



# Scrutiny Health & Social Care Sub-Committee Supplementary Agenda

## 8. Adult Social Care Budget (Pages 3 - 30)

To receive an overview of the Adult Social Care Budget.

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# Scrutiny health and social care sub-committee

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## *Adult social care budget*

*24 September 2019*

*Guy Van Dichele*

# What is social care, how is it funded?

- Social Care aims to help people live as independently as possible, and help them with the basic activity of living that we may take for granted.
- The Department of Health and Social Care is responsible for the care of adults (children covered by the Department for Education).
- Within the category of “adults” there are two main groups covered:
  1. Older adults
  2. Working age adults
- Approximately 50% of all local government spending on adult social care relates to working age adults, yet 90% of the perceived beneficiaries and media coverage is around older adults.
- Getting social care right for working adults has a bigger life impact, but is far less visible.

# What is social care, how is it funded?

## Social vs. Health Care

- Social care is about taking measured risks to help people live a normal life.
- Health care manages down risks so that people don't get/stop being unwell.

## How is social care funded?

- Social care is not free.
- Social care is pretty aggressively means tested against both income and wealth.
- Using residential care as an example, if you still own your own home, and a (very) close relative is not living in it with you, you will need to sell your home to pay for your care. The current capital limit (so the most you can own before you have to contribute towards care costs) is £23,250.
- Just over half of the public believe that social care is free.
- This presents a great challenge for the Department of Health & Social Care, and also for Local Government, residents must fully understand their personal responsibility.

# What is social care, how is it funded?

## Assessments and attempts to change legislation

- The current social care means testing is an incredibly complicated assessment process.
- If the process determines you have a primary health care need, the NHS pays for everything.
- However, with conditions such as dementia, a resident may start off being funded, and then as their condition progresses, and becomes no longer treatable, they may have funding withdrawn.
- The process is so complicated and nuanced. It is completely conceivable that you can talk to two different people with identical conditions, income and wealth, and find one fully funded and the other not.
- The issue of fairness has been an ongoing argument.

# What is social care, how is it funded?

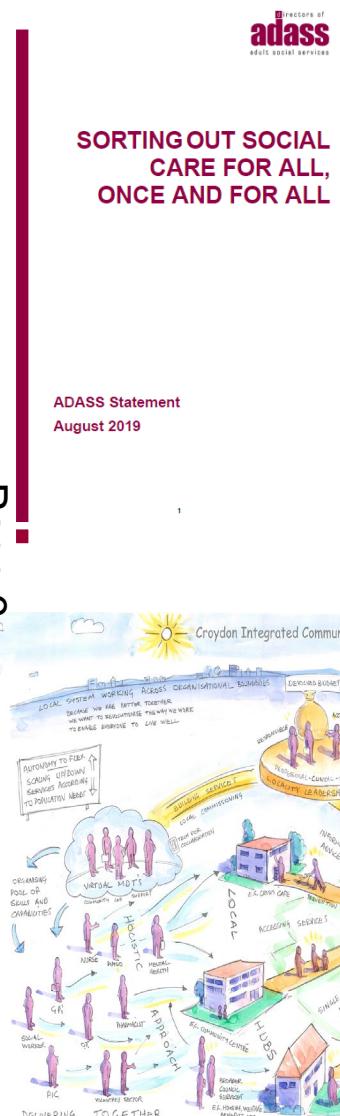
- In 2010, Andy Burnham, MP laid out plans for universal social care – which were shouted down as a “Death tax”.
- Theresa May followed, with a plan that would ensure those in receipt of care would be left with a lower limit of £100,000 (rather than £14,000), and once £100,000 had been paid self-funding would cease. Neither plan made it into Government Policy.
- The Director General noted that until this financial burden is fully understood the argument won't move on. He also noted that it would be good to have time to develop these arguments out in the open, rather than quietly and quickly whilst running into an election.
- The Care Act 2014 Part One was introduced with a plan to introduce Care Act Part Two the following year. This has never materialised and the Green Paper has been stalled on numerous occasions. Part Two of the Care Act relates to the financial aspects of care.

# What is social care, how is it funded?

## Social care placements – better value and better outcomes

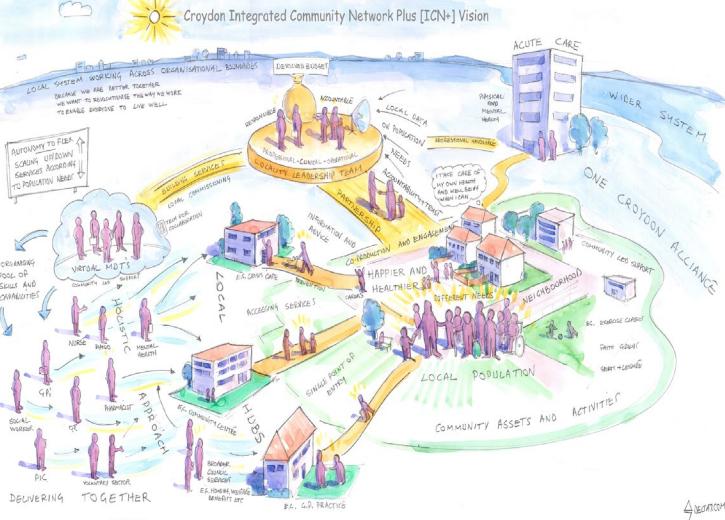
- Even if personal funding was no longer an issue, it would only take away the issue of fairness between individuals.
- A problem of market fragility still remains. Local Authorities cuts over the last decade have meant they have had to understandably drive down prices, making it a difficult market to make money in.
- At some stage fees will have to go up, or it will become difficult to for Local Authorities to place residents. New players in the market are already only interested in private payers – and that situation will only get worse.

# National view on need, and local vision



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- Short-term funding to prevent the further breakdown of essential care and support over the course of the next financial year.
  - Then we need long-term funding and reform which will enable us to build care and support for the millions of us who need it and create a social care system that is truly fit for the twenty-first century.
  - This will require a long-term plan for adult social care which means that we genuinely have a system that links with other public services and supports resilient individuals, families and communities.



- **Short term** - Chancellor's one year spending review Sep 2019, aligned with 2019/20 efficiencies programme, One Croydon Alliance and medium term financial strategy
  - **Medium term** – Health and care plan focussed on enabling vision for modern acute physical, modern acute mental health and integrated locality services.
  - **Long term** – Croydon becomes an integrated care system, with joined up leadership, services and workforce and budgets.

# Key figures

- 5000+ residents use our services every year
- 3500 use services for 12 months or more
- Roughly 3000 residential beds, of which 1/3 are used by the Council, 1/3 self-funders, 1/3 by other boroughs
- 260+ people are placed out of borough
- 260+ new supported homes required in the next 5 years
- 12% take up on direct payments
- Carers – 31% of carers in Croydon have done it for 30 years or more!
- Locum workforce reduced from 35% to 15% in last 12 months

# Strengths

- Dementia Friendly Croydon status, referenced in the Mayor of London's new health inequalities strategy
- Balanced budget in 2017/18 and 2018/19 (2019/20 higher risk current deficit on £5m)
- Transformational investment in digital, workforce, culture, health and social care integration
- Development of E Marketplace to enhance offer for residents and their families to organise care and support
- New 'Front Door' integrated with Gateway, focussed on prevention and early intervention
- Older people social care workforce restructured to localities model, with rest of division to follow in 2019
- Localities embraced by health and social care partners, and commitment to community led support approach

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## Key messages from the July 2018 Croydon Peer Review – use of resources and commissioning

- Croydon knows where it is doing well, and the areas it needs to develop
- Health and social care integration is backed by a strong vision, ambition, enthusiasm and knowhow
- Overall the review team said that Croydon should '*continue what you are doing as it is clearly working*'.

# Weaknesses

- Fragility of the provider market and market failure.
- Data quality
- Reduced public health funding grant
- Health inequalities
- Case management system out of date
- Resources to Adult Social Care and particularly in the area of disabilities and increasing multi complex cases
- A clearer local offer on autism support

# Opportunities

- NHS Long term plan
- Green / white paper (Prevention) Awaiting Adult Social Care
- Health and social care integration by 2020/21
- One Croydon Alliance moving from 65+ to all age
- Increasing supported accommodation units
- Insourcing special sheltered housing care provision
- Insourcing south reablement contract
- Potential of dynamic purchasing system to engage market quicker
- Strong partnerships in safeguarding arena with strong cross agency intelligence committee including LA, Police and CQC with only 3 providers as inadequate but supported to improve through our quality assurance function.

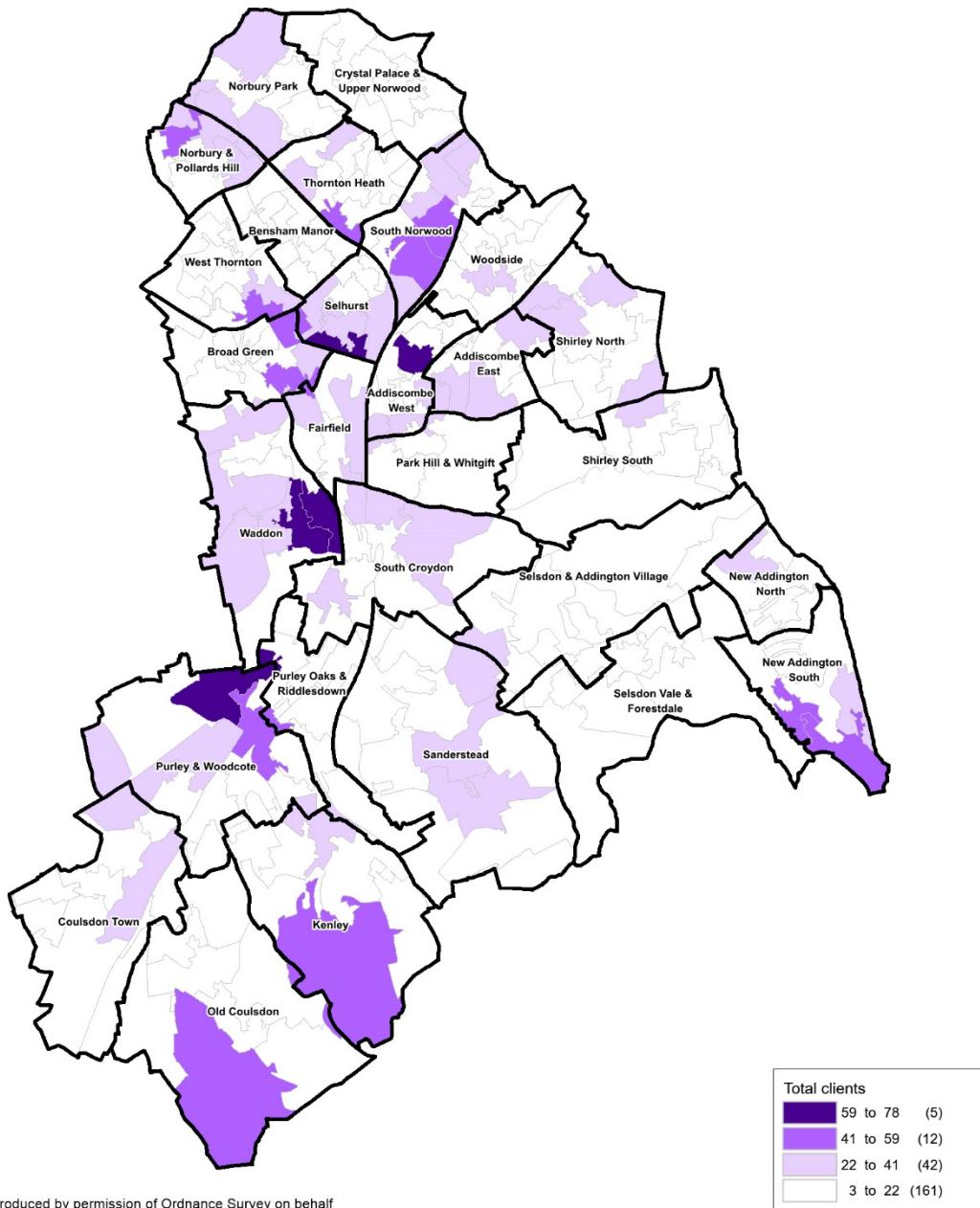
# Threats

- Brexit – adult social care cited in operation yellow hammer document
- Demographic changes leading to costs rising in Adult Social care
- Arrangements in health due to new NHS Plan and regionalisation of CCGs distracting away from local ICS for local residents. Green paper
- Uncertainty on Government funding beyond March 2020
- Reduction in workforce across health and social care including nursing care due to outcome from Brexit.
- Recession linked to outcome of Brexit putting pressure on economy and care providers.

# Our vision for the next 3 years

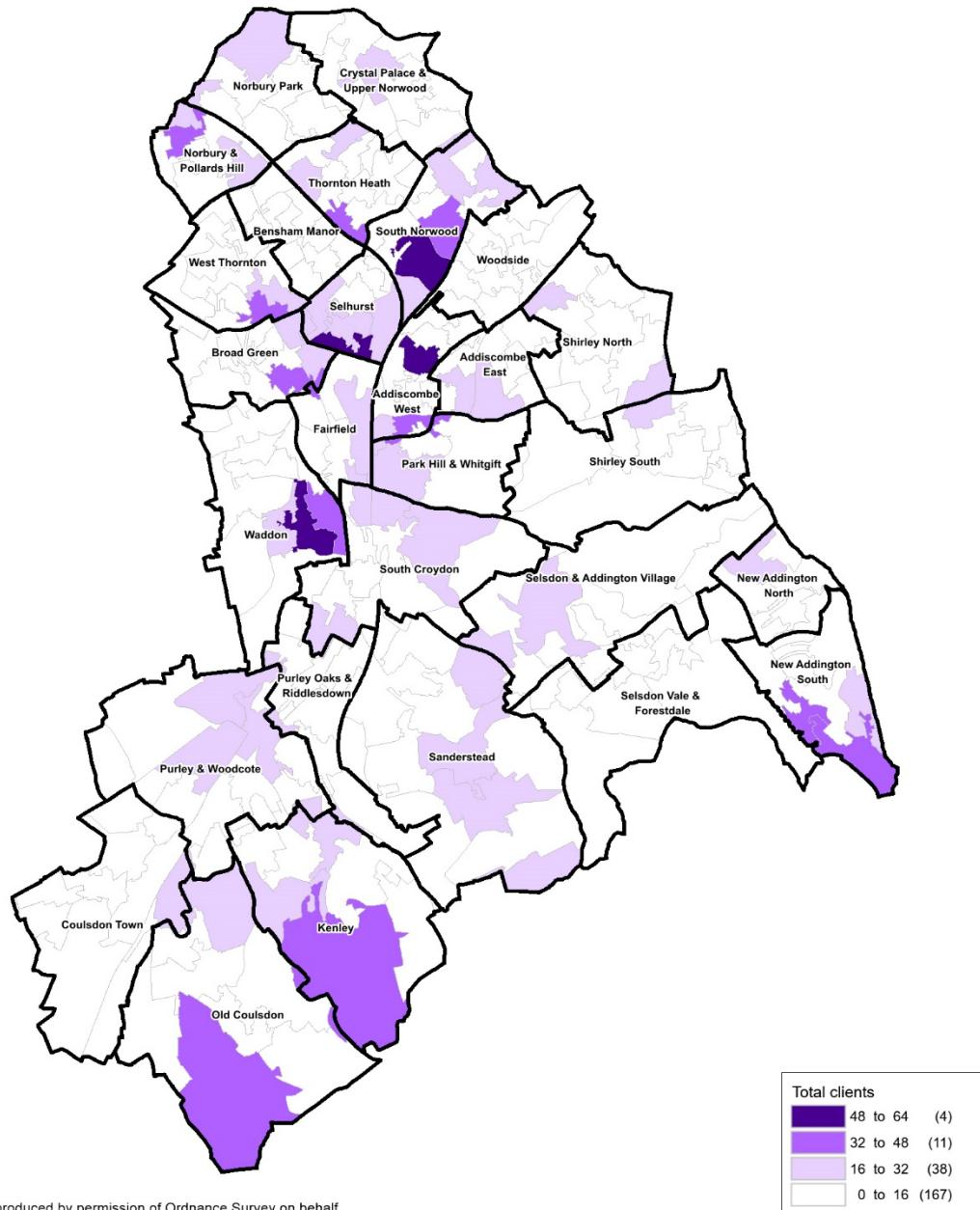
- Social care not seen in isolation of wider determinants of health
- Empowering our residents and carers with choice and control
- Seamless care
- Reducing health inequalities, improving life stage outcomes
- Safeguarding is everybody's business
- Disability and dementia is everybody's business with centres of excellence at locality level
- A proportionate digital and face to face service to offer
- Community led support
- Empowering our workforce, with a learning and development offer
- Integrating our health and social care workforce
- Partnership working with all stakeholders
- Sustainable budgets and services

# Key figures



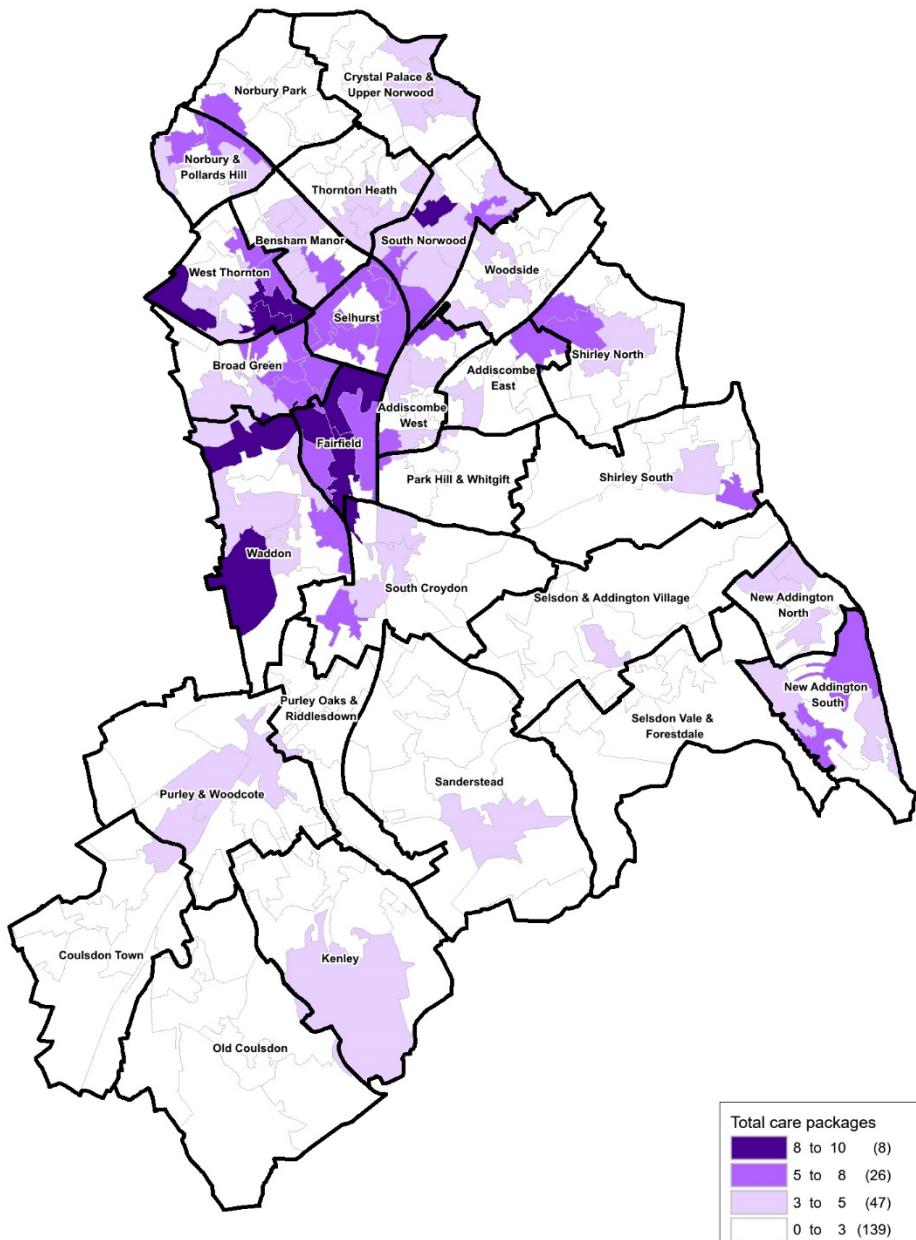
Adult Social Care clients receiving long term support  
(65+ year olds)  
As at March 31 2019

# Key figures



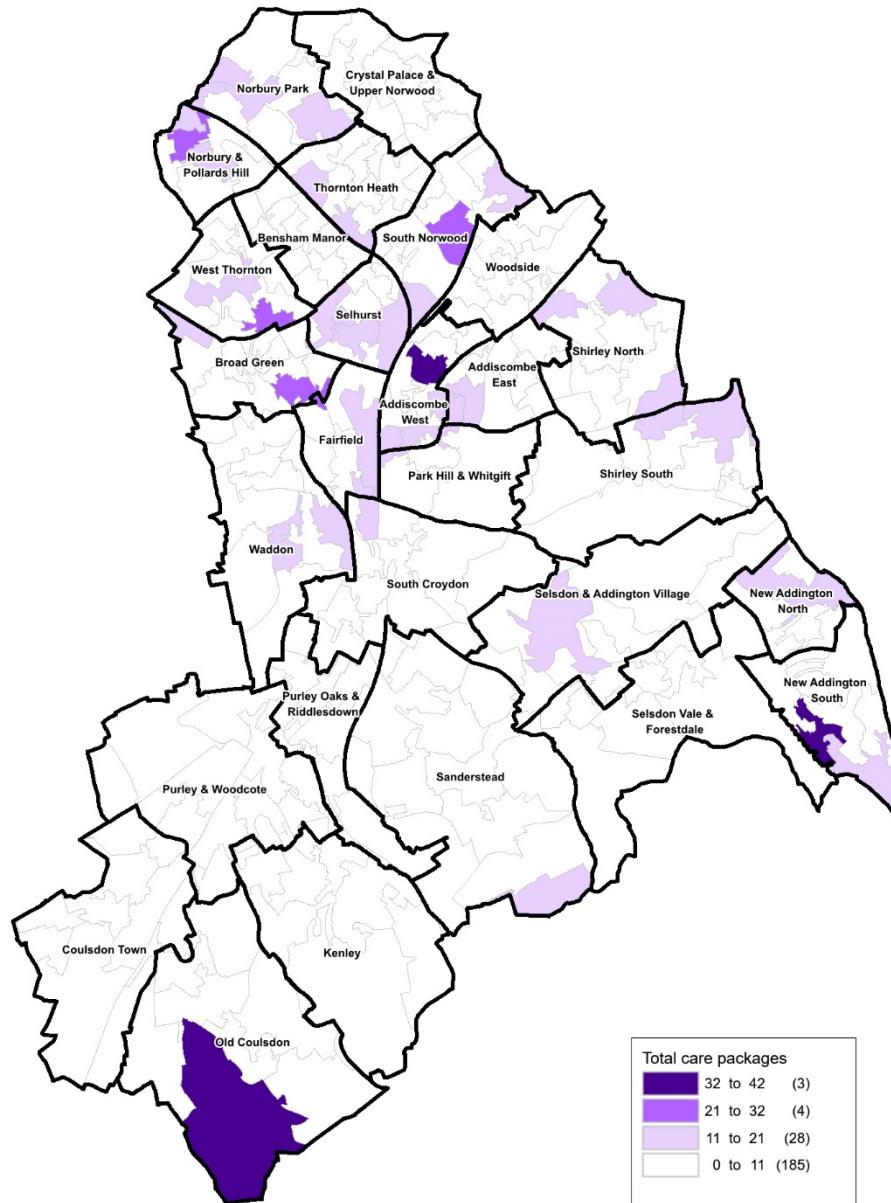
Total open domiciliary care packages  
(18-64 year olds)  
February 2019

# Key figures



Total open domiciliary care packages  
(65+ year olds)  
February 2019

# Key figures



# 3 Year Summary of ASC Financials

Division	17/18			18/19			19/20		
	Budget	Spend	Variance	Budget	Spend	Variance	Budget	Spend	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care And All-Age Disability Directorate	10,300	10,892	592	9,518	8,510	-1,008	10,153	10,153	0
Adult Safeguarding And Quality Assurance	3,864	3,598	-266	3,562	3,303	-259	3,637	3,637	0
25-65 Disability	39,908	39,526	-382	40,263	43,726	3,463	41,223	42,873	1,650
Integration and Innovation	3,243	2,464	-779	1,797	6	-1,791	731	-269	-1,000
Adult Mental Health Social Care	7,332	7,325	-7	7,332	8,116	784	7,712	8,033	321
Day Opportunities	1,912	2,074	162	1,798	1,394	-404	2,278	2,296	18
One Croydon Alliance (Over 65s)	29,280	29,020	-260	30,010	28,638	-1,372	30,916	34,885	3,969
<b>Adult Social Care And All-Age Disability</b>	<b>95,839</b>	<b>94,899</b>	<b>-940</b>	<b>94,280</b>	<b>93,692</b>	<b>-588</b>	<b>96,650</b>	<b>101,609</b>	<b>4,959</b>
<b>Non-recurrent funding</b>		<b>7,106</b>			<b>15,334</b>			<b>3,633</b>	
		<b>102,005</b>			<b>109,026</b>			<b>105,242</b>	
<u>Non-Recurrent Funding</u>									
Improved Better Care Fund (3 Year Grant ends 19/20)		5,500			3,967			2,000	
Use of Flexible Capital Receipts for Transformation		1,606			11,367			1,633	
		<b>7,106</b>			<b>15,334</b>			<b>3,633</b>	

£2m Of the Improved Better Care Fund funds the Out of Hospital Business Case for One Croydon Alliance.

# Summary of ASC Forecast Q1 2019/20

Services	Budget £	Forecast £	Variance £
Staffing	21,480,000	21,150,175	-329,825
Indirect staff costs, premises, supplies, transport etc.	11,507,000	7,174,246	-4,332,754
Nursing Homes - Private Contractors Payment	10,711,000	12,304,255	1,593,255
Residential Placements - Private Contractors Payment	30,731,000	31,605,166	874,166
Domiciliary Care	15,122,000	17,488,874	2,366,874
Private Contractor Payments	10,005,000	9,957,072	-47,928
Payments to Voluntary Sector	2,375,000	2,307,452	-67,548
Other Care	2,233,000	2,348,985	115,985
Direct Payments	16,451,000	19,961,812	3,510,812
<b>Total Expenditure</b>	<b>120,615,000</b>	<b>95,973,616</b>	<b>-24,641,384</b>
Government Grants	-1,044,000	-1,044,000	0
Other Grants, Reimbursements & Contributions	-15,455,000	-11,558,040	3,896,960
Customer & Client Receipts	-14,246,000	-16,763,116	-2,517,116
Recharges Income	-3,377,000	-3,481,000	-104,000
<b>Income</b>	<b>-34,122,000</b>	<b>-32,846,156</b>	<b>1,275,844</b>
<b>Total Net Controllable</b>	<b>86,493,000</b>	<b>91,451,881</b>	<b>4,958,881</b>
Depreciation	110,000	110,000	0
Support Services	10,047,000	10,047,000	0
	0		
<b>Total Net Expenditure</b>	<b>96,650,000</b>	<b>101,608,881</b>	<b>4,958,881</b>

Indirect staff costs include items such as mileage, training etc

# Q1 Forecasts by Key Divisions

Services	Older People			25-65 Disability			Mental Health		
	Budget £	Forecast £	Variance £	Budget £	Forecast £	Variance £	Budget £	Forecast £	Variance £
Staffing	9,210,000	8,427,904	-782,096	3,246,000	3,274,993	28,993	2,957,000	2,439,829	-517,171
Indirect staff costs, premises, supplies, transport etc.	1,954,000	3,605,084	1,651,084	243,000	451,738	208,738	99,000	258,477	159,477
Nursing Homes - Private Contractors Payment	7,355,000	9,509,455	2,154,455	2,707,000	1,828,222	-878,778	649,000	966,578	317,578
Residential Placements - Private Contractors Payment	3,878,000	3,945,421	67,421	22,295,000	23,099,142	804,142	4,558,000	4,560,603	2,603
Domiciliary Care	11,657,000	14,835,959	3,178,959	3,465,000	2,652,915	-812,085	0	0	0
Private Contractor Payments	8,350,000	7,589,689	-760,311	1,249,000	588,672	-660,328	406,000	969,901	563,901
Payments to Voluntary Sector	1,368,000	1,243,148	-124,852	136,000	0	-136,000	808,000	808,000	0
Other Care	1,258,000	1,099,476	-158,524	914,000	820,821	-93,179	186,000	137,000	-49,000
Direct Payments	944,000	1,470,160	526,160	14,844,000	17,497,832	2,653,832	663,000	993,820	330,820
<b>Total Expenditure</b>	<b>45,974,000</b>	<b>51,726,296</b>	<b>5,752,296</b>	<b>49,099,000</b>	<b>50,214,335</b>	<b>1,115,335</b>	<b>10,326,000</b>	<b>11,134,208</b>	<b>808,208</b>
Government Grants	0	0	0	-979,000	-979,000	0	-65,000	-65,000	0
Other Grants, Reimbursements & Contributions	-3,292,000	-4,656,920	-1,364,920	-3,362,000	-2,841,816	520,184	-1,169,000	-1,628,808	-459,808
Customer & Client Receipts	-10,177,000	-10,495,294	-318,294	-3,535,000	-3,520,487	14,513	-459,000	-486,074	-27,074
Recharges Income	-1,624,000	-1,724,000	-100,000	0	0	0	-923,000	-923,000	0
<b>Income</b>	<b>-15,093,000</b>	<b>-16,876,214</b>	<b>-1,783,214</b>	<b>-7,876,000</b>	<b>-7,341,303</b>	<b>534,697</b>	<b>-2,616,000</b>	<b>-3,102,882</b>	<b>-486,882</b>
<b>Total Net Controllable</b>	<b>30,881,000</b>	<b>34,850,082</b>	<b>3,969,082</b>	<b>41,223,000</b>	<b>42,873,032</b>	<b>1,650,032</b>	<b>7,710,000</b>	<b>8,031,326</b>	<b>321,326</b>
Depreciation	35,000	35,000	0	0	0	0	2,000	2,000	0
Support Services	0	0	0	0	0	0	0	0	0
<b>Total Net Expenditure</b>	<b>30,916,000</b>	<b>34,885,082</b>	<b>3,969,082</b>	<b>41,223,000</b>	<b>42,873,032</b>	<b>1,650,032</b>	<b>7,712,000</b>	<b>8,033,326</b>	<b>321,326</b>

# HWA 2019/20 Agreed Growth and Savings

Area	Description	Growth/ (Saving)	2019/20 (£m) Revised	Assumed achieved in forecast
All	Workforce reform and transformation. Creating a permanent workforce with less agency cover and costs, reducing management costs and creating more holistic team structures around our residents.	Saving	(1.000)	(1.000)
25-65	All age disability day opportunities - Reconfiguring our offer to people, enhancing life and well-being opportunities through more efficient use of our contracts.	Saving	(0.100)	(0.100)
25-65	25-65 disability transformation - creating efficiency through better outcomes for people reducing expensive care packages	Saving	(1.500)	(0.882)
Mental Health	Mental Health Transformation - Creating efficiency through better outcomes for people reducing expensive care packages.	Saving	(0.100)	(0.100)
Over 65	One Croydon Alliance - Managing the increased demand through better partnership working within the Alliance.	Saving	(2.445)	0
All	Changes to charging policy	Saving	(3.200)	(3.200)
25-65	25-65 Disability Demand - To manage growth in demand for care and support.	Growth	1.900	
Mental health	Mental health Demand - To manage growth in demand for care and support.	Growth	0.300	
Over 65	Council contribution to the wider One Croydon Partnership Alliance	Growth	0.150	
Over 65	Council contribution to the wider One Croydon Partnership Alliance	Growth	2.333	
Various	Additional Growth	Growth	2.538	
<b>Total</b>			<b>(1.124)</b>	

## Summary

<b>Growth</b>		<b>7.221</b>
<b>Saving</b>		<b>(8.345)</b>
<b>Net</b>		<b>(1.124)</b>

# Demographic Growth – Over 65s

## Population aged 65 and over, projected to 2035

	2019	2020	2025	2030	2035
People aged 65-69	15,500	16,000	18,600	22,500	22,700
People aged 70-74	13,500	13,800	14,400	16,800	20,400
People aged 75-79	9,600	9,800	12,300	12,900	15,100
People aged 80-84	7,600	7,600	8,100	10,200	10,800
People aged 85-89	4,600	4,700	5,300	5,800	7,400
<b>People aged 90 and over</b>	<b>2,700</b>	<b>2,700</b>	<b>3,200</b>	<b>3,800</b>	<b>4,500</b>
<b>Total population 65 and over</b>	<b>53,500</b>	<b>54,600</b>	<b>61,900</b>	<b>72,000</b>	<b>80,900</b>

Figures may not sum due to rounding.

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Figures are taken from Office for National Statistics (ONS) subnational population projections by persons, males and females, by single year of age. The latest subnational population projections available for England, published 24 May 2018, are full 2016-based and project forward the population from 2016 to 2041.

Long-term subnational population projections are an indication of the future trends in population by age and sex over the next 25 years. They are trend-based projections, which means assumptions for future levels of births, deaths and migration are based on observed levels mainly over the previous five years. They show what the population will be if recent trends continue.

The projections do not take into account any policy changes that have not yet occurred, nor those that have not yet had an impact on observed trends.

# Demographic Growth – 18 to 65

## Population aged 18-64, projected to 2035

	2019	2020	2025	2030	2035
People aged 18-24	27,800	27,400	27,900	31,500	32,300
People aged 25-34	56,400	55,900	52,100	49,700	51,800
People aged 35-44	58,800	59,500	61,700	60,200	56,900
People aged 45-54	54,400	54,200	55,300	59,100	61,300
People aged 55-64	45,500	46,900	51,300	50,700	51,800
<b>Total population aged 18-64</b>	<b>242,900</b>	<b>243,900</b>	<b>248,300</b>	<b>251,200</b>	<b>254,100</b>
<b>Total population - all ages</b>	<b>393,600</b>	<b>397,000</b>	<b>411,500</b>	<b>423,200</b>	<b>434,100</b>

Figures may not sum due to rounding.

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# Cost of Care - Placements

Client group	Nursing Care					Residential Care			
	Average Cost per week		Average client contribution per week	Highest weekly cost	Lowest weekly cost	Average Cost per week		Average client contribution per week	Highest weekly cost
	£	£	£	£	£	£	£	£	£
Older People	689	164	2,800	435	654	186	1,575	434	
Learning disability	1,120	117	2,840	592	1,167	95	3,926	312	
Mental Health	832	58	2,082	429	761	31	1,800	427	
Physical Disability	939	131	2,540	491	1,300	96	3,192	367	

Older persons highest weekly cost is exceptional. There are two clients over £2,000 per week, next nearest is £1,300  
 Excludes placements in Heavers Court, Addington Heights and Langley Oaks (Council owned)

# Cost of Care – Domiciliary Care Over 65

## Domiciliary Care - Older People excluding Reablement

Average weekly cost	£224.06
Highest weekly cost	£981.64
Lowest weekly cost	£8.16
Weekly planned hours	17,715
Average planned cost per hour	£15.43
Annual planned hours	923,718

## Domiciliary Care - Older People Reablement

Average weekly cost	£195.75
Highest weekly cost	£772.24
Lowest weekly cost	£29.85
Weekly planned hours	3,265
Average planned cost per hour	£17.36
Annual planned hours	170,254

# Cost of Care – 25-65 Disability

## Domiciliary Care

Average weekly cost  
Highest weekly cost  
Lowest weekly cost

## Learning Disability

£203.80  
£2,461.00  
£7.85

## Physical Disability

£172.61  
£1,615.00  
£7.85

Weekly planned hours

1,789

6,099

Average planned cost per hour

£14.80

£14.97

Annual planned hours

93,266

318,023

## Direct Payments

Average weekly cost  
Highest weekly cost  
Lowest weekly cost

## Learning Disability

£730.00  
£2,900.00  
£22.00

## Physical Disability

£344.00  
£1,749.00  
£12.50

# Cost of Care – Client Numbers

People in receipt of Services

	Older People	25-65 Disability	Mental Health
<b>Nursing*</b>	261	36	26
<b>Residential*</b>	114	339	123
<b>Domiciliary</b>	1286	377	0
<b>Direct Payments</b>	104	493	21

\*Excludes Heavers Court, Addington Heights and Langley Oaks

## Summary of the challenges

- Short term funding making long term planning difficult
- Increased demographics
- Increased complexity of need
- Fragility of the market
- Brexit / Poor national perception of care market (recruitment)
- Competing demands with other areas i.e. Children's Services
- Changing environment in health but not exclusively
- Evidenced based decision making
- Keeping confidence in prevention as long term outcome
- Public expectations