Aiming to cut duplication and focus on the customers' experience.
- Brent work on Assessment and Care Management redesign showcased at Care Services Efficiency Development national event
- Transformation Board received presentation on modernising day care from front line staff. Moving away from institutional care towards delivering what clients need.
- Extra care Housing, new extra care commissioning post to be recruited to
- Head of Service Development and Commissioning recruited.
- Organisational Development strategy agreed by Board in December 2007.
- User and Carer involvement strategy agreed by Board.

What Central Government Expects from Social Care Reform Grant Spending

Central government has announced a grant to encourage local councils to modernise their social care services. The grant is to fund reform and redesign together with training. Specifically the grant is to fund:

- Change in the social care system away from traditional service provision with its emphasis on inputs and processes towards a more flexible, efficient approach that delivers the outcomes people want and need and promotes their independence, well-being and dignity.
- Move resources and culture from intervention at the point of crisis towards early intervention focused on promoting independence and improve wellbeing in line with the needs of the local population, reach out to those at risk of poor outcomes.
- Involve people in how services are provided
- Give clients power to buy and chose their own services
- Provide seamless services across a number of organisations that are about users' needs rather than institutional boundaries.
- Raise the skills of the workforce
- Develop leadership

In particular the following will be required by 2011:

- An integrated approach with the NHS
- A commissioning strategy that maximises choice
- Much better information that covers all services
- Assessments of social care need that use self-assessment and give control to users
- Personal budgets for all service users: people know how much they can spend and have control over money to buy care
- Involving carers and skilling them
- Developing advocacy and brokers to support choice for people
- Safeguard vulnerable people
- For councils to be up-to-speed with best practice.

Planned Spending on Delivering Transformation Projects in 2008/09

No.	Name of Scheme	Cost 2008/09	Detail
1.	Direct Payments	4,000	To increase the take-up of direct payments for care: replacing directly provided homecare.
2.	Day Care	83,400	Cost of reviewing clients receiving day care to ensure that services are most appropriate for clients' needs
3.	Alternatives to Registered Residential Care	10,000	To promote the development of extra-care sheltered schemes. The aim is to increase capacity and to provide more choice for clients and in particular to provide an alternative to going into a registered care home. Particular focus on expanding extra care for clients with dementia.
4.	Assessment and Care Management	7,500	To review the function to provide a more efficient service, focus on outcomes for clients and achieve savings in the cost of the service.
5.	Fairer Pricing Tool	120,000	To employ specialist consultants to review clients in residential and nursing homes and ensure that the cost of their care is appropriate for their needs.
6.	Mobile. Remote and home working	40,000	To run a pilot to measure the effectiveness of mobile, remote and home working for assessment and care staff. To evaluate this pilot with a view to making it the normal way of working for this type of staff.
7.	Framework I Financials	82,860	To implement the financial monitoring elements of Framework i. Framework I is currently the department's client record system. The new functions will track all payments back to clients and replace a number of inefficient IT systems.
8.	Better information	14,033	The NHS Direct website increasingly sets the standard for helping customers understand their health and how to best access health care. Central government are encouraging local councils to implement a version

No.	Name of Scheme	Cost 2008/09	Detail
			focusing on social care. The website would tell customers about services, when they can best help, how people can help themselves and what choices are available to them to meet their needs.
9.	Organisational Development	67,950	A programme to train and develop staff so that they know about how services are changing and to ensure that they have appropriate professional skills.
10.	TOTALS	429,743	

Transformation Savings Targets 2008/09

	Area	Savings Target 2008/09 £	Comment
1.	Resource Allocation System	80,000	Reduce the cost of high-cost placements for Learning Disabled clients using a resource allocation model rather than directly supplying care.
2.	Provide Direct Payments to clients	592,486	Replace directly provided homecare with a payment that will enable the client to buy the care they need.
3.	Learning Disabled clients moving from school to adult services	350,000	Review care packages and deliver what clients need at lower cost.
4.	Alternatives to registered residential care	239,514	Provide 40 additional extra care sheltered flats to replace residential care homes
5.	Fair Pricing of residential care	240,000	Review residential care placements to ensure that the cost is appropriate given clients' needs.
6.	Transport	40,000	First part of a 3-year programme to review directly provided transport, deliver great efficiency and make savings.
7.	Review of Assessment and Care Management	100,000	Design new structures that are more efficient, give clients a quicker response, simplify the process for clients, supports more self-direction and achieves savings
8.	TOTALS	1,642,000	

Transformation is a relatively quickly evolving programme. The estimates above are by the nature of these changing projects provisional. They are regularly monitored and reviewed.

Reasons for Non-delivery of Transformation Savings 2008/09

	Savings Shortfall	Commentary on Non-delivery
1.	£480,184 on switch to direct payments for care	Good success in take-up in Learning Disability and Physical Disabilities. Brent Learning Disabilities now has the best take-up rate in London. Much poorer take-up among Older People. Some older people believe that managing their own carers will be difficult and place a greater emphasis on this than the freedoms a direct payment would give. There is a new campaign to get older people to take-up direct payments: bringing in learning from other councils and providing clients with support to address their concerns about problems managing carers. Brent is still behind the best performing councils but is now average in terms of take-up of direct payments.
2.	£40,000 on use of the Fair Pricing Model for residential care	Very substantial savings have been achieved in Learning Disabilities. Specialist agency has been brought in to increase the number of Fair Pricing reviews and negotiations that can be completed.
3.	£119,757 on Extra Care Sheltered Housing	The aim was to identify 40 suitable units of sheltered housing and convert them progressively to extra care sheltered housing. It has been harder to find suitable units than planned and the achievement of this saving depends on a suitable unit being designated by January 2009.
4.	£639,941	Totals

Appendix F

Adult Social Care Budget Monitor as at 31 August 2008

Revenue Budget 2008/09

Service Area	Budget 2008/09 £'000	Actual to Date £'000	Projected Outturn at 31 March 2009 £'000	Variance £'000
Older People	39,420	16,715	38,867	-553
Learning Disabilities	18,219	7,552	18,638	419
Physical Disabilities	11,974	4,795	12,321	347
Mental Health	9,217	4,596	8,946	-271
Support Services	5,265	2,364	5,940	675
Emergency Duty Team	282	89	282	0
Voluntary Sector	2,159	896	2,159	0
Total	86,536	37,007	68,534	617

The main factors behind these projected variances are:

	Service Area	Reason for Budget Variation
1.	Older People	Lower levels of nursing placements than budgeted
2.	OPS, LD and PD	Higher levels of Direct Payments than budgeted
3.	LD	Higher level of spending on external day care than budgeted
4.	PD	Higher spending on equipment than budgeted Higher levels of residential and nursing placements than budgeted
5.	Support Services	Lower level of recharge to Children and Families Department than budgeted, higher charge for IT and higher legal costs than budgeted