

REPORT TO:	Health and Wellbeing Scrutiny Committee 29 th June 2021
SUBJECT:	OVERVIEW OF THE 2021-22 ADULT SOCIAL CARE FINANCIAL PERFORMANCE
LEAD OFFICER:	Annette McPartland Director of Operations, Adult Social Care
CABINET MEMBER:	Cllr Janet Campbell Cabinet Members for Families, Health and Social Care
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Annette McPartland, Director of Operations Adult Social Care
PUBLIC/EXEMPT:	Public

POLICY CONTEXT/AMBITIOUS FOR CROYDON:

Adult social care continues to be under pressure nationally and locally. The outturn for 2016/17, 2017/18, 2018/19 and 2019/20 demonstrated both an increase in costs and increased use of transformation monies to meet current demand and increased complexities. Increasingly we are seeing residents who fund their own care running out of money, often referred to as 'wealth depleters'.

A change in the way we deliver social care in order to reduce spend and live within our available resources is underway. This aligns to the following Croydon Renewal Plan priorities:

- We will live within our means, balance the books and provide value for money for our residents.
- We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. And to keep our streets clean and safe.

ORIGIN OF ITEM:	Scrutiny over the delivery of the 2021-22 Adult Social Care budget has been identified as a priority for the Health & Social Care Sub-Committee.
BRIEF FOR THE COMMITTEE:	The Health and Social Care Sub-Committee is asked to review the information provided in this report and at the meeting, to reach a conclusion on the following:- <ol style="list-style-type: none"> 1. Do the budget savings within Adult Social Care remain achievable? 2. Does the leadership team have sufficient line of sight over the savings programme? 3. Is there sufficient political oversight over the savings programme? 4. Are the financial monitoring systems in place allowing effective tracking of the budget?

	<p>5. Are the performance monitoring systems in place allowing any unforeseen impact, as a result of the savings programme, on vulnerable residents to be picked up and addressed at an early stage?</p> <p>6. Is the Sub-Committee reassured that the voices of service users and carers are being heard during the development of changes to service delivery and across the service as a whole?</p>
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1. EXECUTIVE SUMMARY

- 1.1. In January 2021, adult social care provided this committee with a report of the 2021/22 budget development proposals; a further update was presented in May 2021 on both the finalised budget and associated change programmes required to deliver aligned savings.
- 1.2. This June 2021 report provides the committee with an updated assessment on budget spend, including risks and issues, highlighting concerns that may affect delivery of savings, and an explanation of how the impact of savings upon users will be monitored including any identified impacts.

OVERVIEW OF THE 2021-22 ADULTS BUDGET

2. BACKGROUND

- 2.1. Adult Social Care accounts for more expenditure at Croydon than any other service, 31% of net budget. The pressures in this area are felt across the country. However, we know that our cost base is too high and we can learn from other councils.
- 2.2. Working closely with a Local Government Association (LGA) Adults and Finance expert, we have reviewed every aspect of our budget. We have modelled plans to deliver significant savings over three years, based on LGA recommendations.
- 2.3. We are changing how we deliver social care in Croydon, in order to live within the council's available resources. The overall objective is to reduce Croydon's activity and expenditure on adult social care to the:
- London average or below for younger adults; and
 - The English average or below for older adults by March 2024, whilst fulfilling all our statutory responsibilities.

3. BUDGET, TRANSFORMATION INVESTMENT AND SAVINGS

Budget

- 3.1. The tables below shows the 2021/22 agreed budget growth (£28.940m) and savings (-£10.718m). On the advice of the Local Government Association (LGA) finance lead, the council set a revised budget to reflect current activity, and accounts for £23.048m of overall growth.

	£
2020/21 Budget	99,124,000
Change in non-controllable budgets (overheads, depreciation)	-3,004,000
	96,120,000
Add growth	28,940,000
Less Savings	-10,718,000
2021/22 Budget	114,342,000

Transformation investment

- 3.2. Within the revenue budget, a requested investment of £0.360m for an enhanced 'reviews progression team' was approved by corporate finance.
- 3.3. A further £0.026m transformation investment was agreed in Feb 21 for the purchase of a tool called Care Cubed. This allows the service to benchmark placements costs with other councils, enabling stronger provider negotiations.
- 3.4. Further capital transformation investment has also been approved, awaiting Cabinet approval in July 2021. The £0.706m in year investment focuses on Learning Disability and Mental Health commissioning capacity, increasing package of care reviews capacity, business analysis, pathway management of mental health placements, and the options appraisal for provider services.

Savings delivery

- 3.5. Savings are focussed on contract, package and placement spend reductions. Further areas being developed to support increasing the savings proposals include options appraisals for Provider Services; and the LIFE service (hospital discharge and community reablement).

HWA Sav 06 Baseline Savings - Disabilities Operational Budget	-3,015,000	
HWA Sav 07 Stretch Savings - Disabilities Operational Budget	-1,367,000	
Subtotal - Disabilities Care		-4,382,000
HWA Sav 19 Savings on care provision - ASC Older People Baseline	-1,908,000	
HWA Sav 20 Stretch Savings - Older People	-691,000	
Subtotal - Older People Care		-2,599,000
HWA Sav 09 Baseline Savings - Mental Health Operational Budget	-459,000	
HWA Sav 10 Stretch Savings - Mental Health Operational Budget	-225,000	
Subtotal - Mental Health Care		-684,000
HWA Sav 08 Review of Contracts - OBC Commissioning, Working Age Adults	-600,000	
HWA Sav 22 Income from Care UK Beds released to self funders	-254,000	
HWA Sav 23 15% Immediate Measures Staffing Savings	-2,199,000	
Subtotal - Other		-3,053,000
	Total Savings	-10,718,000

- 3.6. **Staffing** - The staffing reduction (-£2.199m) has been achieved through a mixture of deleting vacant posts, restructure and voluntary redundancy.
- 3.7. **Packages of care budget savings:** Total package of care savings amount to 7.5%, which is in the cash limit. LGA advice is that 5% package of care spend savings for 2021/22 will be challenging but achievable if implementation starts as soon as possible with appropriate resources and focus. Given high spending on adult social care, higher savings should be achievable in later years potentially 10% a year, as there is more time to plan, consult and implement savings.

	20/21 rollover to 21/22	21/22 In year	21/22 full year effect	21/22 target	% achieved
TRANSITIONS					
Realised	£-	£-	£-	£257,400.00	0.00%
Identified	£299,128.96	£206,742.86	£505,871.81		196.53%
DISABILITIES					
Realised	£292,567.18	£-	£292,567.18	£4,382,000.00	6.68%
Identified	£343,420.42	£361,666.32	£705,086.75		16.09%
OLDER ADULTS					
Realised	£300,620.73	£-	£300,620.73	£2,599,000.00	11.57%
Identified	£278,867.72	£430,087.69	£708,955.41		27.28%
ADULT MENTAL HEALTH					
Realised	£69,783.55	£-	£69,783.55	£684,000.00	10.20%
Identified	£-	£-	£-		0.00%
ADULT SOCIAL CARE - 21/22 FULL YEAR EFFECT					
Realised	£662,971.45	£-	£662,971.45	£7,922,400.00	8.37%
Identified	£921,417.10	£998,496.87	£1,919,913.97		24.23%
Total Identified	£1,584,388.55	£998,496.87	£2,582,885.42	£7,922,400.00	32.60%

- 3.8. There has been slower than expected pace in getting the dedicated reviews team in place. Despite successful recruitment to the five social work roles in April, backfilling the roles has been challenging. This is part of a wider issues the service faces in recruiting social workers to Croydon. Two social workers are now in role, and two further are expected in place before the end of June, with the final role to move into the team in July.
- 3.9. Furthermore, as identified in 3.4 above, an additional £0.240m has been made available in year, for additional capacity to be added to the reviews team, to accelerate the number of review being delivered.
- 3.10. In terms of progress on the package of care savings, on 5th May 2021, **£1.300m** package of care savings had been **identified** of which **0.654m** has **been realised**. As of 11th June, the identified figure now stands at £2.582m, a 98.6% increase.

- 3.11. Confirmation that identified package of care savings have been realised on the finance systems is completed by corporate finance. The reason lower numbers are showing as realised, compared to those identified is due to April and May being an intense period for finance teams to focus on year end close down; and secondly, there is always a time delay between the review being completed, and the saving being realised on the financial systems. However, for period 3 monitoring (June), we expect a much clearer picture on how much of the identified savings are true, and can be realised.
- 3.12. Additionally, a core enabler for savings on social care placements, is the Care Cubed tool, purchased in June 2021. The tool allows the placements and brokerage staff to develop an indicative placement cost, based on the care and support needs of the resident, and then use this to negotiate with providers. It has proved highly successful for other councils, being widely used across London Boroughs. Further updates from the project will follow in future reports to this committee.

Contracts savings

- 3.13. As identified in 3.5, for 21/22 there are savings related to contracts and income released from self-funders totalling £0.854m. A list of proposals in reduction on spend contracts was agreed by senior council officers in April 2021. It should also be noted that there is a further £0.242m of contract savings in budgets held within Commissioning & Procurement. This brings the overall total to £1.096m.
- 3.14. The proposals meet the agreed target for 21/22, however it should be noted that proposal on income released from self-funders is not achievable so other contracts have been identified to meet the shortfall.
- 3.15. Some decommissioning/changes of contracts will have a full year effect of savings whilst some proposals are staggered during the year due to existing contractual arrangements. Monthly meetings are held with commissioners, budget holders and finance to review progress and validate that the savings have been achieved. Currently we are on target, however if there is slippage against any of the proposals then alternative ways of meeting the target will need to be identified.

Financial management systems

- 3.16. **Daily spend control panel** – The panel meets daily, and receives all new and reviewed package of care requests. The panel consists of adult social care, finance and commissioning heads of service.
- 3.17. The purpose is to ensure all cases presented have considered the following:
- Strengths based approach, focussed on individual's assets rather than need.
 - Best/appropriate use of placement options, i.e. using supported living, or shared lives, placement in extra care housing before residential homes.

- Direct payments, which are personal budgets giving the resident and carer more control over how and where their care is purchased.
- Assistive technology, such as ceiling hoists, to enable single rather than double handed care.

- 3.18. **Monthly budget monitoring** – all budget holders report monthly on spend and forecast, this is followed up by a Director and Head of Service and finance monthly meeting; this is then reviewed by the senior management team as a whole, to ensure timely and appropriate action/escalation can be planned and delivered to mitigate overspend. It is then promoted to the Department Leadership Team for Health Wellbeing and Adults, finally to the Executive Leadership Team. Additionally the Cabinet Member is briefed monthly.
- 3.19. **Savings validations** – all savings being realised through the Change and Efficiency Board, must be validated by the finance team, before it is ratified as delivered. Further all new proposed financial efficiencies, must also be validated by the head of finance in terms of their achievability, before projects can be progressed for corporate sign off.
- 3.20. **Continued savings development** – During 2021/22, further options appraisals and decisions will be added to the Adults Improvement Plan, to meet savings targets in 2022/23 and 2023/24. As cited earlier, the Health and Social Care Scrutiny Committee will be a key stakeholder in the development of options.

4. **2022/23 BUDGET DEVELOPMENT**

- 4.1. Work is now taking place to develop the budget and savings delivery required for the 2022/23 budget. The table below sets out the provisional growth and savings expectation for adult social care. The operational budget savings for Disabilities, Older People and Mental Health are based on the 10% packages of care budget reduction advised as achievable by the Local Government Association.

SAVINGS		
TBC	Transitions	TBC
HWA Sav 06	Baseline savings - Disabilities operational budget	-5,584
HWA Sav 19	Baseline savings - Older People operational budget	-3,195
HWA Sav 09	Baseline savings - Mental Health operational budget	-884
HWA Sav 08	Baseline Savings - Review of contracts	-586
HWA Sav 22	Contract related income	-264
HWA Sav 12	Health funding contribution - hospital discharge	TBC
TBC	Provider Services - options appraisal	TBC
Provisional savings total		-10,513
GROWTH		
HWA Gro 06	Growth to fund Cost Inflation in Care UK Contract	264
HWA Gro 07	Growth to fund projected Mental Health Demographic and Cost Pressures	437
HWA Gro 08	Growth to fund projected Disabilities Demographic and Cost Pressures	2,877
HWA Gro 09	Growth to fund projected Older People Demographic and Cost Pressures	1,895
HWA Gro 10	Care Package Inflation Above Corporate Allowance	1,387
	Growth to fund Equipment Service Demographic and inflation	59
Provisional growth total		6,919

- 4.2. As in 21/22, reviewing packages of care will be a core part of focus, however remaining true to the legislative requirements of the Care Act, that identified care and support needs must be met.
- 4.3. At present the review of the LIFE service (discharge from hospital and community reablement) is a live project, and we will ensure progress updates are brought to this committee. There is a clear narrative in the review objectives that the cost of the service to social care is too high, and a solution needs to be identified.
- 4.4. An independent consultant will be procured shortly to undertake the review of the adult social care provider services. This our in-house provision such as extra care housing (care and support only, the buildings sit within the housing revenue account), Day Services, Active Lives, Careline and potentially Sensory Impairment. Capital transformation money has been identified to fund this, see point 3.4 above.
- 4.5. At the beginning of July, workshops will start looking at the proposed contract savings for 22/23 and 23/24. A further £960K is required in 22/23 and £350K in 23/24. It should be noted that the total contracts in Adult Social Care total £8.6m so savings for 22/23 & 23/24 will mean a further 15% reduction in spend in top of what is being achieved in 21/22. This means achieving a stretch target on top of this may not be achieved
- 4.6. Our section 75 agreements with health partners are all being reviewed and redrafted and financially re-based as well as introducing a new Occupational Therapy specification, prescribing behaviour work on equipment and the Better Care Fund Section 75 is being set for 2021/22.

4.7. Other key areas to be developed include

- Health and social care integration (pooled / shared budgets)
- Shifting activity to the voluntary sector
- 3 year commissioning strategy

5. RISKS AND MITIGATIONS

Strategic

- 5.1. The Director of Adult Social Services is a statutory role and is currently vacant, this is mitigated by the Director of Operations holding the role on an interim basis. Ultimately recruitment to the role is crucial to enable strong leadership on both the statutory elements of the role, to provide strategic direction for the operations services; and to ensure there is a leadership presence for adult social care and the Council, within the One Croydon Alliance and wider Integrated Care System.
- 5.2. Continued Covid / Long Covid impact on staff, resident welfare and savings targets – remains unknown. Work with the LGA and other boroughs, pan London and NHS will feed into our learning and forecasting ability around the impact.

Financial

- 5.3. **Adult social care period 1 monitoring** – With the exception of the Transitions service, see note below, P1 monitoring has adult social care delivering a balanced budget.
- 5.4. **Transitions** - Period 1 monitoring has identified an inherited £1.600m forecast overspend as when the service transferred to adults on 1st April, the budget did not meet the run rate. There is a potential one off pressure of 0.700m.
- 5.5. **Savings delivery** – In 2021/22 the 2.5% financial stretch target is in the cash limit, although the Local Government Association (LGA) advised that a 5% reduction is more achievable. The service will continue to develop plans to deliver the stretch, and use governance routes to advise on progress and achievability.
- 5.6. **Contract inflation** – a strategy has been drafted, and mitigations for inflation are being worked on by Commissioning and Procurement.
- 5.7. **Norfolk decision** – Originally analysed as having a potential in year £0.400m pressure, a system level review of the decision outcome had identified this was an issue for Norfolk rather than the wider system.

Operational

- 5.8. **Workforce morale** – remains pressured due to the impact of COVID and organisational change. The impact is evident in both the number of staff leaving Croydon and challenges with recruiting new social care staff.
- 5.9. **LAS implementation** – the case notes system still requires some final reporting capability to enable the service to have a strong oversight on activity and spend. Better Gov. who were the implementation partner, are expected back on site imminently to delivery this final capacity.
- 5.10. **Transitions service** - the service has moved back to adult social care. There are high activity numbers and spend on packages. The service is being aligned to the Adults Improvement Plan. The specific focus for 2021/22, will target embedding a strengths based approach, better use of placements, reviewing the core offer and a commissioning plan.

6. RESIDENT AND CARER IMPACT

Legislation and guidance

- 6.1. The budget changes in adult social care are being made on operational decisions and practice, using relevant legislation frameworks. The statutory service offer remains the same, and as outlined in the principles below:
- Our adult social care service eligibility and service provision reflect the relevant legislation underpinning social care and health through the Care Act (2014), Mental Health Act 1983, Mental Capacity Act, Deprivation of Liberty Safeguards, The Children and Families Act, Children with Disabilities Act, and the current social care action plan related to the COVID Act.
 - All packages are assessed or reviewed, proportionately, through a strengths based approach, considering safeguarding, to meet the needs of the individual and carers.
 - Residents can access appropriate services provided in-house or commissioned by the Council, or delivered independently by the voluntary and community sector.
 - Where people have the financial means to pay a contribution, or to pay for their care in full, this will be in line with the self-funding legislations outlined in the Care Act and wider National policy.

Resident and user groups

- 6.2. A range of resident engagement groups are in existence and will we work collaboratively with service users and their carers as we make changes, engaging as appropriate. This includes working with the Croydon Adult Social Services User Panel (CASSUP) and Healthwatch Croydon.
- 6.3. Where statutory consultation is required this will be carried out. On the whole, however, the changes being made are on operational decisions, using relevant legislation frameworks.

- 6.4. As of May 2021, the change and innovation team in adult social care has now taken on the active support of CASSUP, this will enable us to ensure we have brought it closer to the service and adults improvement plan.

Complaints

- 6.5. Complaints, ombudsman reports, MP enquiries and Councillor Enquiries are a further opportunity for the service to measure and understand the impact of the package of care budget reductions on residents and their families.
- 6.6. Adult Social Care (ASC) has robust processes in place to manage and respond to complaints, MP enquiries and Councillor Enquiries. There is a dedicated officer who reports to a Head of Service overseeing the management of these tasks.
- 6.7. ASC complaints have remained around the expected level for the year – the slight increase can be attributed to the challenges presented by the Covid 19 pandemic.
- 6.8. Detailed records are kept and reported to senior managers weekly and monthly and which enables the service to quickly identify and new concerns or themes and respond appropriately.
- 6.9. Training is and has been delivered to support to all teams with the aim to increase the knowledge of the staff as to how to respond to residents and elected representatives when they raise complaints.
- 6.10. There is now a programme of training sessions set on Croydon Learning commencing in July that will provide training as part of induction for new staff and refresher courses.
- 6.11. Thematic review of complaints received identifies that communications, disputes in respect of provision, quality of provision and financial support provided by the Council are the most common issues raised by the public and or their elected representative.
- 6.12. We are working hard as a department to the very best and appropriate care for our residents but there will be inevitable and fundamental disagreement with some families as to the right care for themselves or their loved ones. This does lead back to communications to ensure that as many residents as possible are made aware of what exactly the Council can provide or support and what contribution that residents and or their families will need to contribute.
- 6.13. The pausing of the LGO enquiries is now over. It does though however mean that the data is skewed making the latter part of the year having a great many more enquiries commencing than the first half of the year as the LGO catches up on backlog work. The numbers across the whole 12 months are similar to those in previous years.

Equality impact

- 6.14. The package of care savings equality impact assessment (shared at May's Scrutiny Committee) will continue to be a live document, to support decision making and evaluate the overall impact of the package of care budget reductions and future decisions on the budgets.
- 6.15. Evidence from staff, assessments and reviews, compliments, complaints, and Ombudsman rulings will be used to regularly update the tool, and inform budget decisions and escalation of concerns.

Resident impact case study

- 6.16. See appendix 1.

7. CARE HOME AND CARE PROVIDERS COVID-19 VACCINATION UPTAKE

Overview

- 7.1. A report was presented to Health and Wellbeing Scrutiny Committee on 11 May 2021 with an update on covid-19 vaccination uptake for residents and staff in all care settings. It was agreed at this meeting that an update would be provided at the next scrutiny meeting on 29 June 2021 specifically around domiciliary care and other care providers.
- 7.2. The below table shows vaccination uptake as of 16 June 2021.

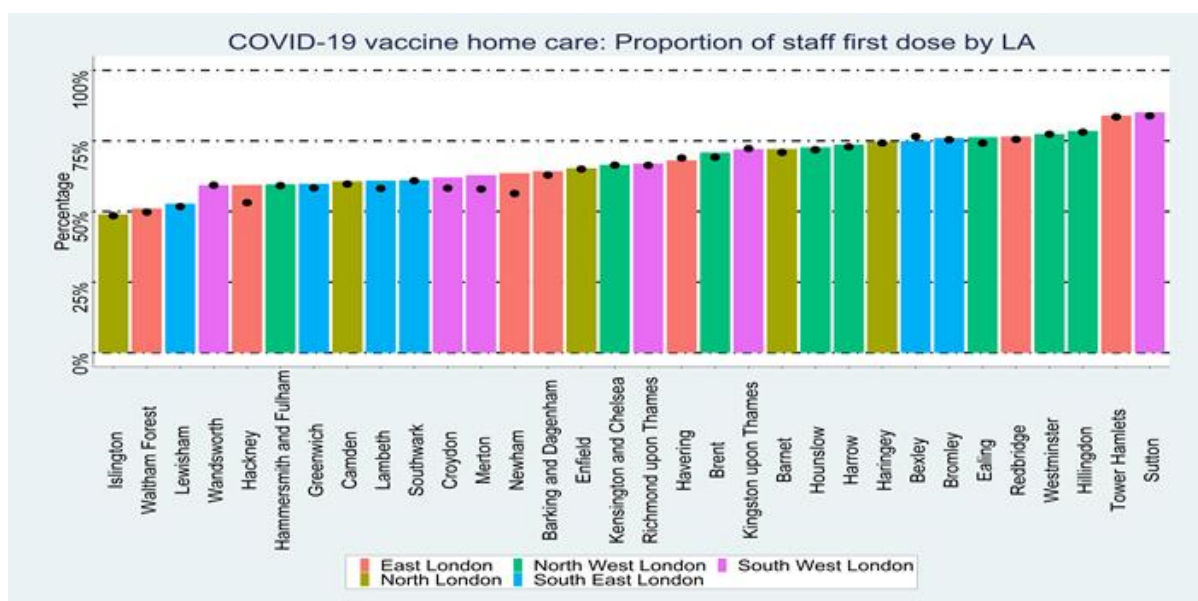
	Croydon Dose 1- % vaccinated	London Average Dose 1- % vaccinated	Croydon Dose 2- % vaccinated	London Average Dose 2- % vaccinated
<i>Care home residents</i>	93%	89%	89%	86%
<i>Care home staff</i>	79%	78%	63%	62%
<i>Other Care staffing including domiciliary care</i>	59%	68%	Data not fully available	Data not fully available

- 7.3. Croydon is tracking above the London average for both Care Home Residents and Staff but still behind on staff in other care settings.
- 7.4. Overall Croydon is making positive progress and we recommend bringing a further update to scrutiny in September 2021.

Other café staffing vaccination uptake

- 7.5. As reported at the last meeting Croydon had 44% 1st vaccination care staff compared to London average of 56%. Whilst Croydon is still behind the London average this has narrowed over the last 6 weeks. The push across London is to increase vaccination rates above 70% by the end of June 2021.

7.6. The table shows how Croydon is performing against other London boroughs. Croydon has moved forward on this table since the last report.



7.7. The Council has an action plan in place to continue to raise vaccination levels. Some of the key work that has been carried over the last 6 weeks is:-

- Employment of three Contract & Review Officers(supported from Infection Control Funding) with specific tasks of supporting care providers within the borough. They have contacted all providers to ensure we have relevant contact details and working with them to update NHS Capacity Tracker
- Updates at Social Care Forum on relevant information on vaccination and myth busting.
- Working with public health and partners to increase options of Pfizer jab as providers raising as a key issue of hesitancy from staff.
- Working with NHS on ensuring data in capacity tracker is accurate.

7.8. Regular updates by providers of the NHS Capacity Tracker continues to be a key issue. Below shows providers that are not regularly updating the tracker

	No. of Providers on 27 April 2021	No. of providers on 18 June 2021
Over 3 months since last updated	3	7
Over 2 months since last updated	10	6
Over 1 month since last updated	4	3

7.9. 'Appendix 2 Croydon Action Plan- Covid Vaccination' shows the action plan for other care staff and care homes that is currently being worked upon.

7.10. Increased resource has been funded via the Infection Control Fund and will be in place until the end of September 2021.

Care Home residents and staffing vaccination uptake

- 7.11. The action plan provided in 'Appendix 2 Croydon Action Plan- Covid Vaccination' shows the continued work in this area.
- 7.12. Vaccination dose 1 levels for residents remains at 93% and it should be noted that GPs are working with the homes to work on the remaining residents who have not been vaccinated.
- 7.13. Staffing levels are increasing albeit slowly. Whilst not shown in the data above(NHS capacity tracker not fully updated) officers have worked with 3 homes and a further 30 staff are now vaccinated which equates to a further 1%.
- 7.14. Scrutiny should note the announcement on 16 June 2021 from the Department of Social Care that from October 2021 that people working in CQC registered care homes must have two doses of a covid-19 vaccine unless they have a medical exemption. Those coming into care homes to do other work, for example healthcare workers, tradespeople, hairdressers and beauticians, and CQC inspectors, will also have to follow the new regulations, unless they are likewise medically exempt.
- 7.15. We will be seeking further details of this announcement and how we will work with Care Homes to ensure compliance as this will become law, subject to parliamentary approval and a 16 week grace period.

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APPENDICES TO THIS REPORT

Appendix 1 - Resident impact case study

Appendix 2 - Croydon COVID-19 Care Home Vaccine Uptake Plan