

Report Title:	Adult Social Care Investment Plan
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Cllr David Coppinger – Lead Member for Adult Services, Health and Sustainability
Meeting and Date:	Cabinet, 25 May 2017
Responsible Officer(s):	Alison Alexander – Managing Director
Wards affected:	All

www.rbwm.gov.uk



REPORT SUMMARY

1. The Royal Borough is committed to our adult residents who need support and assistance. In 2016/17 additional resource was invested to increase the level of service. Further investment is planned for the next three years which will bring the total investment to £28.5 million. The resource will increase the level of front line services, such as includes:
 - More residential care home beds for older people with dementia and people with learning disabilities.
 - More nursing beds to enable residents to leave hospital faster.
 - Ensuring the salaries of the social care workforce is in line with the national living wage of £7.50 an hour.
2. In making an additional investment the Borough is working closely with the local Clinical Commissioning Groups to ensure our services are sufficiently integrated to improve resident's lives.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet notes the report and agrees:

- i) **The Adult social care investment plan set out in 2.4.**

2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The Borough has a growing older people population because it is a good place to live, for instance the number of people aged 85-89 and 90 plus is forecast to increase year on year over the next five years. This growth will continue at the same rate into and through the next decade. Given the general population growth there is an anticipated growth by 16% of older people with dementia to 2020.
- 2.2 Some of our older residents require support from adult social care. Domiciliary, residential and nursing care for older people continues to increase. To meet this increase in cost the Council proactively invested an additional £3.6 m into the Adult Social Care budget in 16/17. As the population continues to grow further investment will continue from the adult social care precept, £1.8m for 2017-2018 and the improved Better Care Fund, £1.3m in 2017-2018.

- 2.3 The additional investment will ensure more resident's needs are met through:
- More residential beds for older residents and those with learning disabilities.
 - More nursing beds for residents with dementia and or other complex needs.
 - Increasing the wage of domiciliary workforce. Raising their hourly rate in line with the national living wage – to £7.50 per hour.
 - Meeting the increased cost of care in nursing and residential homes.
- Note: the investment will assist the Borough to ensure that residents are able to leave hospital by having responsive services in place.
- 2.4 A sustainable strategy for allocating the additional investment against forecast demand has been developed to benefit residents until 2020 see table 1 and section 4 for the financial details.

Table 1: Investment strategy

	Additional Resource	2017/18	2018/19	2019/20
1	Adult Social Care precept income & iBCF	£4,420,000	£6,591,000	£6,720,000
	Area of investment			
2	Demography: growth in the size and complexity of the needs of older people.	£750,000	£1,500,000	£2,250,000
3	Supporting the local care workforce by investing in quality value for money provision that pays staff the National Living Wage.	£200,000	£400,000	£600,000
4	Meeting higher needs of residents with dementia by increasing the investment in residential and nursing homes. Investment will continue to reduce hospital delays.	£260,000	£790,000	£390,000
5	Investment in four additional social care staff, required to meet current demand for assessments and reviews across the social work teams.	£154,000	£154,000	£154,000
6	Continued investment in preventative services against a backdrop of Public Health Grant reductions of 2.6% per year.		£150,000	£275,000
7	Initiatives delivered in partnership with the Clinical Commissioning Group to reduce hospital delays, including additional homecare resource, care staff and step down beds.	£200,000	£200,000	£200,000
8	Start up costs for Optalis including management and pension to ensure that the new model is resilient and subsequent savings are delivered.	£533,000	£533,000	£533,000
9	Investment in existing services to meet forecast cost increases	£700,000	£1,300,000	£1,900,000
10	Investment in adult social care in 2016/17	£3,600,000	£3,600,000	£3,600,000
	Totals *	£6,397,000	£8,627,000	£9,902,000

Table 2: Options

Option	Comments
To agree ASC investment strategy. The recommended option	The strategy is designed to ensure that investment in adult social care delivers the required outcomes for borough residents.
Not to agree the ASC investment strategy Not recommended	This will not deliver the requirements of residents.

3. KEY IMPLICATIONS

Table 3: Key implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Investment plan delivers a balanced adult social care budget	Budget not balanced	Budget balanced	0.5% underspend	1% underspend	31 March 2020

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The adult social care precept of 2% in 2016/17 raised £1.2 million and an additional 3% in 2017/18 raises £1.85 million. The Royal Borough can raise a further ASC precept of 3% in 2018/19 which would raise an additional £1.9 million. The additional precept has been invested in front line adult social care, details of this investment are published on the council's website.
- 4.3 The new improved Better Care Fund resource of £2 billion nationally, allocates £3.4 million for the Royal Borough over three years. This is in addition to the 2015 Spending Review allocation of £1.4 million to the Royal Borough over the two years 2018/19 and 2019/20. These two funding streams provide £1.37 million in 2017/18, £1.64 million in 2018/19 and £1.77 million in 2019/20.
- 4.4 The conditions applied to the improved Better Care Fund are that the additional resource meets adult social care needs and reduce pressure on the NHS. The resource is being channelled through the existing Better Care Fund pool, currently £10.2 million for the Royal Borough. Our Clinical Commissioning Group partners are heavily involved in determining how we use the resource to meet need and specifically reduce delayed transfers of care from hospital.
- 4.5 in respect of the current financial year the strategy commits the Royal Borough to invest and additional £1,370,000 in the following four areas:
- £750k for demographic growth.
 - £260k for nursing care.
 - £200k for National Living Wage.
 - £200k for new initiatives to reduce delayed transfers of care.
- 4.6 The appendix to this report sets out in tabular form a summary of the adult social care precept income the council would expect to receive since the precept commenced in

2016/17, on the assumption its option to raise a further 3% precept in 2018/19 is taken up. Added to this is the additional “improved Better Care Fund” allocations up to 2019/20 as notified by the Department of Health. This additional resource is set against the expenditure commitments and initiatives of the Royal Borough in respect of adult social care pressures. The table shows that under this plan for the four year period 2016/20 the council would invest £9.6 million in addition to the £18.9 million income it would raise from the adult social care precept and iBCF funding.

Table 4: Financial impact of report’s recommendations

REVENUE	2017/18	2018/19	2019/20
Addition	£1,370,000	£3,600,000	£4,875,000
Reduction	£1,370,000	£3,541,000	£3,670,000
Net impact	£0	£59,000	£1,205,000

5. LEGAL IMPLICATIONS

- 5.1 The two new funding sources: locally set adult social care precept and improved Better Care Fund come with accounting conditions to the Secretary of State and Department of Health respectively. Conditions are being met.

6. RISK MANAGEMENT

Table 5: Impact of risk and mitigation

Risks	Uncontrolled Risk	Controls	Controlled Risk
In year pressures from newly arising need outside of planned demography	High	Close budget monitoring and finance reporting in relation to the adult social care budgets.	Low

7. POTENTIAL IMPACTS

- 7.1 The impacts of the plan will have a positive impact on older people and those working age adults who have a disability or vulnerability.

8. CONSULTATION

- 8.1 The report will be considered by Adult Services and Health Overview and Scrutiny Panel on 17 May 2017, comments will be reported to Cabinet.
- 8.2 Consultation has also taken place with the two Clinical Commissioning Groups.

9. TIMETABLE FOR IMPLEMENTATION

Table 6: Implementation timetable

Date	Details
25 May 2017	Investment plan agreed
From June 2017	Implementation of the investment initiatives outlined in table 1.

10. APPENDICES

Appendix 1. Summary of Adult Social Care finance Strategy 2016-20.

11. BACKGROUND DOCUMENTS

11.1 None.

12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr David Coppinger	Lead Member	21/4/17	28/4/17
Alison Alexander	Managing Director	27/4/17	28/7/17
Russell O'Keefe	Executive Director	21/4/17	
Andy Jeffs	Executive Director	21/4/17	25/4/17
Rob Stubbs	Section 151 Officer	21/4/17	25/4/17
Terry Baldwin	Head of HR	21/4/17	25/4/17
Mary Kilner	Head of Law and Governance	21/4/17	25/4/17

REPORT HISTORY

Decision type: Key decision : April 2017	Urgency item? No
Report Author: Nick Davies , Service Lead Commissioning Adults 01628 683614	

Appendix 1. Summary of Adult Social Care finance Strategy 2016-20.

Adult Social Care Finance Strategy 2016-20.		Note: figures are shown on a cumulative basis							
Ref		2016/17	2017/18		2018/19		2019/20	2016/20	
	RESOURCE	Precept	NewASC		NewASC		NewASC	Period	
		£'000	Precept	iBCF funds	Precept	iBCF funds	Precept	iBCF funds	Totals
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
1a	Year 2016/17 precept : 2%	1,200	1,200		1,200		1,200		4,800
1b	Year 2017/18 precept : 3%		1,850		1,850		1,850		5,550
1c	Year 2018/19 precept : 3%(assumed)				1,900		1,900		3,800
2a	Additional iBCF from National 2 Billion			1,370		1,341		670	3,381
2b	Additional iBCF - Dec 2015 spending review					300		1,100	1,400
	Total new resource	1,200	3,050	1,370	4,950	1,641	4,950	1,770	18,931
	ALLOCATION								
0	2016/17 Service growth	3,600	3,600		3,600		3,600		14,400
1a	2017/18 Demography - see note 1		194	556	750		750		2,250
1b	2018/19 Demography				750		750		1,500
1c	2019/20 Demography						599	151	750
2	National living wage - see note 2			200	53	347		600	1,200
3	Nursing Care Home places see note 3			260		790		390	1,440
4	Additional four social work staff - note 4			154		154		154	462
5	Public Health - see note 5					150		275	425
7	New Initiatives to reduce DTOCs - see note 6			200		200		200	600
8	Optalis - Management		533		533		533		1,599
9	Inflation, Insurance, Apprenticeship levy etc		700		1,300		1,900		3,900
		3,600	5,027	1,370	6,986	1,641	8,132	1,770	28,526
	Excess of allocation over new resource	2,400	1,977	0	2,036	0	3,182	0	9,595
	Cumulative additional funding from Council	2,400	4,377		6,413		9,595		
Notes									
1	Estimate based on national population projection for older people and adults under 65, known as POPPI & PANSI data.								
2	Estimate of increase in NLW from £7.20 to £9.00 by 2020 as required by national target to be 60% of median earnings by that year.								
3	Increase nursing dementia beds to support reduction in Delayed transfers of care. Cost of transition from residential & nursing care to dementia nursing will increase costs in 2018/19.								
4	Posts required to meet current demand								
5	Loss of grant as notified by DH. Public Health grant funds Drugs & Alcohol services, sexual health services, and smoking cessation.								
6	May be used for step down beds, Homecare services, or care staff. This would fund 214 additional homecare hours per week.								