

Report for: ACTION
Item Number: 5



Contains Confidential or Exempt Information	No – Part I
Title	Update on the Adult Social Care Transformation and Efficiencies Programme
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Member reporting	Cllr David Coppinger – Lead Member for Adult and Community Services
For Consideration By	Shadow Health and Wellbeing Board
Date to be Considered	8 February 2013
Implementation Date if Not Called In	Immediately
Affected Wards	All
Keywords/Index	Transformation of Adult Social Care and Efficiencies Programme, Medium Term Financial Plan

<p>Report Summary</p> <p>This report updates the Health and Wellbeing Board on the progress made in delivering the Adult Social Care Transformation and Efficiency Programme. Cabinet agreed on the 15th March 2012 a programme for ambitious improvements and efficiencies based upon measures to prevent people from requiring institutional care and achieving greater independence.</p> <p>The report outlines the programme that will be undertaken to deliver the challenging efficiency agenda for 2013-14, whilst ensuring that service user outcomes, service quality and safeguarding are maintained or enhanced.</p> <p>The Directorate is delivering efficiencies above target, and estimates that this will total just over £1m in the current financial year. This is £500k above target for the year. This has been achieved through close budget management, negotiations and partnership working work with Health colleagues.</p> <p>The Transformation element of the programme is successfully challenging established care management processes and the provider market to increase self-direction and personalisation in the delivery of care.</p> <p>Work is underway to put the infrastructure in place in order to achieve sustainable long term benefits from the efficiency initiatives over the next two financial years and beyond.</p>

If recommendations are adopted, how will residents benefit?	
Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. The HWB is informed about how the range and choice of social care and support is extended to enable choice and control for individuals to gain better outcomes.	Specific milestones for each element in the programme
2. The HWB can identify how the budget for adult social care is used to best effect in meeting the eligible and preventative needs of local people.	31 March 2013 Performance and Finance outturn

1. Details of Recommendations

RECOMMENDATIONS:

RECOMMENDED: That the Health and Wellbeing Board note the progress on the Adult Social Care Transformation and Efficiencies Programme

2. Reason for Recommendation(s) and Options Considered

2.1 Background

Previous papers to the Health and Wellbeing Board set out the programme for developing adult social care to produce sustainable long term improvements in outcomes to the local people, whilst looking to continuously improve the efficiency in its use of the budget allocation.

This report recommends that the progress to delivering the planned efficiencies is noted. Specific key decisions for tender and award of contracts for new services and other significant changes will be reported to Cabinet separately, and the Health and Wellbeing Board where appropriate.

2.2 Progress

The achievements of the programme to date have been to deliver significant efficiencies. These have been achieved by the specific projects. These are considered individually below and the targets and forecast outturn for each project for 2012-13 is summarised in the table below.

The Adult Care service had target savings of £515k built into its base budget for this year. The service is forecasting savings of £1,015k this year from a combination of improved budget management and from the delivery efficiencies. This saving is in addition to the £500k budget saving achieved from the management of the Directorate's budget allocation for inflation.

The current and proposed monitoring methodology for each individual project is described below. This methodology draws upon financial and non-financial indicators in seeking to provide timely and effective monitoring, whilst minimising the administration burden, and recognising the inter-relationships of a number of these projects. The progress of each of the efficiency projects is summarised below, as informed by the current monitoring procedures. The proposed monitoring methodology should ensure more clarity as to the progress of individual projects is provided in future updates.

The table below sets out the efficiency saving target built into this year's budget from each project, and a forecast of the impact this year based upon the improved or continued delivery of these efficiencies over the remainder of the year.

Efficiency Project	Savings Target 12-13 £'000	Forecast Savings Outturn 12-13 £'000
Increase in the use of Telecare	30	30
Placements into "Shared Lives" care	70	50
Review of High Cost Placements	65	65
Improved planning for those in Transition	0	0
Improved operation of Homecare & Meals contracts	125	317
Nursing Care Prevention	165	508
Review and challenge of current use Adult Social Care budget to identify efficiencies (ZBB)	60	45
TOTAL	515	1,015

Telecare

There has been a slower than anticipated increase in the use of telecare and measures are underway to improve the position including the recruitment to the Telecare Officer post by April 2013 that was approved as a mechanism to assist in the delivery of this efficiency. The savings from increased use of telecare arise in the budgets residential and nursing care as electronic monitoring enables people to remain safely in their own home, this may be an extra-care housing facility. Though this will increase homecare expenditure there will be a net saving. Savings may also arise where telecare installations reduce the requirement for frequent visits by the carer into a persons home, conversely this will decrease the home care budget.

Telecare can have an impact in the efficient provision of services to older people and also to people with a Learning Disability.

Savings were envisaged in the older person's budget in the current year as a result of increase number of installations. Target savings in the older person's budget have been exceeded; however it is unclear as to the degree that telecare installations have played in this reduction.

Future monitoring will focus on preparation of a programme for enhancing the number and complexity of new telecare installations, and progress will be monitored against this plan, and of the impact of the programme overall. In 13/14 we anticipate making an £80k efficiency from achieving 50 new installations following recruitment to the Telecare Officer post.

Shared Lives

Shared Lives is a service whereby people with a Learning Disability or Older People move into the home of another Family. The host family will provide accommodation and care, and "share their lives" with the "service user". Efficiency savings were planned initially from an improved use of the current Shared Lives contract and from the letting of an improved contract with targets to expand the number of Learning Disabled people receiving this service, and to encompass Older People. A homeshare contract is also

planned, whereby older people are assisted with finding a tenant, typically a student, with both parties benefiting from the match.

The letting of the new contract was planned for this autumn but due to delays in finalising a complex service specification this has been delayed until early next year. However, progress has been made in increasing placements under the current Shared Lives contract, and a saving of £50k against a target for this year of £70k should be achieved. The saving relates to work undertaken by the learning disability care management team to review a service users needs and work with the family and the provider Ategi to facilitate this placement.

The additional savings in year from other areas we will be offsetting this shortfall in 12/13 but we will continue to focus on making Shared Lives placements where appropriate.

Future monitoring of this efficiency will focus on a 3 year plan for Shared Lives placements for Older People, for People with a Learning Disability and for Homeshare. The numbers entering these schemes and the estimated resultant savings will be recorded. We plan to tender for the Service in April 2013 and achieve 6 new placements in 13/14 with a target efficiency of £370k.

Review of High Cost Placements

High cost placements are defined as placements that cost over £800/week. 141 high cost packages have been identified, of which 117 are Learning Disability service users. A methodology has been drawn up by an expert in the area to review the cases and prioritise 60 placements to be reviewed between January and April 2013 with a target saving of 5% across the placements. The other High Cost Placements will be reviewed as part of the annual review process of each service user by March 2014. Savings have been achieved in the Learning Disability service as a result of these reviews and the targeted efficiencies have been achieved. It is difficult to categorise the efficiency savings as arising from "business as usual" or from the enhanced focus this process is delivering. Because these savings haven't been tracked to date they are accounted for in the overall budget figure. However we know that staff have effectively negotiated better deals on high cost placements.

Moving forward we will have better tracking systems in place to capture the savings.

Future monitoring of this programme will be delivered through the agreement of a programme for a review of all identified high cost placements, the setting of targets savings from the process, and the monitoring of the progress against these targets.

The posts will be recruited for April 2013. They will ensure that when reviews of needs are undertaken that effective negotiation of prices is achieved with providers with a target of £145k.

A consultant has been engaged since October to undertake in depth analysis of the high cost care packages and undertake review negotiations alongside the care management teams challenging the Care managers and providers. We anticipate continuing to engage this expertise until March 2013.

Improved planning for those in Transition

Savings are anticipated to arise from developing the pilot / demonstration project currently working with children in transition. This project seeks to enable children to have a greater degree of personalisation and services focussed on improving independence and family

cohesion whilst they are children, in order to deliver better outcomes for these young people when they attain adulthood. Where this policy avoids placements in residential care, or enables families to play a greater role in the care of their children, then this should deliver efficiency savings. These saving are not budgeted for in the current year, and should commence in 2013/14 with £45k and increase each year thereafter. There are plans to recruit to the new transitions post and work is ongoing with the Children's Services Directorate to deliver this efficiency. The nature of transitions work is to plan for costs coming some 2-3 years ahead, so the savings from this engagement will be tracked in 13/14.

Future monitoring of this programme will be delivered by the review of the packages delivered and packages anticipated for those in transition. Given the long term of this initiative and subjective nature the review, the monitoring will be difficult. However a programme will be drawn up and performance measures will be developed as part of this programme.

Improved operation of Homecare & Meals contracts.

Savings are being delivered this year arising from the efficiency programme and other management action. The success of the Inhouse Reablement Service (STS&R) is a significant contributor to these savings, particularly in respect of the efficiency in the homecare contracts. The Service has ensured that 60% of people who receive reablement do not need an ongoing service, and has increased the numbers of service users it assists by 50% over the previous year.

Efficiency is also being achieved from the current homecare contract as "Inner Circle", lower cost, providers are being allocated a greater proportion of new packages. 75% of new work in November 2012 (30 out of 40 packages) was allocated to Inner Circle providers, who average 15% less than those not in the Inner Circle. This has been achieved through more disciplined brokerage of homecare packages. i.e. opting for the lower cost providers.

The efficiency programme envisaged initially for improved operation of the current contract, and then for further savings from a new contract which could potentially include Meals on Wheels provision. The current home care tender runs until March 2014 with an option to extend for a year. The issues in respect of future provision of homecare are expected to be considered by Cabinet in April 2013 and can be reported back to the HWB if agreed by the members of the Board.

As part of the Transformation work it was agreed to commission external consultants to review options for Meals. This work is near completion and options are also expected to be considered by Cabinet in February 2013.

The monitoring of this project is complex as a number of factors impact on the overall homecare budget. Some efficiency programmes such as nursing care prevention and telecare will increase the aggregate cost of homecare, whereas others will decrease overall homecare provision. Given the reduction in placements into nursing home care, this is 32 people below budget, an increase in the homecare budget would have been expected. As a rule of thumb a nursing care placement would cost a net £18k per year, whereas a homecare package would cost around £6k per year. Thus from an increase in homecare packages of 32, an increased cost of circa £200k could be expected. Monitoring of the homecare evidences that there has been increase in spend this year, therefore this potential pressure has been offset by a combination of the improved performance of the Reablement Team, and by the allocation of a greater proportion of work to lower cost inner circle providers.

The average cost of an hour of homecare provision has fallen over the year from over £17/hour to £16.50 hour and this is forecast to reduce to £16.20 by the end of the financial year. This reflects the anticipated Homecare saving and is not in addition. We are ensuring that we do not unfairly charge residents above the rate that we commission services for.

This contract will continue to be monitored by reference to the average cost of a homecare hour delivered. Other performance measures will be considered, including the average number of hours provided per service user.

Meanwhile we are exploring the option of a tender process for the commissioning of Outcome based Homecare with a report to Cabinet in early 2013.

Nursing Care Prevention

The budget for nursing home placements for the year was set on the basis of 216 placements. This included savings of £165k that were targeted for delivery during the year. This target has been exceeded, and it is estimated that the average number of placements over the year will be 184. Those service users who have been enabled to remain at home rather than enter nursing homes are not easy to identify and nor is the alternative cost of their homecare provision. Indeed the saving arising from this initiative will depend upon the longevity of the care package in question, and the level of service user contribution towards their care. Therefore it is not possible to accurately assess the value of this efficiency saving, however by applying the yardstick noted above that each person so enabled would produce efficiency savings of £12k per year, then savings from this initiative can be estimated at £549k, £384k in excess of the budgeted £165k saving.

The monitoring of the success of this initiative will continue to be undertaken by the recording of actual placements against target on a weekly basis.

The Nursing Care Prevention post is anticipated to start by April 13. Building on the existing prevention work with this new worker who will focus on a target of preventing 10 nursing home placements in 13/14.

Review and challenge of current use Adult Social Care budget to identify efficiencies (ZBB)

A review of the budget to identify areas for further detailed analysis was been undertaken by a consultancy as planned. This has not delivered savings in the current year, however potential savings in excess of the 3 year target of £100k have been identified and are under consideration. The ongoing monitoring of budgets to identify savings has resulted in forecast alternative savings of £45k this year.

Summary

Thus overall efficiency savings within Adult Social care of £1,015k are forecast for this financial year, £500k above target. The Financial Implication in section 4 provides further detail about the impact of the efficiencies on the budget for 12/13 and future years.

2.3 Future Delivery

2.3.1 It will be a significant challenge to maintain the Transformation and Efficiencies programme against a backdrop of significant economic and demographic pressures which are forecast to increase the demand and cost of care.

2.3.2 The ability to sustain the delivery of these efficiencies is supported by the recruitment to the posts that Cabinet agreed in May 2012. This should be completed by the new

financial year. There has been significant work undertaken in 12/13 to establish the infrastructure to enable delivery of the ongoing efficiencies.

Option	Comments
The Adult Social Care Transformation and Efficiencies Programme progress is noted.	That the Health and Wellbeing Board may wish to be kept informed of the development of the projects.

3. Key Implications

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
Adult Social Care delivering appropriate outcomes to those eligible to receive support, within allocated budgets	Budget overspend impact upon the Council or reduced service outcomes	Services delivered within balanced agreed budget with service outcomes maintained or improved	Services delivered with increased savings of 1%	Services delivered within increased savings of over 1%	Targets as set out in the Medium Term Financial plan from 2012/13

4. Financial Details

a) Financial impact on the budget

An extract from the Council's medium term financial plan for adult social care showing the range of efficiency initiatives is set out below:

ADULT SOCIAL CARE EFFICIENCIES

	Savings in 2012-13 £'000	Additional savings in 2013-14 £'000	Additional savings in 2014-15 £'000	TOTAL £'000
Telecare	30	80	110	220
Shared Lives	70	370	360	800
High Cost Placements	65	45	40	150
Transitions	0	50	150	200
Homecare	125	100	0	225
Nursing Care Prevention	165	135	35	335
Zero Based Budget	60	20	20	100
TOTAL	515	800	715	2,030

IMPACT ON NET BUDGET

	Base Budget Pre-efficiency	Efficiencies in			Base Budget After-efficiency
		2012-13	2013-14	2014-15	
Elderly Community	7,213	210	270	200	6,533
Elderly Residential	2,143		100	100	1,943
Elderly Nursing	3,438	175	135	35	3,093
Physical Disability	1,694				1,694
Learning Disability	9,825	80	275	360	9,110
Mental Health	2,759	50	20	20	2,669

Other	1,536				1,536
	28,608	515	800	715	26,578

These various initiatives are inter-related and inter-dependent. For example, the prevention of early entry into nursing home accommodation will rely in part upon the successful delivery of telecare and telehealth. The diversion from high cost placements will be assisted by a shared lives scheme and more supported living accommodation. The avoidance of high cost residential placements, and the avoidance of nursing care placements will increase spend on homecare budgets whereas improved homecare contracting and telecare installations should reduce spend on homecare budgets. Therefore the progress of individual projects against individual financial targets is difficult to monitor. What can be measured from a financial viewpoint will be the aggregate spend on the service areas impacted upon by this efficiency programme.

The aggregate impact of the efficiency programme in the current year has been to achieve the £515k efficiency savings built into the base budget, and to exceed this by an estimated £500k this year. The efficiency savings achieved to date are mainly within older people's services, and are due to a reduction in nursing care placements, the performance of the reablement team and a number of other factors. As noted earlier, the success of the initiative to reduce nursing placements is linked to a number of other initiatives and cannot be viewed in isolation.

The delivery of the 3 year programme of efficiencies was predicated upon the establishment of a number posts, permanent and temporary. The delivery of the savings in the current year has been achieved prior to these posts being filled, other than a temporary post to review high cost placements. As a result of this a number of the efficiencies are behind schedule, including shared lives and telecare. However the planned savings for this year are exceeded and work is underway in each of the efficiency projects. The efficiency savings planned for the coming years will require all the initiatives to deliver, and for all these posts to be filled.

Given the success of the efficiency programme, and the improved budget management in the current year, there is potential for the efficiency savings for the 2013/14 budget to be revised upwards. When this year's budget was set, efficiencies of £2.03m were planned over 3 years, with £515k in the first year, and an additional £800k in 2013/14 and a further £715k in 2013/15.

5. Legal Implications

The adult social care services outlined in this report are all based on health and social care legislation

6. Value for Money

The Transformation and Efficiencies programme is designed to produce better outcomes at lower costs, and there are indications in the current reductions in care home and homecare activity that this has started. The initiatives underway will be designed to produce sustainable long term results with short term gains in terms of cost effectiveness.

7. Sustainability Impact Appraisal – N/A

8. Risk Management

Risks	Uncontrolled Risk	Controls	Controlled Risk
Not delivering the efficiency savings	Medium	Recruitment of suitable staff to undertake the necessary work,	Low

because of lack of staff capacity.		in accordance with posts already approved. Strong governance arrangements and financial reporting.	
Not delivering efficiency due to delays in tendering or to failure of care contractor.	Medium	Recruitment of suitable staff to undertake the necessary work, in accordance with posts already approved. Efficient contract monitoring.	Low
Not delivering the required outcomes for service users because of not delivering the programme.	Medium	Recruitment of suitable staff to undertake the necessary work. Tight Quality Assurance governance arrangements and performance reporting.	Low

9. Links to Strategic Objectives

Our Strategic Objectives are:

Residents First

- Support Children and Young People
- Encourage Healthy People and Lifestyles
- Work for safer and stronger communities

Value for Money

- Deliver Economic Services
- Improve the use of technology
- Invest in the future

Delivering Together

- Enhanced Customer Services
- Deliver Effective Services
- Strengthen Partnerships

Equipping Ourselves for the Future

- Equipping Our Workforce
- Developing Our systems and Structures
- Changing Our Culture

10. Equalities, Human Rights and Community Cohesion

The Council has a statutory duty to put in place services and policies that discriminate favour of people with disabilities, and seek efficient and effective delivery in this respect. This programme seeks to ensure consistent high quality adult social care and support is in place to those that are eligible.

11. Staffing/Workforce and Accommodation implications:

Recruitment to the additional 5 posts agreed in previous Cabinet reports was delayed whilst the new management team has been put in place to enable them to input into the process.

The Posts are:

- Older Peoples Transformation Manager
- Adult Social Care Prevention Specialist
- Senior Practitioner - Telecare/Telehealth
- Senior Practitioner - High Cost Placements 1 x 0.4fte permanent 1 x 1fte fixed term 6 months (to be extended if required)

However, initiatives have already been scoped and started through temporary initiatives being put in place. The long term efficiencies outlined in the report are dependent upon these new posts being filled in the near future.

12. Property and Assets - None

13. Any other implications:

The Programme will put us in a good position to deliver the requirements of the Governments: Caring for Our Future White Paper.

The introduction of Care Bank by the WRVS in March 2012 is beginning to deliver a wider choice and type of support especially to older people. In the first 6 months there are over 60 more volunteers supporting over 140 people with benefits in terms of quality of life and practical assistance. This scheme and other similar work with the voluntary sector is line with the government's policy of building "social capital" through Big Society and related schemes.

14. Consultation - NA

15. Timetable for Implementation

Ongoing programme scheduled until March 2014 is still being finalised for key decisions.

16. Appendices - N/A

17. Background Information

The Cabinet reports on Adult Social Care Transformation and Efficiencies in March and May 2012 set out the detailed reasons and proposals for the work underway and are available on the RBWM website.

18. Consultation (Mandatory)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr Burbage	Leader of the Council	21.12.12 & 03.01.13	3/1/13	Approved
Cllr Coppinger	Lead Member Adult and Community Services	27.11.12		Approved
Corporate Management Team	Chief Exec	20.12.12		Approved
Maria Lucas	Head of Legal Services	20.12.2		Approved

Mike McGaughrin	Chief Operating Officer	20.12.12		
Alan Abrahamson	Finance partner	12.11.12		Comments incorporated
External				

Report History

Decision type:	Urgency item?
For Noting	No.

Full name of report author	Job title	Full contact no:
Keith Skerman	Interim Head of Adult Services	
Nick Davies	Head of Strategic Commissioning and Housing	X3614