

Committee(s)	Dated:
Community and Children's Services – For Information	18 November 2016
Subject: Adult Social Care Pressures – Policy Context	Public
Report of: Director of Community and Children's Services	For Information
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Summary

Nationally, Adult Social Care services are under significant pressure from increased demand, cuts in government grants and a range of other factors.

In the City of London Corporation, Adult Social Care services have been in a more robust position with no reductions in base funding allocated to the service in the recent service-based reviews. However, financial pressures are now being experienced, which are likely to continue in future years as the older population in the City of London grows.

This paper sets out some of the challenges that Adult Social Care in the City of London Corporation faces and some of the measures that are being considered to mitigate them.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

Adult Social Care

1. Adult Social Care services support individuals to maintain their independence and live as safely as possible despite illness, old age or disability. They also provide support to informal carers.
2. Local authorities have a number of statutory duties around adult social care. Many are set out in the Care Act 2014 but there are also a number of other relevant acts including the Mental Health Act 1983 (amended 2007) and the Mental Capacity Act 2005 (amended 2007). Statutory duties include:

- providing individual budgets for those who meet the national eligibility criteria for care and, for informal carers, support. For those with needs, this is means tested; for carers it is not
 - providing an advocate for people who require one to enable them to fully engage in the needs assessment, support planning or safeguarding process and to represent the needs of individuals who lack capacity in these processes
 - providing preventative services and integrating with other services such as health
 - establishing and maintaining a Safeguarding Adults Board
 - making enquiries, or ensuring others do so, if it is believed an adult is subject to, or at risk of, abuse or neglect. An enquiry should establish whether any action needs to be taken to stop or prevent abuse or neglect, and if so by whom
 - providing an Approved Mental Health Professional (AMHP) service to carry out Mental Health Act assessments for local residents
 - providing aftercare for those who are detained under certain parts of the Mental Health Act
 - assessing and issuing standard authorisations of Deprivation of Liberty Safeguards (DoLS) for people who are in a care home or hospital. This relates to extra safeguards that are needed if restrictions and restraint will deprive someone of their liberty.
3. Care and support are provided by a range of organisations including councils, voluntary organisations and the private sector. Care and support can include:
- interventions to help people maintain their independence in their homes for longer
 - personal assistance
 - residential care and supported living
 - providing support to informal carers
 - safeguarding services that aim to protect adults at risk from harm, abuse and neglect.

Financial pressures in Adult Social Care

4. Where a local authority assesses an individual as having eligible needs, it calculates an individual budget to determine the cost of meeting those needs. The individual is subject to a statutory means test to determine whether or not they should contribute to the costs of their care and support. Where the individual is assessed as unable to contribute to the costs of their care, the local authority bears the costs of this care. The costs of care vary considerably depending on level of need, type of care and how the service is procured.
5. An individual budget will also be calculated for informal carers who are assessed as being eligible for support but they are not means tested for their support.

6. Local authorities are required, where appropriate, to provide up to six weeks of reablement free of charge. Reablement is designed to help individuals regain confidence and independence after a period of illness or injury.
7. Nationally, Adult Social Care services are facing significant financial pressures. The annual budget survey by the Association of Directors of Adult Social Servicesⁱ showed that nationally in 2015/16 Adult Social Care budgets were overspent by £168 million. In addition, local authorities are running out of efficiencies and will have to make further reductions to services of £371 million for people needing care and support and their carers. London Councils estimates that by 2019/20, London boroughs could face a funding gap of £900 million in their Adult Social Care budgets.ⁱⁱ
8. These financial pressures are due to a number of factors including:
 - the reduction in local authority core budgets – between 2010/11 and 2014/15, these reduced in London by 44 per cent in real terms
 - increasing demand for services as the population ages and people live longer with complex conditions
 - the introduction of the National Living Wage (a legal requirement) and also the London Living Wage, which is good practice. This has an impact on what care providers have to pay their staff and the amount local authorities then have to pay for services
 - the impact of provider availability and procurement methods (for example, if services are spot-purchased or contracted in a block)
 - the introduction of new requirements under the Care Act 2014. Some of these costs have been supported in Care Act Burden Grants but others, such as the requirement to have preventative services in place, will have a resource implication for local authorities
 - the transfer of the Independent Living Fund to local authorities to ensure that it is part of the mainstream Adult Social Care system. Funding was allocated to local authorities for 2016/17 and City of London Corporation received approx. £8,000. Confirmation of future allocations is awaited
 - achieving compliance with the law around DoLS. The number of DoLS also began to increase following the Cheshire West ruling that overturned previous judgments that had defined deprivation of liberty more restrictively. It ruled that all people who lack the capacity to make decisions about their care and residence and, under the responsibility of the state, are subject to continuous supervision and control and lack the option to leave their care setting are deprived of their liberty. It also now includes applications to the Court of Protection, which can be time-consuming and creates costs to be covered by local authorities
 - the implications of future service reconfiguration in health services, which may create costs for Adult Social Care services – for example, if more care is provided in the community.

Adult Social Care in the City of London

9. The City of London Corporation has an Adult Social Care Team which includes qualified social workers, an occupational therapist, reablement workers and an Approved Mental Health Professional (a qualified social worker).
10. The Adult Social Care Team is only able to assist City of London residents and those carers who care for someone who lives in the City of London. If City of London residents are placed in residential care or supported living, they are placed outside of the City boundaries as there is no residential care or supported living within the City boundaries. However, although these residents live outside of the City boundaries, they remain the financial and statutory responsibility of the City of London Corporation.

Current Position

People approaching Adult Social Care

11. In 2015/16, 131 new individuals made contact or were referred to Adult Social Care services in the City of London Corporation. Of these, 33 were aged 18–64 and 98 were aged over 65. This is a similar rate to the number during the previous year. However, the percentage of those who then went on to have a needs assessment was higher – 67 per cent in 2015/16 compared with 60 per cent in 2014/15.
12. Carrying out needs assessments requires resources and there are cost implications for the City of London Corporation where individuals are found to have eligible needs that have to be partly or fully funded by the City of London Corporation. In both 2015/16 and 2014/15, 67 of these individuals went on to receive support including short-term support to maximise independence and longer-term support.
13. In 2015/16, 24 new carers' assessments were carried out compared with 23 the year before. Of these, nearly all were eligible for support as a carer.
14. Therefore, similar numbers of individuals each year were approaching Adult Social Care and receiving services.

People receiving services

15. In total, 141 City of London residents received long-term Adult Social Care services in 2015/16 (39 people receiving residential and nursing care), compared with 155 individuals (45 people receiving residential and nursing care) in 2014/15. Some 30 people live in supported living accommodation. During 2015/16, 23 individuals who were receiving Adult Social Care services passed away and in 2014/15, 11. This suggests that there was a net decrease in those receiving long-term care in 2015/16 of 20 people.
16. In 2014/15, the City of London Corporation provided support to 79 carers in a variety of ways. In total, 49 of these carers received individual budgets to provide

support. The census identified 567 informal carers in the City of London who provide support to people with a range of needs. The City of London Corporation Carers' Strategy and Carers' support service aim to reach more carers and a broader range of carers. This is likely to impact on the numbers who have a carers' assessment and receive support in the future.

Financial situation

17. The City of London Adult Social Care service has so far not suffered any significant budgetary reductions, and the one-off pressures of moving to the London Living Wage have been met corporately.
18. All Adult Social Care services are currently funded from the local risk budget. Given the size of the caseload, small shifts in numbers of service users and levels of need can make a significant impact on the budget. The budget is therefore volatile in response to changing demands and needs.
19. The profile of the budget for Adult Social Care services (not including any recharges) at the City of London Corporation can be seen in Appendix 1. Overall, the Adult Social Care budget has been robust in recent years but is predicting an overspend of £159,000 this year. As can be seen from the figures, the older people's budget is the most volatile.
20. The main element of this budget is residential/nursing care and home care. Between 2014/15 and 2015/16, there was a significant increase in the costs of residential/nursing care from £564,000 to £708,000. The forecast outturn for 2016/17 is £800,000. Given that the number of people in residential care went down between 2014/15 and 2015/16, the increased cost is due to increased costs of the care and length of stay.
21. Data shows that the number of weeks of provision for residential and nursing care has gone up from 1,335 in 2014/15 to 1,559 in 2015/16 and the unit cost in the same period has risen from £760 per week to £915.ⁱⁱⁱ Costs in care homes have been increasing in recent years due to a number of factors, including workforce development, increasing standards, ability to recruit and the implementation of the National Living Wage. There are concerns nationally about the sustainability of the market given these financial pressures on the providers and the amount local authorities can pay for this care.
22. The biggest element of the budget for those clients aged 18–64 is supported living. This declined between 2012/13 and 2015/16 (from £963,000 to £913,000) but the forecast outturn for 2016/17 is £977,000. This is likely to be due to increased costs of the supported accommodation rather than increases in numbers of individuals. There is currently a project under way working with those individuals in supported accommodation with long-term mental health conditions to assess the suitability of moving to more independent accommodation and to provide support to facilitate this.

Future demand and pressures

Population

23. One of the key factors in future Adult Social Care pressures will be the impact of demographic changes. GLA projections show that over the next five years, the older population in the City will grow faster than other age groups. Although the older population is not the largest group in the City population, it is set to increase by between 4 and 5 per cent each year over the next five years. Detailed figures can be found in Appendix 2.
24. Growing older brings with it health and mobility problems and for some this will require some social care assistance in order to maintain independence.

Other factors in the City of London

25. The City of London does not have any residential or supported living accommodation within its boundaries. These services are spot-purchased for individuals as the numbers entering these settings each year means that a block contract is not appropriate. Spot-purchasing, however, is more expensive than the unit costs of a block contract.
26. The domiciliary care contract is currently being retendered and the new contract will ensure that value for money is achieved.
27. The need for the City of London Corporation to process and review DoLS will continue and if the older population is increasing the number of approvals to be processed is also likely to rise. In 2015/16, in the City of London Corporation, there were 35 applications, of which 30 were granted.^{iv} In 2014/15, there were 15 DoLS applications, of which 10 were granted.
28. In the City of London Corporation, the formula used to calculate individual budgets for those with needs and for carers is currently being updated to be more reflective of market prices and carers' needs. This could potentially create increased costs.
29. The City of London Corporation has a commissioned brokerage service to support those who wish to organise their own care. This is likely to increase over time, and again will incur additional cost as individuals move to a more personalised approach.
30. As people become frailer yet wish to maintain their independence at home, more expensive and specialist equipment, provided for by the Occupational Therapy Service in the Adult Social Care Team, may be required. This is provided through a framework agreement with a provider.

Predicting future costs

31. A recent piece of work was undertaken at a North East London level to map potential future deficits in social care services. These include all costs (including recharges) and take into account the population projections above and a rate of inflation for services of 1.5 per cent. It predicts that by 2020/21, in the City of London Corporation there could be a deficit of £597,000. Detailed information can be found in Appendix 3.
32. City of London Corporation projections suggest that in 2017/18 there will be a funding gap of £140,000 across the People's Directorate, driven in the main by pressures in the older people's budget.

Options

33. The Adult Social Care Team at the City of London Corporation already works hard to meet its statutory duties in a cost-effective way but there are a number of factors over which it has limited control and which can cause a significant impact on budget.
34. In this context, there are a number of options that could be considered in managing the financial pressures in Adult Social Care in the long term. These include:
 - introducing the social care precept to Council Tax in the City of London. Following the Comprehensive Spending Review in 2015, local authorities were able to add a precept of up to 2 per cent to Council Tax bills, which had to be ring-fenced to fund social care. The City of London Corporation has not pursued this to date. Adding a 2 per cent precept to Council Tax bills in the City of London would yield approx. £100,000
 - moving some of the more volatile aspects of Adult Social Care budgets to the central risk budget
 - integrating more services with health, which could help reduce duplication and provide more streamlined services
 - increasing funding with a growth bid from City Fund.

Corporate & Strategic Implications

35. KPP2 of the Corporate Business Plan focuses on improving the value for money of our services within the constraints of reduced resources.
36. The vision for the DCCS Business Plan is to make a positive impact on the lives of all service users by working together, and with our partners, to provide outstanding services that meet their needs. It includes strategic priorities of safeguarding and early help, health and wellbeing and efficiency and effectiveness.

Implications

Financial implications

37. The Chamberlain has been consulted in the preparation of this report and the financial implications are included in the body of the report.

Legal implications

38. The Comptroller and City Solicitor has been consulted and his comments are incorporated in the body of this report

Conclusion

39. Adult Social Care services are facing significant financial pressures nationally due a number of factors including increased demand, reductions in revenue support grants to local authorities and factors such as the National Living Wage, which impacts on the costs of Adult Social Care services.

40. In the City of London, Adult Social Care budgets can be volatile due to the small caseload and impact of high-cost cases. Following several years of having an underspend on the local risk budget, where all service costs sit, there is now a predicted overspend for this financial year.

41. The pressures on Adult Social Care and its finances in the City of London Corporation are likely to continue, mainly due to an increasing older population in the City of London.

Appendices

- Appendix 1 – Local Risk Budget, Adult Social Care
- Appendix 2 – Population Projections
- Appendix 3 – Projected future costs for Adult Social Care

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ⁱ Association of Directors of Adult Social Services ADASS Budget Survey 2016

ⁱⁱ London Councils, November 2015, Adult Social Care in London

ⁱⁱⁱ Adult Social Care Finance Return. Annual return submitted to NHS Digital.

^{iv} NHS digital. Figures are rounded to the nearest five.