

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>HEALTH AND SOCIAL CARE SCRUTINY SUB-COMMITTEE</b>
<b>DATE OF DECISION</b>	<b>24 JANUARY 2023</b>
<b>REPORT TITLE:</b>	<b>ADULT SOCIAL CARE AND HEALTH DIRECTORATE BUDGET AND PERFORMANCE</b>
<b>CORPORATE DIRECTOR</b>	Annette McPartland Corporate Director Adult Social Services
<b>LEAD OFFICER:</b>	Annette McPartland Corporate Director Adult Social Services
<b>LEAD MEMBER:</b>	Councillor Yvette Hopley Health And Adult Social Care
<b>AUTHORITY TO TAKE DECISION:</b>	<b>This report is presented to the Health &amp; Social Care Sub-Committee to inform the budget scrutiny process.</b>
<b>WARDS AFFECTED:</b>	<b>All</b>

## 1 SUMMARY OF REPORT

- 1.1 This report continues the regular budget and savings progress updates to Health and Social Care Scrutiny Sub-Committee. On this occasion Scrutiny have requested specific updates on key benchmarked performance indicators.

## 2 RECOMMENDATIONS

- 2.1 The Sub-Committee is recommended to note the updates on:
- 2022/23 Period 7 (October 2022) budget and savings position.
  - 2023/24 indicative savings (as of 10 January 2023).
  - The Council's position in relation to the benchmarked key performance indicators.
- 2.2 To consider any comments it may wish to make on the 2023-24 indicative savings proposals, which will be fed into the wider budget scrutiny process led by the Scrutiny & Overview Committee.

## 3 BUDGET AND SAVINGS POSTION – MONTH 7 (OCTOBER 2022)

(Extract from 25 January 23 Cabinet paper)

- 3.1 At month 7 an **underspend of £1.097m** is forecast which is an improvement of £0.031m. This includes £10.215m savings achieved or on track, £0.971m savings are at risk of non-delivery and £5.314m savings are not deliverable. Quantified opportunities remain the same as period 6.
- 3.2 The forecast underspend of £1.097m is a net position, the key items being:

- £2.962m Underspend in staffing which, in return, is a barrier to achieving savings. This is an increased underspend of £0.785m. There is a national shortage of both social workers and occupational therapists, recruitment to many roles is proving challenging.
- £0.668m Underspend following the detailed of 21/22 accruals for planned care cost. It is usual that care is delivered at a lower level than planned for many reasons including delayed hospital discharge, temporarily staying with family etc. However, this year is slightly higher than normal which is believed to be Covid related.
- £5.295 Non delivery of savings which had previously been shown as at risk, £3.215 in 18-65 Disabilities, £1.195m in Over 65 Localities and a £0.380 incorrect Public Health income budget which will be corrected. This is being mitigated by managing demand for care and other underspends.
- £0.555m Overspend in care for 18–25-year-old Transitions clients which is a reduction of £0.073m from month 6.

3.3 Unquantified Risks present continued concerns as to impact upon the Directorate budget over the remainder of the financial year:

- Potential post COVID-19 latent demand working through the population resulting in additional care package placements and community equipment.
- Inflation, rising fuel costs will result in significant expenditure for ASC Providers – may result in claims for increased fees and/or financial instability with potential for ‘handing back’ contracts.
- Hospital discharge pressure as current system risk is running at winter activity levels due to COVID-19. To assist pressures in the health and care system, the Adult Social Care Discharge Fund has recently been announced which should mitigate the worst of these pressures.
- High vacancy rate is caused by significant challenges in recruitment across the Directorate. This means staff are focussed on statutory delivery, rather than transformation. This is a national issue.

3.4 Continued detailed analysis of demand and cost will take place each month to the end of the financial year to enable, where possible, an estimate of the value of these current Unquantified Risks as listed.

3.5 Finance continues to work closely with the service to improve reporting and monitoring for finance and performance data to give additional quality assurance.

**Table 1 - Month 7 forecast for the Directorate**

Forecast Variance as at Current Month 7	Forecast Variance as at Prior Month 6	Change from Month 7 To 6	Savings non-delivery as at Month 7	Other Pressures as at Month 7
£'000s	£'000s	£'000s	£'000s	£'000s
<b>(1,097)</b>	<b>(1,064)</b>	<b>(33)</b>	<b>5,314</b>	<b>(6,411)</b>

Table 2 - progress on MTFs savings

Target value	Savings Not Delivered (In Forecast)	On track value	Delivered value	Current Month At Risk Value	Prior Month At Risk	Change from Prior Month At Risk
£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>(16,500)</b>	<b>5,314</b>	<b>1,851</b>	<b>8,364</b>	<b>971</b>	<b>519</b>	<b>452</b>

Table 3 - service budgets and forecast Month 7

	Approved Budget	Current Actuals	Full -Yr Forecast	Projected Variance
	£'000s	£'000s	£'000s	£'000s
Operations	107,785	67,705	106,001	<b>(1,784)</b>
Directorate	1,171	703	1,551	380
Policy and improvement	14,734	5,589	15,041	307
<b>Total adults</b>	<b>123,690</b>	<b>73,997</b>	<b>122,593</b>	<b>(1,097)</b>

Table 4 – Medium Term Financial Strategy - savings not delivered

Saving description	Total Target	Savings Non Delivery as at Month 7
	£'000s	£'000s
Refocusing Public Health funding	<b>(380)</b>	380
Disabilities Operational Budget (baseline)	<b>(4,371)</b>	2,021
Disabilities Operational Budget (stretch)	<b>(1,213)</b>	1,213
Older People Operational Budget (baseline)	<b>(3,195)</b>	1,195
Review of Older Adults Packages of Care	<b>(505)</b>	505

Table 5 - Medium Term Financial Strategy - savings risk

Description	Savings at risk as at month 7	Savings at risk as at month 6	Change from Month 7 To 6
	£'000s	£'000s	£'000s

Disabilities Operational Budget (baseline)	850	0	850
Mental Health Operational Budget (baseline)	0	83	(83)
Review of Mental Health Packages of Care	50	0	50
Older People Operational Budget (baseline)	0	194	(194)
Review of contracts	36	132	(96)
HWA contract savings	35	110	(75)
<b>Total</b>	<b>971</b>	<b>519</b>	<b>452</b>

**Table 6 - other quantifiable and un-quantifiable risks**

<b>Quantified Risks</b>	<b>P7 £'000s</b>	<b>P6 £'000s</b>	<b>Details of Risks</b>
Adult Social Care and Health	-	-	None.
<b>Un-quantified Risks</b>	<b>P7 £'000s</b>	<b>P6 £'000s</b>	<b>Details of Risks</b>
Adult Social Care and Health	-	-	<b>Potential post Covid-19</b> pandemic latent demand working through the population resulting in additional care packages placements.
	-	-	<b>Inflation</b> , rising fuel and food costs significant expenditure for care providers - may result in claims for increased fees or face financial instability
	-	-	<b>High vacancy rate</b> is caused by significant challenges in recruitment across the Directorate. This means staff are focussed on statutory delivery, rather than transformation. This is a national issue.
	-	-	<b>There is Hospital discharge pressure</b> as the current system risk is running at winter levels due to Covid and backlog despite being summer. Work is being done on a deep dive, as the numbers of placements and equipment cost are rising.

**Table 7 - quantifiable and unquantifiable opportunities**

Quantified Opportunities	P7 £'000s	P6 £'000s	Details of Opportunities
Adult Social Care and Health	(380)	(380)	<b>Public Health (£0.380m)</b> Ongoing Internal Review of Public Health Funding towards related expenses.

## 4 PROPOSED 2023/24 SAVINGS

4.1 The table below outlines the indicative savings plans for 2023/24.

Description	£000
Disabilities operational budget	- 5,277
Mental health operational budget	- 834
Contracts review	- 275
Older People operational budget	- 3,019
Transitions operational budget	- 260
Contracts review	- 75
Review Of Staffing Portfolio Across C&P Services	- 100
Active Lives Post Deletion	- 60
Fees and Charges Increase in Line with DWP	- 150
Closure of the Cherry Orchard Garden Centre	- 180
Close Whitehorse Day Centre (facilities management cost only)	- 38
PPE growth hand-back and swap with COMF money	- 325
Managing demand programme will deliver a revised operating model.	- 150
Staff vacancy factor of 5%	- 1,000
Absorption of inflation within existing budgets	- 500
<b>Total of proposed savings</b>	<b>- 12,243</b>

(Accurate as of 10 January 2023)

4.2 The Directorate will deliver its 2023/24 medium term financial plan and Mayor's Business Plan commitments through three key areas:

- **Reviewing packages of care** (which is a requirement of the Care Act). Ensuring the costs remain relevant to the care and support plan agreed between the resident and the social worker.
- **A strategic managing demand programme** delivering a financially sustainable operating model, developing and enabling a successful provider market that ensures full use of technology enabled care, reablement (including discharge from hospital).
- **Commissioning models of care** that are sustainable, meet minimum statutory duties, and maximise community / integration partner opportunities.

4.3 These plans are a continuation of the transformation activity reported to the Committee in November 2022. The only significant change to note is the two year pause to elements of the ASC Reforms announced by the Government during the Autumn statement. In particular the charging elements. The Care Quality Commission Assurance Framework remains in place, and the Council is waiting for further government guidance on the Cost of Care exercise.

4.4 Announced on 9 January 2023, the Council and Health System partners, have been successful in becoming one of six national 'front runner' pilots, focussed on improving hospital discharge and community reablement.

## **5 BENCHMARKED PERFORMANCE MONITORING**

5.1 Our overall performance objectives are to continue reducing activity/expenditure to:

- The London average or below for younger adults by March 2024.
- The English average or below for older adults by March 2024.
- Whilst fulfilling all our statutory responsibilities.

5.2 Appendix 1, provides key analysis of the Directorate's performance movement between 2020/21 and 2021/22, benchmarked against the performance objectives.

### **BUDGET AND ACTIVITY FORECASTS**

5.3 Slides 2 – 5 shows spend and activity from 2019/20 through to 2024/25. Please note:

- 2019/20 through to 2021/22 are published numbers.
- 2022/23 is based on current in year forecasts.
- 2023/24 and 2024/25 are based on a forecast methodology we developed in conversation with the Local Government Association Finance and Performance Advisor the Directorate has been working with.

5.4 The key points highlighted include:

#### **Activity moving to London average or below for younger adults**

- On current trends Croydon will not get activity below the London average until after 2024/25.

#### **Spend moving to London average or below for younger adults**

- Progress is being made towards the London average.
- On current trends this could be met in 2023/24.

#### **Activity moving to England average or below for older adults**

- Progress is being made towards the England average.
- The data is showing a year-on-year reduction of 7%.

- Performance is below the London average, but still has work to be done to get to the England average.

### **Spend moving to England average or below for older adults**

- Good progress is being made towards the England average.
- If the current trends continue, this could be reached by or during 2023/24.
- Performance is already below the London average and is reducing (London and England averages are increasing).

## **USE OF RESOURCES – BENCHMARKING FOR ADULT SOCIAL CARE 21/22**

- 5.5 Slides 6 – 20 are relevant to the November 2022 publication of the Local Government Association’s ‘Use of Resources (2021/22)’ benchmarking report for adult social care in England.
- 5.6 This is a significant report for the Directorate. The Use of Resources 2020/21 report was viewed nationally as of limited benchmarking use due to the impact of Covid 19 on activity and finances. Largely in that void, on activity data the Directorate has had to rely on applying a 3% demographic growth to the year end (31 March) data, with the minimum aim of not exceeding the revised figure.
- 5.7 The new report now allows us to view a benchmarked progress against the key performance objectives. The data sets are relevant to the financial year 2021/22.
- 5.8 The standout analysis suggests that Croydon is moving in the right direction on budget and activity levels, although pace of change remains challenging. Key issues on this remain aligned to challenges noted in the budget section. Namely, post Covid-19 pandemic latent demand working through the population resulting in additional care package placements. Also, the high vacancy rate caused by significant challenges in recruitment across the Directorate. This means staff are focussed on statutory delivery, with limited ability to support transformation. This is a national issue.
- 5.9 The other point of note is the Directorate’s Managing Demand programme and Commissioning service (now with commissioning leads fully recruited). Each is moving into key delivery on our Front Door, digital offer (including technology enabled care), and developing new commissioning models for home care, reablement, and Transitions.
- 5.10 The key analysis to draw from the Use of Resources report is highlighted below and shown in greater detail in Appendix A.
- 5.11 **Net expenditure**
- In 2020/21 Croydon had the highest net current expenditure per 100,000 18+ year olds in London (out of 32).
  - In 2021/22 Croydon had the 8th highest in London (out of 24 submissions).

- Please note, there was an issue with submitted data that meant the published results set Croydon more favourably as 13th highest, but our revised position lowers that to 8th. The issue was identified and should not occur next year.

#### 5.12 **Gross expenditure**

- In 2020/21 Croydon had the 2nd highest gross current expenditure for adult social care in London (out of 32 submissions).
- In 2021/22 Croydon had the 8th highest rate in London (out of 31 submissions).
- This reduction on spend per adult aged over 18, has seen Croydon fall from above the national average to below it.

#### 5.13 **18-64 year olds accessing long term care**

- In 2021/22 there were 2,325 residents accessing long term care in Croydon.
- This is 970 per 100,000 and is the 4th highest in London.
- The 1.1% increase was the 19th largest increase in London.

#### 5.14 **65+ year olds accessing long term care**

- In 2021/22 there were 3,600 residents accessing long term care in Croydon.
- This is 6,665 per 100,000 and is the 14th highest in London.
- The 7.2% decrease was the 3rd largest decrease in London.

#### 5.15 **Rate of 18-64 year olds accessing nursing or residential long term support**

- Between 2020/21 and 2021/22 there was no change (425) 18-64 year olds accessing either nursing or residential long term support in Croydon.
- This is 177.7 per 100,000 and is the highest rate in London.
- At December 2022 this has reduced to 400, down from 415 in September 2022.
- This is 167 per 100,000.
- To date this had been rated as green in the corporate performance framework; as the target was set to stay within a 3% growth limit.
- With the release of the Use of Resources, the rating is now Red. Further analysis will confirm the speed at which moving to the London average is possible.

#### 5.16 **Rate of 65+ year olds accessing nursing or residential long term support**

- At March 31st 2022 there were 690 clients.
- This is 1,276.6 per 100,000 65+ year olds; 11th highest rate in London.
- This increased to 787 by September 2022, but no further growth as of December.
- This is 1,482.1 per 100,000 65+ year olds.
- The 7% increase in 65+ year olds accessing long term care in an either nursing or residential setting in Croydon from 645 in 2020/21 to 690 in 2022/22 was the 17th largest increase in London.

### 5.17 **Clients reviewed, accessing long term support more than 12 months**

- In 2021/22 there were 3,310 clients that have been accessing long term support for more than 12 months at the end of the year (31 March 2022).
- 635 of them (19%) have had a review in 2021/22. This was lowest in London.
- In Sept 2022 this was 56.7%.
- Reviews are a core focus of our transformation programme during the last few years. However a key issue is recruitment of suitably qualified staff.

## **6 PROVIDER MARKET**

### 6.1 Croydon has the largest care provider market within London.

- 123 registered care homes with over 3,150 beds.
- 139 registered home care providers.
- 35 registered supported living services.

### 6.2 The Council has strengthened its working relationship with our providers since the start of the covid-19 pandemic. We have done this by:

- Hosting in person provider engagement events for the whole of the sector.
- Regular information webinars and helping providers by introducing them to key stakeholders who can support them in developing services to residents.
- Regular communications highlighting key local and national issues.
- Developing with the market a Workforce Recruitment and Retention Strategy that reflects the needs of the provider market in best support of our residents.
- Accessing national funding streams in developing and maintaining services.
- Seen as a partner/single point of access in signposting to various partner services.
- Co-design of our Market Position Statement.

### **Quality of the market**

### 6.3 The Council has a strong and pro-active approach to reviewing the quality of the market. We do this via collaborative working with care providers which supports continuous improvement. The quality of the market is monitored by:

- Dedicated team of officers who monitor all regulated care providers within Croydon on a risk matrix basis.
- Detailed monitoring plan and follow up action plans monitored on any key actions that are required by providers.
- Reviewing the CQC ratings on a monthly basis to understand changes in the market and meet with providers immediately for any decreased ratings.

- Monthly meetings with CQC to review approach to monitoring of providers.
- Review of providers with concerns at the subgroup of Croydon Adult Safeguarding Board (CASB), Intelligence Sharing Committee. All key stakeholders attend to share intelligence and agree follow ups
- Monthly provider report issued to key stakeholders showing current quality of market and sharing intelligence.
- If there are serious provider concerns then they will enter the pan-London approved 'Provider Concerns' process.
- Dedicated intelligence sharing form and email address for any professional to refer in any feedback on providers.
- Quality and safeguarding support meetings held with providers.
- Spot visits to care providers where required.
- Updates provided to Croydon Adult Safeguarding Board on a regular basis.

6.4 The overall quality of the market within is comparable to other London boroughs which is good considering the overall size of the market.

## **7 RESIDENT VOICE**

7.1 In December 2022, the Directorate's Managing Demand programme manager met with the group to provide an overview of the Managing Demand programme. The session was held on MS Teams (the group had agreed previously for development sessions meeting online was the best method), and 5 residents attended.

7.2 The session explored our ambition to support residents better through a preventative approach that promotes independence. We explained that is very much aligned to our Adult Social Care and Health Strategy and the obligations in the Care Act 2014. The approach will look at a person's strengths, so that the right help at the right time to the right person can be provided by the right agency. The group were very engaged but found the information a lot to digest and asked for sessions to be 'bite sized'.

7.3 The feedback is now enabling us to plan a regular set of engagement sessions on this area of transformation. The next session on 19 January will explore how we are planning to deliver Information, Advice and Guidance (IAG) on our Adult Social Care and Health webpages.

## **8 NEXT STEPS**

8.1 The Directorate is focussed on final analysis and business cases for the annual growth and cost of living requirements for the 2023/24 budget.

8.2 We are moving into key delivery phases of the Transformation programme; in particular on reviews, hospital discharge and reablement.

8.3 Although challenging due to issues described in this report; the Directorate has developed sufficient transformation plans that should enable us to deliver the 2023/24 savings target.

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**Appendix 1** – Adult Social Care and Health – performance slides.