

| | |
|--|--|
| 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, 30 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. The demand for domiciliary, residential and nursing care for older people continues to increase. To meet this increase in cost, significant investment has taken place as the council proactively increased the adult social care by £3.6 million in 2016/17. Additional investment is planned to meet growing demand. The additional investment in 2017/18 will be resourced from the adult social care precept, £1.8 million and the improved Better Care Fund, £1.37 million.

- 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 (also see Appendix 1)

| | Additional Resource | 2017/18 | 2018/19 | 2019/20 |
|----|--|-------------------|-------------------|-------------------|
| 1 | Council investment | £1,977,000 | £2,036,000 | £3,182,000 |
| | Adult Social Care precept income | £3,050,000 | £4,950,000 | £4,950,000 |
| | iBCF | £1,370,000 | £1,641,000 | £1,770,000 |
| | Total Resource | £6,397,000 | £8,627,000 | £9,902,000 |
| | 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 | Precept | New ASC iBCF funds | Precept | New ASC iBCF funds | Precept | New ASC iBCF funds | Period Totals |
| | | £'000 | £'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 socialwork 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. | | | | | | | | |