	<p align="center">Adults and Safeguarding Committee</p> <p align="center">26th January 2015</p>
<p>Title</p>	<p align="center">The Implications of the Commissioning Plan and The Care Act 2014 for Adult Social Care in Barnet</p>
<p>Report of</p>	<p>Dawn Wakeling, Adults and Health Commissioning Director</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Enclosures</p>	<p>None</p>
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<p>Summary</p> <p>Delivering sustainable adult social care services is an ongoing challenge for councils given the context of increasing demographic pressures and the austerity agenda. The Adults and Safeguarding Committee has previously agreed its five year commissioning plan and savings plan for public consultation. Through the development of the savings and commissioning plans, and previous reports on the impact of the Care Act 2014, the Committee has reviewed the significant demand growth, which will be an ongoing challenge for the Council as it meets enhanced statutory duties in the context of continued financial austerity. This report sets out the service development principles required in adult social care in order to respond to these challenges and describes how a key project in the commissioning forward plan on alternative delivery models will be initiated.</p>

<p>Recommendations</p> <ol style="list-style-type: none"> 1. Adults and Safeguarding Committee is asked to agree the strategic case for change in the report. 2. Adults and Safeguarding Committee is asked to agree the service development principles set out in this report in section 4. 3. Adults and Safeguarding Committee is asked to agree the approach to initiating the alternative delivery project.

1. WHY THIS REPORT IS NEEDED

Strategic context and the case for change

- 1.1 The combination of both the Care Act 2014 and the reduction in funding for local authorities place unprecedented financial pressures on adult social care. The Council faces a budget gap of £73.5 million between 2016 and 2020. Adults and Safeguarding Committee have a savings target of £12.6 million allocated by the Policy and Resources Committee. This savings target follows earlier savings delivered in adult social care in Barnet of £29 million, with £16.7 million of these reductions being made between April 2014 to 2016. The Committee has developed a Commissioning Plan and savings proposals to meet the £12.6 million target, which was agreed for consultation in November 2014. The Adults and Safeguarding Committee have received a number of reports on the implications of the Care Act 2014, which have outlined the pressure on the Council's resources as Barnet seeks to meet additional statutory responsibilities and ensure that the needs of the most vulnerable adults continue to be met within limited resources. The latest estimates of the financial impact of the Care Act 2014 are that there could be a further financial burden of £7 million over the same time period to 2020.
- 1.2 At the same time, the demand for adult social care will grow as a result of increased life expectancy and increasing complexity of need. This means that not only the numbers of people who meet statutory eligibility criteria for social care are likely to increase but also that care and support arrangements will need to respond to people with more complex needs and co-morbidities across the whole age spectrum. The expectations of our residents are growing and many adult social care users, carers and their families will not be content with the existing service offer and will be requiring different solutions to meet their expectations. The total population in Barnet is expected to increase by a further 7.4% between 2014 and 2021, taking the total population to 391,500 (GLA 2013-based population projections). The largest proportional increase in population is expected in those aged 65 and over, where a 12.6% increase is expected (an additional 6,400 people aged over 65 years old). There is also expected to be a dramatic rise in those aged 90 years old or above where a 29.6% increase, an additional 998 people is expected by 2021. Needs are also increasing among the younger population, with demand from 18-24 year olds supported by Adult Social Care having increased by 25% in the last four years. Complexity of need amongst this group of users is also increasing, with a 57% increase in users requiring residential care or supported living over the same time period.
- 1.3 In the context of financial pressures and demand growth to date, adult social care nationally has driven down prices rigorously such that there is limited scope to further reduce costs. The social care market nationally is seeing market contraction, quality issues and provider failure as a result of reduced funding, whilst the Care Act 2014 places new duties on Councils from April 2015 to ensure a sustainable social care market in its area. The Council has already taken a decision to increase investment in its home care contracts from autumn 2015 in order to address provider related concerns.

- 1.4 The combination of these demands means that the current models of adult social care require a radical rethink to meet the demands of the future. Doing more of the same will not be affordable in the long term. The Commissioning plan sets out the high level outcomes the Council wishes to achieve. This report describes the principles and levers the Council can use to deliver those outcomes within its resource envelope.

2. REASONS FOR THE RECOMMENDATIONS

Commissioning Plan

- 2.1 The Adult and Safeguarding Committee approved the Commissioning Plan on the 20th November 2014, subject to consultation. This Plan highlighted the need to redesign the current social care offer and find new ways to reduce the demand for adult social care through enabling people to live healthier, full and active lives alongside seeking to reduce costs. Social care support will need to be delivered through new ways, with improved carer support and integration with health services where this delivers the best outcomes for those people with the most complex needs. Social care support will also need to be seen in the context of the whole community; with regeneration schemes used as an opportunity to create communities that are inclusive for adults with disabilities and which support residents to age well and independently in Barnet. The overall vision in the Commissioning plan is to:
- Achieve more, with less.
 - Move away from 'professionalised' models of care towards more community, home-based, peer-led models of support.
 - Reinforce relationships and community connections.
 - Rebalance the model: orientate professionals towards prevention and early intervention for both carers and users; integrate community and peer groups into specialist care.
 - Help providers, users and carers to be better at long-term planning, managing and supporting demand rather than rationing supply.
 - Focus on the quality of relationships (between users and those who support them) and depth of our knowledge about users' needs and assets.
- 2.2 The priorities and outcomes in the Commissioning Plan reflect the ambition of Barnet Council to deliver services, which enhance the lives of local residents within a reducing cost envelope. However, the challenges outlined are of such significance that they require adult social care to transform fundamentally. Tweaking the current model will not accommodate the scale of demand and resulting financial pressure. A more sustainable way of working, which is flexible, future proof and able to respond to the Care Act 2014 pressures by better managing demand is required. This includes a focus on preventing, delaying and reducing demand at scale; and the development of innovative ways to reduce the cost of meeting eligible social care needs.

3. The Care Act 2014

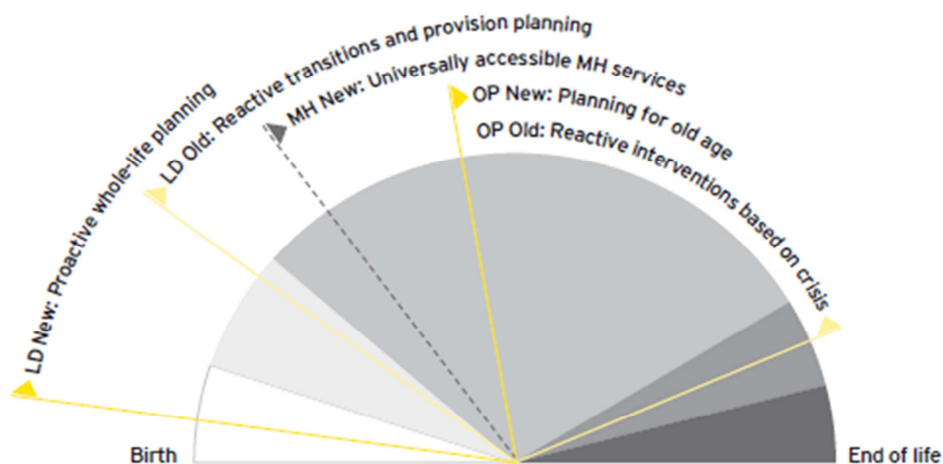
- 3.1 The Care Act 2014 brings the biggest changes to the legislative framework for adult social care in many years, creating additional statutory duties for Councils. The changes coming into effect include:
- A duty to provide prevention, information and advice services.
 - A national minimum threshold for eligibility for both service users and carers.
 - The entitlement for carers to assessment, support services and review equal to that of the service user
 - The right for people who pay for their own care to receive advice and support planning.
 - A universal system for deferred payments for residential care.
 - A cap on the costs that people have to pay to meet their eligible needs.
 - A 'care account' giving people with eligible social care needs an annual statement of their progress towards reaching the cap, whether their care is organised by the local authority or not.
 - Extending the financial support provided by the local authority by raising the means test threshold for people with eligible needs.
- 3.2 It is expected that the Care Act 2014 will require significant increases in existing budgets to meet the new statutory requirements. This is a result of additional demand for social work assessments for carers and people who currently self-fund their care the impact of introducing a cap on care costs and a loss of income across the care groups. Whilst the Government has committed to the New Burdens principle which should mean that this pressure will be funded by Government, there are concerns as to the adequacy of this given local factors such as the higher price of care in London. The financial risks have been presented to the Committee in previous reports.
- 3.3 Whilst the Council has placed a prudent level of risk in the budget plan for 2015/16, the impact of the Care Act 2014 will continue into future years and the impact of the 2016 changes could be significant.) For 2015/16, additional funding of £2.614m will be available to Barnet in the form of £0.846m for Care Act 2014 Implementation Funding in the Better Care Fund and a New Burdens Grant £1.768m. However, the Department of Health has not made clear if additional funding will be available from April 2016 when the largest changes resulting from the Care Act 2014 will hit LAs. If no additional funding is made available, our current estimated risk has been calculated at £6.820m..
- 3.4 This is on top of existing pressures on the adult social care budget mainly in relation to transitions clients where, over the last 4 years, there has been pressure on the service due to clients transitioning over from Children's to Adults. This is made up of 2 elements – (1) New clients coming through and (2) an increase in cost for existing clients where there is no change in client needs. The year to date pressure for 14/15 of £1.1m has partly been absorbed within the Adults budget. However, there is likely to be additional pressure for an additional clients in the last quarter of 14/15 and, for 15/16, an additional 34 clients expected. Adult social care does not receive any

additional demographic growth for the pressure caused by the increase in Transitions clients.

- 3.5 EMI nursing and Residential are also both areas of pressure for adult social care where there are few alternatives to nursing and residential care in the community with client numbers increasing from 114 in month 2 of 13/14 to 134 at the end of month 9 14/15.
- 3.6 The Adults and Communities directorate received £800k demographic growth allocated for adult social care in 2014/15 to support the pressures outlines in 3.4 and 3.5.
- 3.7 A successful inflation bid of £1.2m was also received by the Adults and Communities directorate towards the cost of contractual inflation for pay and non-pay.

4. Service development principles for a new model of social care

- 4.1 The challenge facing Councils is to transform the model for delivering of social care based on the key service development principles of:
 - Changing the pattern of demand – optimising demand management levers (influencing both customer journeys and the whole life time costs of care).
 - Creating new financial incentives to reduce the impact of the Care Act 2014 for the Council
- 4.2 For all people using adult social care, the common thread is the need to intervene much earlier and in a different way. The stage of life where interventions will begin in the new model differs radically from the current state, as shown in the diagram below.



- 4.3 A detailed analysis of current pathways across care groups highlights the need to radically rethink our commissioning intentions and how they respond to whole life demand drivers. This will help us to improve the way we manage

existing demographic pressures as well as mitigating some risk from new demand. To achieve this we need to continue forming a deeper understanding of:

- The customer's lifetime journey
- The pathway through services
- Whole lifetime costs
- Effective interventions/ intervention points.
- The interface with other services in the Council and partners who play a key role in supporting demand management (Front Door, Children's, Public Health Housing)

4.4 Focusing the new service model on very early intervention and prevention will help to manage the overall demand on the service (the front door, assessment of need etc.) as well as demand for higher cost interventions once people have identified a need for support. This will enable a different, more cost effective model for social care to be operationalised. To ensure efficient and effective delivery of the revised requirements, in line with the potential new demand pressures, a new assessment and care management customer journey will need to be designed that reduces duplication of effort across teams and services and increases the use of technology, mobile working and self-serve.

4.5 In practice, this would mean strengthened points of first contact where residents are enabled to assess their own requirements and where information and advice is readily available. This needs to be as easily accessible as possible in order to support as many people as possible – the Council's own front door is likely to be the focal point for this service, but the voluntary sector's information and advice services and health services, notably GPs, will also have an important role to play. The outcome must be easily accessible information that supports people to maintain their well-being no matter where they are in their care journey and in particular helps them to self-care and identify options that do not create a cost to the Council.

4.6 Assessment and support planning must be asset based, focusing on people's strengths and what they can do for themselves. This process must build on family and community assets. Care plans will offer innovative and non-traditional support methods as standard: for example assistive technology and equipment instead of home care; IT to support communications and facilitate relationships; mainstream transport instead of Council transport; access to community organisations and mainstream facilities instead of day centres. This is a move away from traditional social care. The skills and knowledge set to enable the development of support packages which utilise community connections will be different from that required to develop more traditional care and support plans.

4.7 Significant reshaping and development of the social care market and of the accessibility of mainstream facilities will need to develop in parallel to support this model. People can be supported in new ways only if the options are there

to support them. The Council will need to enhance the way it engage with providers to commission and reshape provision; to facilitate the development of new types of workers who can create innovative community based support plans; to significantly expand and innovate in the areas of ICT and assistive technology; and to work across Council services and with partners to maximise the degree to which people with social care needs can be supported at no or lower cost in mainstream facilities and services.

5. Alternative Delivery Models

5.1 The commissioning approach to service delivery requires a consideration of the best method or model for delivering services to meet commissioning priorities and outcomes. The Council must focus on service quality and safeguarding, value for money and how services contribute to priority outcomes, rather than a predetermined view on how services should be delivered and by whom when considering alternative delivery models. The case for change suggests some key strategic drivers for the relevance of considering alternative delivery models in adult social care:

- The scale of demand growth caused by population change and the Care Act, as detailed above.
- The scale of the financial challenge and quality and safety risks to which this may lead, creating a need to explore other models to sustain a high quality service.
- The need to develop prevention and a model where demand can be reduced at scale and pace requires new expertise, fresh thinking and investment.
- The need to develop lower cost ways of meeting needs through care plans, utilising new technologies also requires new expertise and fresh thinking.

5.2 Whilst Barnet's adult social care service has a long track record of good performance and quality, with positive trends on performance and satisfaction in most areas, the majority of effort and resource in the current model is focused on assessment, once someone already has social care needs, and how resources are then allocated to meet those needs. The expertise and knowledge within the service has been developed in line with the existing model of social care. There are gaps in available services locally and nationally from which Barnet could benefit. This could be as a user of these services, as a potential partner with another agency or as a supplier to other Councils. These will also be considered as part of the alternative delivery model work. These include: IT based tools that enable people to self-assess, plan and manage their own care needs early on and comprehensively; standards and models for lifetime homes that enable people to stay independent, safe and socially connected; assistive living; financial incentives or products that encourage people to plan for their future care needs.

5.3 The work will consider the full range of delivery models and will engage with stakeholders to explore the merits of each as they relate to the service

development principles and the need to meet the challenges outlined in this report. Alternative delivery models include:

- Reconfiguring and delivering the service in-house.
- Extending the services provided through the Local Authority Trading Company (LATC)
- In-sourcing: i.e. buying in specialist skills from other organisations including the private sector which enable the development of relevant approaches and culture in-house.
- Shared services: sharing services across Boroughs can generate economies of scale, deliver efficiencies, improve service integration and share risk.
- Partnerships / Joint Ventures including considering how the existing strategic partnership with CSG and Re: services could be used to create a benefit in adult social care.
- Social enterprises or employee led 'mutuals': organisations that have left the statutory sector but continue delivery of public services, allowing employee control and leadership. There are various legal forms including Community Interest Companies or Industrial & Provident Societies. For social work, this could include social work practices
- Outsourcing: contracting out an internal service to a third-party organisation.

5.4 The work will be led by the Commissioning Director for Adults and Health in conjunction with the Adults and Communities Delivery Unit Director. The project will develop a Strategic Outline Case for a new Target Operating Model for Adult Social Care which will be presented to the Adults and Safeguarding Committee in autumn 2015. This will enable the Strategic Outline Case to assess the impact of any known or anticipated changes in Government policy post the General Election as well as assessing the levels of financial risk for the Council related to the Care Act changes which come into effect from 2016.

5.5 Adults and Communities Delivery Unit during 2015/16 will continue to work closely with CSG, to implement the investing in social care IT project to replace SWIFT (the current IT system for social care), whilst also looking at how customer services and the single customer account can better meet the needs of adult social care service users and carers in line with the Care Act requirements.

6. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

6.1 The current Adult Social Care model is based on addressing presenting eligible needs and arranging care and support to meet those needs. In order for the Council to deliver a sustainable adult social care model into the future, given demographic pressures, borough growth, legislative change and austerity the Council must consider how it can both 'reduce the cost of care' and at the same time 'reduce the future demand for care.'

6.2 We could continue providing social care to people through the current adult social care model. However over time, this would lead to a situation of

increasing risk, both financial and in terms of safety, as costs were driven lower and risk of considerable overspend increased. The current model also is not geared up to work with residents who have no social care needs to develop individual, family and community responses that will help reduce demand into the longer term. Therefore, the current model will not in the longer term achieve the outcomes in the Adults and Safeguarding commissioning plan and hence would not be consistent with the Council's strategy.

7. POST DECISION IMPLEMENTATION

- 7.1 The alternative delivery model project is already set out in the Adults and Safeguarding commissioning plan. The project will be managed in accordance with the Council's agreed project methodology and will include the development of ideas; research; options development and appraisal; consultation and engagement. Emphasis will be placed on exploring a wide range of options; along with meaningful consultation and engagement with service users and carers, care providers, staff and other stakeholders.

8. IMPLICATIONS OF DECISION

Corporate Priorities and Performance

- 8.1 Successful implementation of the Commissioning plan, of which this work is part, will help to support and deliver the following 2013/16 Corporate Plan priority outcomes:
- "To sustain a strong partnership with the local NHS, so that families and individuals can maintain and improve their physical and mental health".
 - "To promote a healthy, active, independent and informed over 55 population in the borough so that Barnet is a place that encourages and supports residents to age well".
 - "To promote family and community well-being and encourage engaged, cohesive and safe communities".
- 8.2 This approach is consistent with The Health and Well-being Strategy 2012-15: supporting people to remain independent and well, and remain connected to the community. The Health and Well-being Strategy 2012-15 echoes many themes of the service development principles with its emphasis on promoting independence and wellbeing whilst ensuring care when needed. They link directly with three of the main strands of the strategy: Well-being in the community; How we live; and Care when needed. In particular, 'Care when needed' identifies plans for developing increased independence for older people, and improving support for carers.

Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 8.3 The current net budget for the Adult Social Care is £89.770m, the current proposed medium term financial plan and associated priority spending review (PSR) will reduce the net budget to £82.802m (after growth and savings) by 2019/20, representing a 7.76%/£6.968m reduction.
- 8.4 Since 2010/11 the Adults and Communities budget has delivered budget reductions of approximately £29.354m and have further target to deliver efficiencies from 2016/17 to 2019/20 of £12.6m. At the same time however, due to demographic and demand pressures from 2010/11 to 2014/15 adult social care has received £4.263m and £5.1m for inflation. From 2015/16 to 2019/20 Adults and Communities budgets will increase by £8.887m for demographics and demand pressures for and if successful bids are agreed corporately a further £5.2m will be available for inflation pressures.
- 8.5 Of the Adult Social Care budget approximately 95% of the budget is used to fund and manage social care packages for clients and carers, with approximately 75% of this funding being spent on care packages relating to specific clients and the remaining 24% being spent on payments to voluntary organisations and the adult social care workforce. Given the level of efficiencies delivered to date, we forecast a material movement in unit prices for various services and therefore the importance of market shaping to continue support providers will be key in future years. This highlights the importance of making changes to the current delivery model in order to achieve efficiencies within the service and mitigate future demand pressures. For example, even though we have already seen a reduction in the weekly amount for residential care, across all client groups we forecast that unless the care model is changed, the unit cost will need to reduce from approximately £730 per week to £532 before client contributions. Similarly for homecare we forecast that the average weekly cost of care in the home will reduce from approximately £140 per week to £118 before client contributions.
- 8.6 When the commissioning plans are modelled on care packages for older people, the current delivery unit expenditure on client care packages of approximately £25.608m will reduce to £20.936m by 2019/20, a reduction of £4.672m or 18%. The authority maximum unit cost for a residential care placement for an older person is £500. The current average older person residential placement per week is approximately £362 net of client contribution and by 2019/20 is forecast to be £245. This represents a deduction of 32%/£117 per week. This highlights the importance of making changes to the care model, as purchasing the same volume of residential care at this price point will not be viable.

Legal and Constitutional References

- 8.7 The responsibilities of the Adults and Safeguarding Committee are contained within the Council's Constitution - Section 15 Responsibility for Functions (Annex A). Specific responsibilities for those powers, duties and functions of the Council in relation to Adults and Communities including the following specific functions:

- Promoting the best possible Adult Social Care services.
 - Working with partners on the Health and Well-being Board to ensure that social care interventions are effectively and seamlessly joined up with public health and healthcare, and promote the Health and Well-being Strategy and its associated sub strategies.
 - Ensuring that the local authority's safeguarding responsibilities is taken into account.
- 8.8 The Care Act 2014 permits increased flexibility to Councils to delegate services and responsibilities to other parties, in comparison with previous legislation. This is contained in section 79 of the Act. Subsection 2, section 79 specifically excludes the following: promoting integration with Health; co-operation; charges; safeguarding adults at risk; and powers contained within section 79.
- 8.9 When making decisions around service delivery, the Council must consider its public law duties. This includes its public sector equality duties and consultation requirements as well as specific duties in relation to adult social care.
- 8.10 If the project were to lead to detailed change to the provision of adult social care services, detailed consultation would need to be carried out with service users, carers, the general public and staff. Results from this consultation and the Equality Impact Assessments must be considered when deciding on the most appropriate way forward.

Risk Management

- 8.11 The project will be managed within the Council's risk management framework.

Equalities and Diversity

- 8.12 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
 - Advance equality of opportunity between people from different groups
 - Foster good relations between people from different groups
- 8.13 The protected characteristics are:
- Age
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Sex

- Sexual orientation

8.14 The broad purpose of this duty is to integrate considerations of equality into day to day business and to keep them under review in decision making, the design of policies and the delivery of services.

8.15 An initial Equality Impact Assessment has been carried out on the commissioning plan and the savings proposals, which include the consideration of alternative delivery models for adult social care. As detailed proposals are developed, they will be subject to full Equality Impact Assessment.

Consultation and Engagement

8.16 The Council has carried out a series of consultations into the future shape of services.

8.17 In October to December 2013, the Council ran area-based workshops and focus groups with service users and residents with protected characteristics to establish their priorities for the future of the Council. The results of this consultation are published on www.engage.barnet.gov and informed the development of the priorities and spending review.

8.18 From March to June 2014 (with a break for the pre-election period), the Council ran a Call for Evidence for local organisations and residents, specifically exploring the roles of external organisations in supporting the Council in the delivery of services to Barnet residents. The results for this are also published on www.engage.barnet.gov.

8.19 Both the Adults and Safeguarding Commissioning plan and the Council's plans for implementing the Care Act 2014 in 2015 are currently subject to public consultation. Details of these are available on www.engage.barnet.gov.

8.20 As the alternative delivery model project is initiated, detailed plans for consultation and engagement with stakeholders will be developed and implemented.

9. BACKGROUND PAPERS

None