

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>SCRUTINY HEALTH AND SOCIAL CARE SUB-COMMITTEE</b>
<b>DATE OF DECISION</b>	<b>22 January 2024</b>
<b>REPORT TITLE:</b>	<b>Adult Social Care and Health Directorate 2023-24 Budget, Savings and Transformation</b>
<b>CORPORATE DIRECTOR</b>	<b>Annette McPartland Corporate Director Adult Social Care &amp; Health</b>
<b>LEAD OFFICER:</b>	<b>Bianca Byrne Director of Commissioning, Policy &amp; Improvement Adult Social Care &amp; Health</b>
<b>LEAD MEMBER:</b>	<b>Councillor Yvette Hopley Cabinet Member for Health and Adult Social Care</b>
<b>AUTHORITY TO TAKE DECISION</b>	<b>ASC Transformation has been identified as a priority in the Sub-Committee Work Programme</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 the Scrutiny Health and Social Care Sub-Committee. It provides the Adult Social Care & Health (ASCH) Directorate's financial performance at Period 6 (September 2023), and current transformation progress in relation to the 2021/2024 Medium Term Financial Strategy (MTFS) and future 2024/2027 MTFS.
- 1.2 On transformation performance, the core focus has been on 2023/24 delivery within the strategic managing demand programme, this will be enhanced by the Strategic Delivery Partner commencing January 2024.
- 1.3 Finally, the report sets out the indicative strategic transformation plan being developed for the new medium term financial strategy period, April 2024 /March 2027.

## 2 RECOMMENDATIONS

- 2.1 For the reasons set out in the report, the Sub-Committee is recommended:
  - 2.1.1 To note 2023/24 Period 6 (September 2023) budget and savings position.
  - 2.1.2 To note the updated performance position for the Directorate against the newly published Use of Resources report.
  - 2.1.3 To note the update on strategic transformation, including the progress of the Strategic Delivery Partner.

### 3 DIRECTORATE GENERAL FUND REVENUE BUDGET SUMMARY

Table showing the revenue forecasts for the directorate

Net Budget	Actuals to Date	Forecast	Forecast Variance	Prior Month Forecast Variance	Change in Forecast Variance
(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
141.0	85.6	141.2	0.2	1.4	(1.2)

Table showing the directorate variances

Division	Net Budget	Actuals to Date	Forecast	Forecast Variance
	(£m)	(£m)	(£m)	(£m)
Adult Social Care Operations	120.9	74.1	121.7	0.8
Adult Strategic Commissioning, Policy & Improvement	18.2	10.5	17.7	(0.5)
Central ASCH	1.9	1.0	1.8	(0.1)
<b>Total ASCH</b>	<b>141.0</b>	<b>85.6</b>	<b>141.2</b>	<b>0.2</b>

- 3.1 At period 6 the ASCH Directorate has a forecast overspend of £0.2m (0.1%) against a budget of £141.0m which is an improvement of £1.2m.
- 3.2 The ASCH Directorate has challenging savings targets totalling circa £10m to deliver in 2023-24 on placements and care packages through demand management, commissioning and review of care packages. Adult Social Care Operations - Forecast overspend of £0.8m
- 3.3 Operations has an overspend of £0.8m on care packages and support which is mitigated by underspends in Strategic Commissioning, Policy and Improvement and Central ASCH.

#### Risks

- 3.4 Risks continue in the provider market from inflation including higher fuel, labour and property costs which may result in claims for increased fees and/or financial instability with the potential for 'handing back' contracts.
- 3.5 The potential reprovisioning costs if providers exit the market could be significant. It should be noted that this risk is already materialising. Providers are requesting increases in costs for existing care packages and new placements are increasing in costs. These are included in the forecast and are hardest felt in the working age adult cohort.

## Opportunities

3.6 Savings achievement is improving and will support the forecast going forward for the ASCH directorate.

## 4 PERFORMANCE

4.1 In January 2023 the Directorate provided this Sub-Committee with positive key analysis of the year on year performance movement between 2020/21 and 2021/22.

4.2 In November the Local Government Association published its 'Use of Resources (2022/23)' benchmarking report for adult social care. This allows us to provide an updated Croydon position to Scrutiny.

4.3 What should also be noted, our 2021/24 performance objectives were set as below, reducing activity/expenditure to:

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

4.4 Moving forward, as part of the Exit Strategy for the Improvement and Assurance Panel (March 2025); activity and expenditure targets for the Directorate have been agreed against London averages only.

4.5 The tables below provide the 2022/23 performance against the London benchmarking.

### 4.6 65+, spend per Adult in Long Term Support

Year	Croydon	London Mean	Variance
2021/22	£879.81	£994.76	- £114.95
2022/23	£1,103.57	£1,109.01	- £5.44

- Cost per head position has **got worse** since 2021/22 when it was below the London mean.
- **Analysis indicates this is a swing due to how the data return treats NHS Income; i.e. 21/22 was likely artificially suppressed by £10m additional NHS income due to Covid.**
- Cost per head in London and England has increased by 9% and 12% respectively.
- Analysis of the underlying gross spend on Over 65s (before income adjustments), means Croydon has increased by 4%.
- Compared to London, Croydon is still **just below** the London mean.
- Ranking for long term spend has **not improved**, the NHS income is a factor, and the lessons learned from this have been considered for future submission.
- Rank 21/22 = 60, Rank 22/23 = 35, (1 = highest spending LA).

#### 4.7 65+, the percentage of population in Long Term Support

Year	Croydon	London Mean	Variance
2021/22	6.74%	7.22%	- 0.48%
2022/23	5.78%	7.40%	- 1.62%

- Activity **continues to decrease** as a percentage of the relevant population.
- In absolute terms, activity decreased by 14% year on year.
- This is equivalent to 510 people.
- Croydon is **supporting less people as a percentage of the population** than London Mean, which is increasing.

#### 4.8 18-64, spend per Adult in Long Term Support

Year	Croydon	London Mean	Variance
2021/22	£246.13	£205.68	£40.45
2022/23	£262.46	£227.02	£35.44

- Cost per head position is **improving**, Croydon is **moving closer** to the London Mean but it is still **not** where it needs to be for cost.
- Based on Actual cost per head, the cost per head went up slower in Croydon (7%) than in London (11%) and England (11%).
- Ranking for long term spend **improved**.
- Rank 21/22 = 61, Rank 22/23 = 77, (1 = highest spending LA).

#### 4.9 18-64, the percentage of population in Long Term Support

Year	Croydon	London Mean	Variance
<b>2021/22</b>	0.94%	0.81%	<b>0.13%</b>
<b>2022/23</b>	0.92%	0.81%	<b>0.11%</b>

- Activity continues to decrease as a percentage of the relevant population.
- Croydon continues to move to the London Mean but requires improvement.
- In absolute terms, activity decreased by 2.58% year on year.
- This is equivalent to 60 people.
- Numbers in residential and nursing care remains the highest rate in London.
- The Strategic Delivery Partner will review the residential and nursing data during the diagnostic.

## **5 MANAGING DEMAND TRANSFORMATION 2023 – 2024**

5.1 The programme is complex and ambitious with a number of interdependencies and enablers. The focus areas in 2023/24 have been:

- Prevention: improving Information, Advice and Guidance (IAG) both digitally and in the community.
- Establishing a comprehensive front door, with a view to longer term integration.
- A capacity and demand model for out of hospital care (also known as the Front Runner programme).
- Intermediate care (inclusive of but wider than reablement).
- Long term care and support – principles of promoting independence and progression for all client groups.

### **5.2 Information Advice and Guidance (IAG) - Prevention**

- Structural changes have been made to ASCH webpages and now moved to business as usual.
- A section for Providers is being mapped and will be finalised in February 2024.
- User testing will continue to ensure the changes made have improved the customer journey.
- Croydon Digital Services about to embark on complementary changes to Housing webpages.
- Future phase will include a video of how Adult Social Care works in Croydon and how hospital discharges work.

### **5.2 Portals**

- Referral Portals have been developed and implemented, resulting in better quality referrals being received. Text boxes are mandatory and automatically populate LiquidLogic Adult System forms, a good level of information is being received resulting in better triaging.
- End-to-end video has been distributed to the Adult Early Intervention and Support Service for guidance.
- Single-sign on is still undergoing testing. Roll-out will be no earlier than late-January, however it is slow process.
- In preparation for project closure, the Digital Systems Team are now dealing with technical issues or changes to the Portal.

### **5.3 Front door pathway reviews**

- Pathway reviews that have mapped out the processes and pathways into ASCH have finished. There is a need to revisit the Housing related pathways and embark on a Safeguarding pathway review now the new Head of Service is in post.
- Clearer and faster routes to services and support have been identified. For example Dementia Day Services can now be accessed from Adult Early Intervention and Support Service Team.

## 5.4 Face to face support in the communities

- Local Voluntary Partnerships (LVP) Board has agreed to focus on four hubs to robustly trial the operating model and measure the impact of the new ways of working. The four hubs are:
  - Age UK Croydon, Scratchley Hall, Brigstock Road (north)
  - Woodside Baptist Church (central)
  - New Addington Pathfinders, The Octagon (south)
  - Fieldway Family Centre (south)
- In addition to the four hubs, the Health Communities Together (HCT) programme is supporting other hubs in Croydon to improve access to community support. Their social activities underpin our Community Hub model which is measuring its outcomes by the number of people we support to become active in their community.
- HCT is about to implement Upshot, a cloud based tool to monitor and track the outcomes achieved across the programme.

## 5.5 Technology Enabled Care

- Adult Social Care and Health Directorate (ASCH) has identified that Technology Enabled Care (TEC) is integral to supporting residents to live safely in their own homes and to help maintain their independence for as long as they can. This includes keeping pace with technological developments and maximising available resources to improve their quality of life, preventing escalation of needs and reducing the risk of social isolation.
- A specification has been developed and is currently moving through governance. The specification is for a Technology Enabled Care (TEC) specialist diagnostic review to be carried out across ASCH and associated service areas across the London Borough of Croydon.
- The Council is seeking a suitably qualified TEC Delivery Partner to work with its ASCH Directorate to enhance our managing demand transformation programme through a phase 1 TEC review and recommendations, and then phase 2 design and implementation.

## 6 2024 – 27: UPDATE ON THE DIRECTORATE TRANSFORMATION PLAN

6.1 The 25 October 2023 Cabinet [Public Reports Pack](#) set out an update on the 2024-28 Medium Term Financial Strategy.

6.2 For Adult Social Care and Health, the Appendix B document detailed savings required from the Directorate, shown below.

### Savings

	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Adult Social Care and Health</b>	5.0	4.0	4.0	0

- 6.3 The savings to be delivered in 2024-25 will be the responsibility of the Directorate, with evidence based plans already in place, and achieving against the target. The current forecast is that the full savings will be achieved through reducing operational budgets. This continues to use the successful methodology of reviewing packages of care and managing demand, that achieved savings in the 2021-2024 Medium Term Financial Strategy.
- 6.4 In respect of savings to be delivered in 2025-27, in January 2024 the Directorate will complete its procurement of a two-phase contract of a strategic deliver partner, to support delivery of the transformation and savings required over the next 3 years. The programme of work being delivered will enhance the pace of delivery within the existing Strategic Managing Demand programme.
- 6.5 The programme is expected to be delivered over 20 – 30 months. The successful partner will work alongside the Directorate Management Team; through a two-phase process, with a 'go / no go' gateway between phases, they will deliver:
- 6.5.1 **Phase 1:** An end to end operating model diagnostic to identify opportunities to further transform our services, significantly improve the outcomes and independence of our residents and deliver annualised financial benefits.
- 6.5.2 **Phase 2:** Design and implement the new structures, processes and ways of working; enabling delivery of our statutory duties and a sustainable budget reduction.
- 6.6 A sample of the opportunities to be reviewed are to include:
- The assessment and reablement offer so that working age adults and older people can become more independent and receive a more consistent offer at the end of the assessment process.
  - Across older people and working age adults, of the residents who go onto a long-term package of care; how can these individuals be systematically identified and initially referred to short-term support packages maximising their independence.
  - Across older people and working age adults there is the opportunity to reduce / step down inappropriate residential placements, which is anticipated to substantially enhance their independence.
  - Opportunities for improving our provider market and commissioning new services.
  - Opportunities with the Housing Directorate.
  - Staff ways of working will be improved with a view to reducing duplication and administrative tasks and enabling an increase in productivity and contact time with residents (including alignment with the What Good Looks Like digital framework).
  - A legacy of skills transfer and development to encourage the delivery of this and future programmes.

- 6.7 Phase one is a hard stop, go/no go stage. To move into the phase two design and implementation; there must be Directorate, Corporate and Executive Mayor sign off on the proposed performance and savings metrics; and the blueprint for the operating model. All of the above must maintain delivery of our statutory duties. The delivery partner will also lead on the implementation and then transition of the services to business as usual, aligned to a strict benefits realisation governance process, and in line with our Strategic Managing Demand programme.
- 6.8 The procurement of a strategic delivery partner is a core strategy for the Directorate to identify and enable evidenced savings to be agreed and delivered; as well as a substantial transformation of the core service model.
- 6.9 Please note that Appendix B of the Cabinet [Public Reports Pack](#), confirms the savings figures for 2025-26 and 2026-27 are indicative only at this stage and will be reviewed next year following completion of the diagnostic work.
- 6.10 Where there is an opportunity to achieve savings identified for 2025-26 and 2026-27 at an earlier stage, this will be considered. However, the 2024-25 savings target of £5m would need to have been achieved first.

### **Demand Pressures**

- 6.11 Appendix B of the [Public Reports Pack](#) also set out the Demographic Growth provision for the Directorate. This provision is based on national growth advice provided by the Association of Directors of Adult Social Services (ADASS), and the Local Government Association’s improvement agency – Partners in Care and Health.

	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Adult Social Care and Health</b>	4,530	4,712	4,900	5,096

## **7 NEXT STEPS**

- 7.1 Following receipt from Sub-Committee Members on further areas for focus, officers will prepare detailed reports for presentation at the designated future meeting.
- 7.2 In particular, is anticipated by the Directorate that the Scrutiny Health and Social Care Sub-Committee will wish to be updated on the developments of the work of the Strategic Delivery Partner, and the Diagnostic report to inform the final decisions taken of the implementation of a new operating model for the Directorate.

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