

BIRMINGHAM CITY COUNCIL SERVICE REVIEWS

GREEN PAPER UPDATE: ADULTS SOCIAL CARE

INTRODUCTION

Birmingham City Council is facing a big challenge, having to cut the budget we can control by half over seven years. In the past we have often made changes to improve our services and get better value for money. But we now face cuts in government funding on a scale that has never been seen before.

We will need to make big changes to balance the books in the years ahead. These changes will have an impact on everyone in the city, so we want to discuss them with you before going ahead.

The key question we are seeking to answer is:

How can we continue to provide essential services to residents and guide the city through such difficult times, whilst supporting greater fairness and future prosperity?

We will need to be clearer on our priorities and ensure that we only spend money on things that support those priorities. We will need to develop new structures and ways of working with services such as the NHS. And we will need to work with the people of Birmingham to get maximum value from all the resources available to the city.

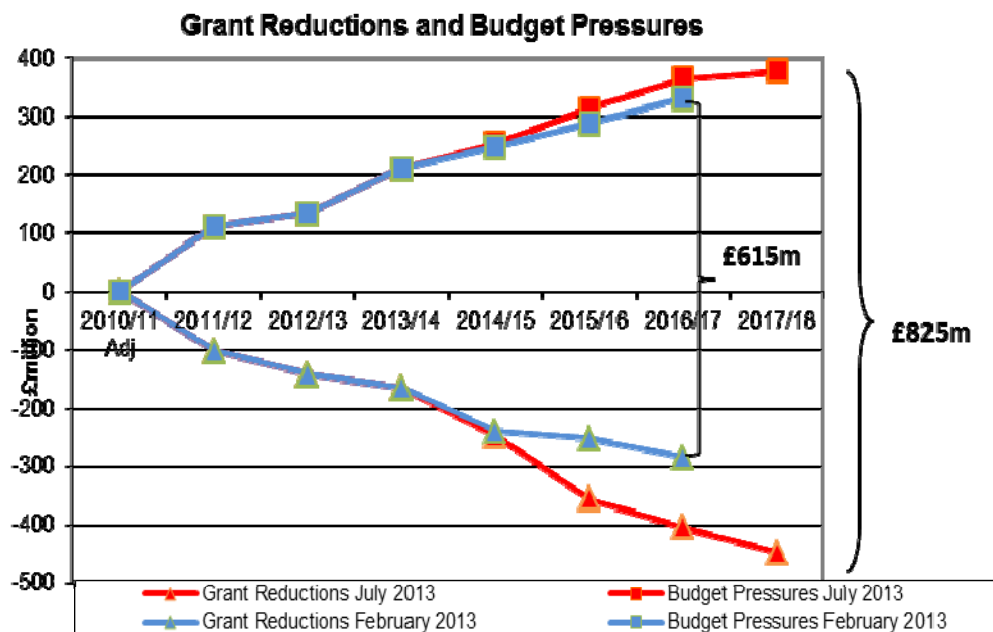
To do this we have begun a detailed programme of reviews looking at all our services and how the council works overall. This has never been done before on this scale and it might well lead to fundamental change in how services are provided and how key priorities are delivered.

THE BUDGET NUMBERS

The Government's programme to cut public spending has meant a severe reduction in local authority funding. At the same time, there are big pressures to spend more to meet inflation, the changing population and the demands that arise from changes in the law and so on.

If we are to respond to this in time we must plan ahead and work out what the funding situation will be over the next three to five years. Our latest forecast is shown in the graph overleaf. As you can see the position has become much worse since the council set its budget in February this year. Even so this may still need to be updated further following future government announcements.

The Council faces huge cuts in its grants from Government and increases in demand.



Source: Birmingham City Council, Corporate Resources Directorate, July 2013

The Council has already made significant savings in recent years, for example £275m has been saved in the last two financial years, with the non-school workforce reduced by 27% since April 2010. But despite this we still need to save at least a further £450m by 2017-18, in addition to over £100m of savings in the current financial year.

The total estimated saving of £825m is about two thirds of the funding in 2010-11 that we had any choice over how to spend (what we call the “controllable budget”). Because of this combination of grant cuts and spending pressures we may not be able to deliver some of the services we now offer and it is likely to become more and more difficult to deliver those services that we are required to provide to an appropriate quality, unless we change the way that we do things.

Focusing on the next two years in the first instance, for which information is more certain, this is likely to mean that we need to find further reductions on average across our services of 25% of the “controllable budget”.

BACKGROUND TO THIS REVIEW

The first Green Paper on Adults Social Care, published in June 2013 was based on an in-depth review of the service. The review acknowledged:

- There are some people who will always require care. By virtue of birth, or through disabilities acquired through life, some citizens will need the council to make arrangements to meet their needs in ways that are dignified and safe

- For some people this includes residential care. The city council needed to ensure their safety and wellbeing and to promote the necessary values of compassion and shared civic responsibility
- The council is legally obliged to fund and arrange for the provision of assessed eligible care needs. There are various ways in which these care needs can be addressed, and this is a key part of this review, extending current actions being taken to achieve agreed savings
- Not everyone who is currently in the care system needs to be there. Birmingham is placing too many people, with all types of needs, residential and nursing care. This is a reflection upon the current quality of housing, community and employment options. Yet the outcomes for people from this high cost and high end system are poor. Regardless of the financial context, there is a compelling case for urgent change based on our ambition to do better for people
- The vision should continue to be driven by a narrative of transforming to improve the outcomes within resources. This requires a transparent and honest approach to set out what citizens can expect.

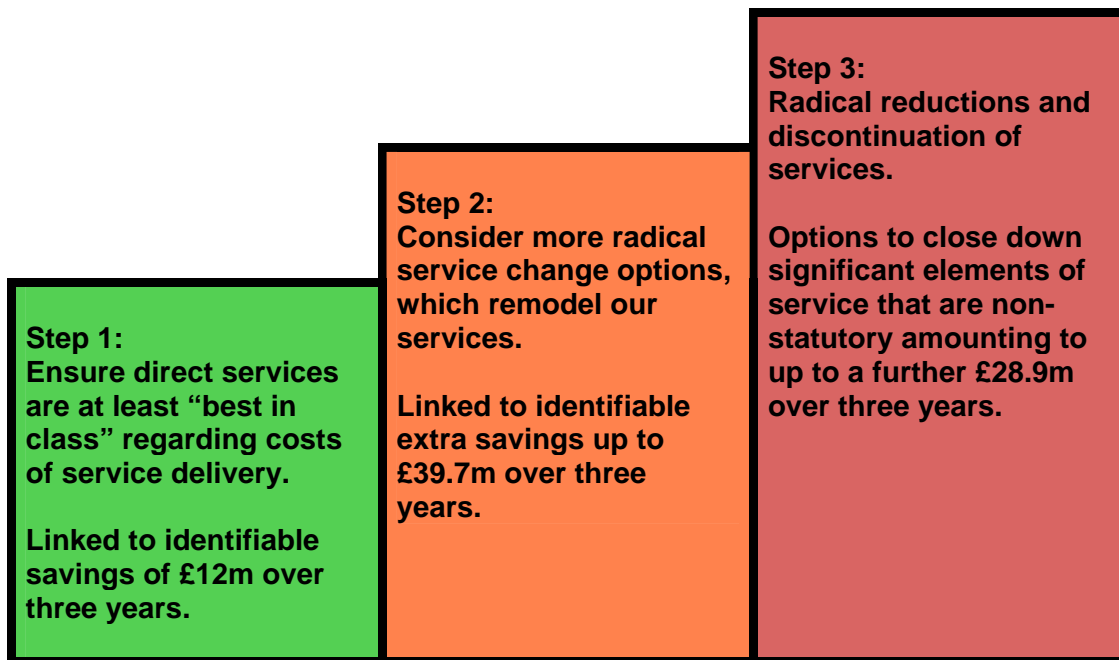
The key is therefore to build upon existing approaches to reduce the demand for care and to find new ones.

The previous Green Paper also outlined our commitment to:

- always meeting assessed unmet eligible needs
- increasing or decreasing, as necessary, individual budgets to ensure unmet eligible needs can be provided for, and
- meeting needs as detailed in support plans until they are changed either by re-assessment or review.

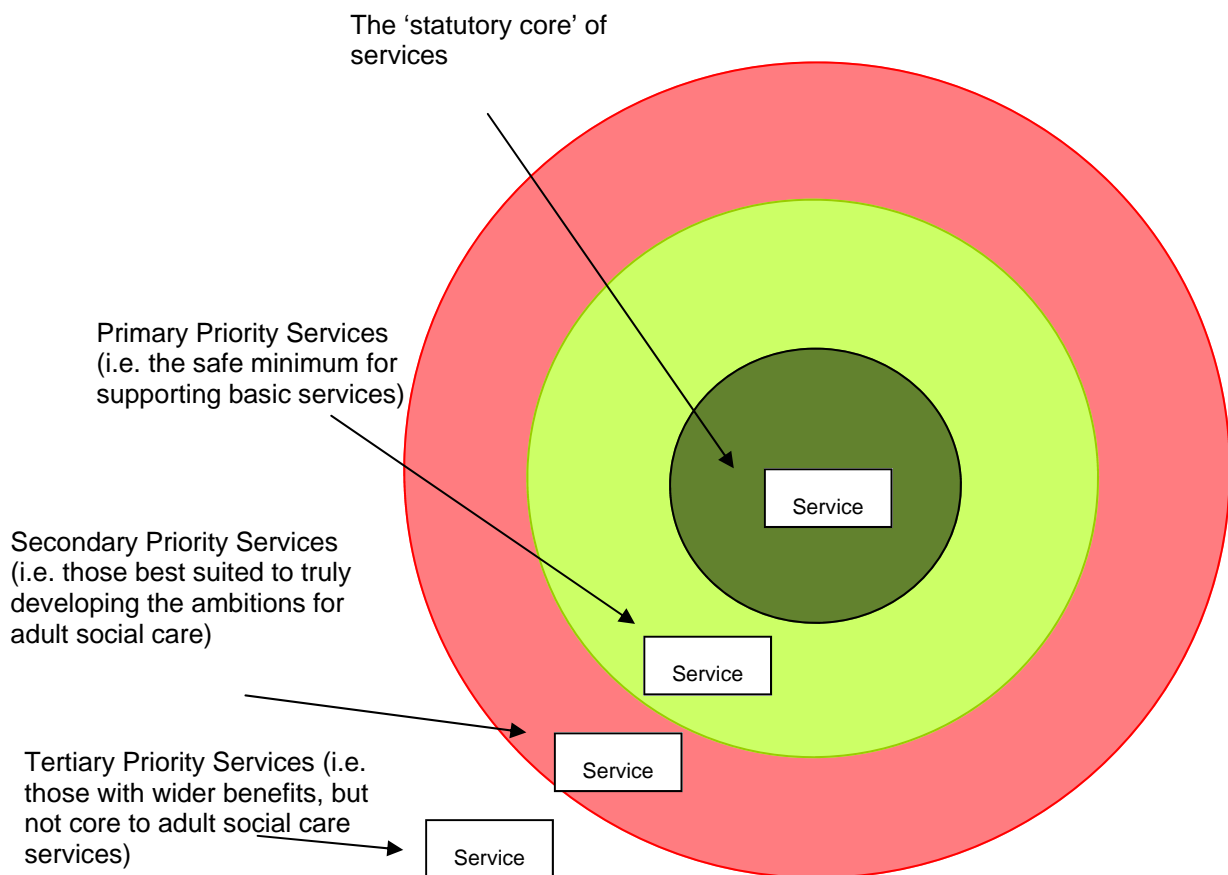
These points still stand as the basis of the proposals put forward in this update. This second review of Adults Social Care has investigated the potential for further and faster change, focusing on proposals relating to learning disability services, the emerging older adults integration programme, and prevention activities that could release more money.

We are planning to follow the 3-Step savings approach, which will enable us to progress through a series of stages in order to deliver the savings and the priorities required. This is illustrated overleaf.



Each step has a number of specific proposals, which in turn can help realise a range of potential savings. These are explained in more detail in the next section.

A mapping concept of service priorities to inform the dialogue



INITIAL PROPOSALS

Step 1: Ensure direct services are at least “best in class” regarding costs of service delivery

We are planning to improve efficiency in the direct provision of services - becoming the best we can be - and at least “best in class” with regard to the cost of delivering our Specialist Care Services and Supporting People Services. This will drive faster and more extensive improvement but some changes will be challenging, for example, bringing our staff costs in line with the market.

Public Health undertook a major review exercise prior to transfer to the council and this will see efficiencies in 2016.

Step 1 - Efficiency in the Direct Provision of Services	Savings £'000 14/15	Savings £'000 15/16	Savings £'000 16/17
Specialist Care Services	2,931	4,483	7,957
Supporting People (currently covered by the Successful and Inclusive Communities Green Paper)	950	1,550	1,550
Public Health (currently covered by the Successful and Inclusive Communities Green Paper)	0	0	2,500
Total	3,881	6,033	12,007

Step 2: Consider more radical service change options, which remodel our services.

We have reviewed a number of scenarios predicting the financial and service impact delivery options and propose to use the “best in class” model based on the best performing core city.

Younger Adults with a Learning Disability

We plan to place ourselves in line with the best performing councils, in terms of:

- shared lives placements (similar to foster care for children)
- direct payments, and
- lowest use of residential care.

We have identified that redesigning the learning disability service will require changing the care packages of nearly 1,000 service users. This will involve moving people already in care situations from one model of care to another. The saving would be £30.5m net over 3 years to 2016/17. This permits us to achieve a previously planned saving, as well as an additional £15.5m. To explain this change we will be applying the logic of the learning disability model delivered through a new offer to all citizens.

Budget Saving: £15.5m over three years

Transitions

Children's Social Care and Adults Social Care will work together in a far more integrated way and will also place us in line with the "best in class". This is to ensure effective transition from Children's Social Care to Adult Social Care provision and earlier assessment of costly care packages.

Budget Saving: £3m over three years

Specialist Care Services

There are a range of savings that relate to income generation proposals, greater productivity and reductions in provision where the business case supports it. Externalising Specialist Care Services can also make considerable savings to an arms length arrangement.

We are looking into setting up a co-operative with the current staff as an option to allow the service to expand as a business whilst maintaining our strong ethical standards. This will include voting rights for employees and service users, as well as the City Council and potentially health partners.

Budget Saving: £2.5m in year three (2016/17)

Supporting People

We are planning to seek alternative funding through a combination of self-funding and contributions from the health sector and from landlords. This is in order to stop council funding for older people in sheltered and extra care schemes.

Budget Saving: £5.6m over three years

Public Health

This budget is ring fenced to Public Health services until 2016. Savings will follow from Public Health services being re-commissioned over the next two years. The savings will be taken from substance misuse, sexual health and school nursing services. It will also include stopping services which are not directly related to the council's public health duties.

Budget Saving: £8.1m over three years

Integration of Health and Social Care

As part of radical reforms to Social Care, we are determined to progress with the integration of health and social care services as quickly as possible. This is known as the Older Adults Integration Programme.

The Government has announced funding of £3.8bn to help councils and the NHS work more closely together from 2015-16. This is not new money but will be taken from the NHS budget to be paid to local authorities. Joint plans with health must be agreed before that money can be spent and these plans must be submitted to the Department of Health by 31 March 2014. Birmingham's share of the £3.8bn is estimated to be £80m (a £40m increase from current funding).

Integration plans should be targeted at a range of initiatives to develop out of hospital care, including early intervention, admission avoidance and early hospital discharge. This will require, in turn, investment in social care and other local authority services, primary and community health care services. Commissioners are urged to explore new contracting models, such as giving acute hospital providers responsibility for patients for 30-100 days following discharge from hospital and introducing what are described as "prime contractor arrangements" for integrated care.

Looking beyond next year, the really big gains from the health and care system will come from pooling the whole £600m or so health and care money spent on older people (see box). This is a big challenge and requires support nationally and locally. At this stage it is difficult to estimate what savings could come from integrating our services and budgets with the NHS, but it is clear that there may be substantial gains from the better co-ordination of services and a focus on prevention that this would allow.

The council's net spend on social care for older people is around £150m per year (£180m income is received from those who pay towards their care) and would yield a saving of £15m per year for every 10% saving across the pooled budget.

We have done a lot of work with our other agencies to identify the group of older people who use both health and care services.

There are around 138,000 people over 65 in Birmingham. 110,347 of these (75%) were identified in both NHS and council data, and we are together spending £456m per year on their services. Assuming a similar pattern of spend for the 25% of people over 65 not recorded gives a total spend of some £600m. This may be an under-estimate of current cost, as it is understood that they do not include relevant GP costs.

Of the £456m expenditure identified, £114m is social care spend, £216m is spent on acute hospital care, £61m through the community trust, £22m on the mental health trust, £7m on the ambulance service, and £36m on continuing health care.

Research currently underway across the health and care system shows how much of the financial benefit of working better together flows to the NHS. This includes a reduced number of people going to A&E and more efficient hospital discharges. This emphasises

the importance of funding social care from the whole system - though with the NHS facing their own financial pressures and provision of NHS funds for social care already part of the system, securing additional funding through this route may be difficult - and is unlikely until 2015-16.

An estimate of savings based on the current Older Adults service budgets has been included below but further work is needed in this area to identify likely savings figures.

Budget saving: £5m over three years.

Step 2 - Re-modelling out Services - as Step 1 plus	Savings £'000 14/15	Savings £'000 15/16	Savings £'000 16/17
Further reduction in Younger Adult Care Packages (excluding internal services)	3,792	6,758	15,464
Joint Adults and Children's approach to transitions	1,000	2,000	3,000
Enabling Specialist Care Services to operate outside the Council	0	0	2,500
Supporting People (currently covered in Successful and Inclusive Communities Green Paper)	1,200	5,600	5,600
Public Health (currently covered in Successful and Inclusive Communities Green Paper)	0	861	8,061
Older Adults Integration Programme	5,630	5,198	5,037
Total	11,622	20,417	39,662

Step 3: Radical Reductions and discontinuation of services

Steps 1 and 2, including integration work with the NHS, identify around £52m of savings over a three year period. The majority of these savings could be secured by year two. However, given the scale of the challenge, we felt it essential to consider a number of worst-case scenarios. Therefore, we have modelled what might happen if the savings proposed under steps 1 and 2 are found to be insufficient, meaning a substantial extra sum needs to be found to pay for services to more people.

In this scenario it is clear that difficult decisions may need to be made about a number of functions. However, the scope for stopping delivery of services is limited in Adult Social Care because of legal, safeguarding and equality factors.

Savings need to be taken in the context of the overall care system. In this context we have identified that spending in the following areas could be reduced significantly or ceased altogether if the council's financial situation is deemed to require it.

Commissioning Services from the Third Sector

Generally, commissioning from the third sector may need to be cut, reflecting the fact that these services are usually not aimed at people with substantial and critical needs.

However, many of these services provide early intervention or a preventative approach. They ensure that individuals are less likely to present with substantial or critical needs at a later date, placing additional more expensive demands upon the council at that point. Therefore, the impact of any reduction or removal of such services needs to be carefully monitored.

Budget Saving: £8m over three years

Supporting People

The Supporting People provision has already been considered in the Successful and Inclusive Communities green paper. Contracts are already in place for these services until April 2015. The proposal here is to cease all long term support services after that, but retain short term support services linked to accommodation, for example, domestic violence refuges, and homeless direct access hostels.

This proposal would have an impact upon client groups with learning disability and mental health issues. Whilst Supporting People is not a statutory function, national and local research has identified the "invest to save" benefits of these services in terms of avoiding more costly interventions in the future.

This could lead to additional financial pressures upon statutory services, which would need to be carefully and closely monitored.

Budget Saving: £12.8m over three years

Public Health

Again, this function was considered in the Successful and Inclusive Communities green paper. A large number of these services are mandatory.

Nevertheless, there are a large number of lifestyle services that can be reduced, including:

- physical activity (Be Active),
- smoking cessation,
- obesity management,
- Health trainers,
- some services for HIV, and
- School nursing services to the bare mandatory service.

Stopping some services would have consequences elsewhere in the council, especially within leisure services.

Budget Saving: £8.1m over three years

Step 3 - Integrated Services and Ceasing Provision - as Step 2 plus	Savings £'000 14/15	Savings £'000 15/16	Savings £'000 16/17
Commissioning Services through the Third Sector (80% of Budget)	8,023	8,023	8,023
Supporting People (currently in Developing Successful and Inclusive Communities Green Paper)	0	12,800	12,800
Public Health (currently in Developing Successful and Inclusive Communities Green Paper)	71	8,071	8,071
Total	8,094	28,894	28,894

KEY QUESTIONS

Should we reduce the reliance on residential care?

Residential care is very expensive, both for individuals and public services. There are some people who will always require care. By virtue of birth, or through disabilities acquired through life, some citizens will need the Council to make arrangements to meet their needs in ways that are dignified and safe. For some people this includes residential care. But most people would prefer to remain in their own homes as part of the wider community for as long as possible.

What are your thoughts?

Are our communities able to support us to live in our own homes?

Not everyone who is currently in the care system needs to be there. Birmingham is placing too many people, with all types of needs, in residential and nursing care. This is a reflection upon the current quality of housing, community and employment options.

What are your thoughts?

Can my community help me to live in my own home?

We need to promote more mutual support amongst people, families and communities. This will involve communities in Districts and neighbourhoods taking some responsibility for

people with care needs where they live, by providing practical support to their health and well-being and challenging service delivery practice in health and social care.

What are your thoughts?

Can my community support vulnerable younger adults to live a community life?

We are developing a joined up working with Children's Services to encourage lower levels of dependency and reduce the costs of overall care in the longer term. The review has modelled a potential saving that this approach could achieve. Although these are small numbers each year, and not a high proportion of each Directorate's work, there are clear correlations between higher care costs and younger adults.

What are your thoughts?

Do our social workers need to work differently?

For over the last decade, social work has become more of a process. Some of that is positive and has created the basis of some high quality, skilled work. Some has been at the expense of promoting a social model - ensuring that people are supported and enabled to live their lives in a network of family and community life.

Social work will now have to champion people's rights, to push and advocate for housing, meaningful activity and jobs, inclusion in community life and strengthening the circles of support offered by family and friends. We will work with people as equals in developing personalised care, but we will challenge people to have aspirations, and to match needs with their potential.

What are your thoughts?

Do you have any examples from your own experience of problems that could be solved by joining our services up better?

We have mentioned examples of situations where current services may lead to duplication, overlaps or gaps in provision and cause unnecessary anxiety and confusion. Do you have any personal examples of this?

THE DIALOGUE

The second round of this dialogue will continue through the autumn. Following that, we are legally required to hold a formal budget consultation for 2014-15.

All the information you need will be posted at:
<http://www.birmingham.gov.uk/servicereviews>

You will be able to take part in the dialogue by:

- Sending your comments by post or email
- Submitting comments on Facebook and via Twitter
- Attending the next meeting of your Ward Committee.

Details for all these are on the web site.

In addition we will be holding discussion sessions on specific services with groups of service users and other interested people. We have also engaged the permanent People's Panel during the summer. Our scrutiny committees will be looking in detail at aspects of the education and adult social care reviews.

If you are part of the network of people and organisations involved in our social inclusion process, led by the Bishop of Birmingham, you will also be able to join in discussion of how we can limit the impact of cuts on social exclusion and inequality.

City Council staff will also be encouraged to join in the debate.