

To: Social Care and Public Health Cabinet Committee – 11 January 2013

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Subject: **2013/14 Final Draft Budget**

Classification: Unrestricted

Summary: The late announcement of the Local Government Finance arrangements for 2013/14 means that final draft budget could not be available in time to include in this report. The Finance Business Partner will provide a verbal update on the proposals affecting Adult Social Care and Public Health and Specialist Children’s Services portfolios for the committee to consider.

1. Introduction

1.1 At the last meeting the Committee was given an update on the consultation on the draft budget launched in September. The consultation closed on 1st November but full analysis of all the responses was not available in time for the committee. A full report was presented to Cabinet on 3rd December and analysis from the independent MORI research and responses to KCC consultation document were published at the same time. These reports are available at http://www.kent.gov.uk/your_council/council_spending/budget_proposals.aspx

1.2 The consultation identified that the council faced estimated reductions in government grant/council tax collection of £28m (excluding Dedicated Schools Grant) and estimated additional spending demands of £32m. Together these required savings and income of £60m to balance the budget

1.3 Since the KCC consultation was launched there have been a number of funding changes announced by central government and details of the new business rates arrangements still to be resolved. These were reported to Cabinet on 3rd December and Cabinet was asked to note the likely overall detrimental impact. Cabinet resolved that the impact would only be quantified after the provisional local government is announced (this was anticipated to be later than previous years and wouldn’t be available until close to Christmas).

2. Consultation Responses

2.1 There were a number of issues affecting the Adult Social Care and Public Health and Specialist Children's Services portfolios. In the consultation as reported to Cabinet on 3rd December. Cabinet's response was included in the report and is set out below for Cabinet Committee to comment.

2.2 Adult Social Care

Participants agreed that the current model of service provision is unsustainable due to the ageing population and reduced funding. Views on how to tackle this varied. Some felt that individuals should pay more towards their care. Others thought local communities could do more to help. All participants agreed that people should be supported to remain in their own homes, but did not think this should be funded through increased council tax. Adult social care was identified as most in need of protection from savings during the MORI workshops and was also the third least favourable area for savings in the online survey. Some respondents were concerned that proposals to make savings through transformation could result in diminished services to vulnerable people.

2.2.1 Cabinet are very pleased that participants recognised that the current model of providing adult social care must change. In order to protect these vital services, savings of the magnitude required can only be delivered through fundamentally redesigning how adult social care is delivered. The Adults Transformation Programme will deliver significant savings in 2013/14 and improve outcomes through allowing staff to focus more of their time on productive outcomes and ensuring we provide care that is best suited to individual's needs and circumstance to help them remain independent as long as possible. The Transformation Programme will also deliver savings through better procurement and improved partnership with the NHS and other agencies involved in social care. This is not about cutting services and Cabinet will be including more information about how we intend to go about delivering savings when the final draft budget proposals for 2013/14 are published in a few weeks. Cabinet recognises that we need to explain more clearly what the Transformation Programme aims to achieve in order to allay concerns about service cuts.

2.2.2 In order to ensure a stable and sustainable future for adult social care in Kent, and to mitigate the risk of reductions to front line services, the first phase of the Adult Social Care Transformation Programme will focus on four main areas:

- i) Transforming the care pathway: giving as many people as possible the opportunity to receive services that enable them to be independent for as long as they can be. We expect our focus on early intervention support will reduce long term care needs/costs. Examples of this are:
 - a. Enablement: significantly increasing the number of people who receive short-term intensive services that support people to learn, or re-learn,

everyday skills and have confidence to complete daily living tasks themselves. These types of services can be suitable for people upon discharge from hospital, after illness or accident or other life changing events. People who have Enablement usually find that, afterwards, they can manage very well on their own or with a very low level of support.

- b. Telecare: broadening the range and use of equipment and technology currently used so that it supports even more people to live safely and independently in their homes, thereby reducing the number of admissions to costly residential care.
- ii) Increasing our performance: reducing the amount of time spent on processes, paperwork and systems so that we work as efficiently and effectively as possible. This will increase how quickly people access support and make better use of staff time.
- iii) Strategic commissioning and procurement: making sure that we maximise value in all that we commission and procure. This will keep prices affordable for users of our services as well as the Council. We will look at ways to use our buying power to bulk buy whilst understanding the social care market and ensuring businesses are not put at risk.
- iv) Investment: utilising ring-fenced NHS social care funding in a range of services that will reduce the number of people requiring ongoing support from social services and improve health outcomes. We will use this money to develop a range of new services that will provide additional support to carers, prevent social isolation, avoid hospital admissions and ensure safe and timely hospital discharge.

2.2.3 Focussing on the above in the first phase of the programme (18-24 months) aims to ensure we have a robust foundation in which to manage further transformation such as integration with health.

2.2.4 One of the central aims of the Adults Transformation Programme is to improve preventative action to help people avoid, delay or minimise their need for care, and Cabinet welcomes the support for this approach. We are also exploring how communities can help support elderly and disabled people.

2.2.5 KCC is lobbying Government to implement the Dilnot Commission's recommendations on the funding of adult social care by 2015, including the lifetime cap on care costs and increased means test level. A properly funded system for adult social care will relieve the increasing pressure on Local Authorities in the future.

2.3 Children's Social Care

Participants felt that in order to help look after the most vulnerable children, KCC should continue to be responsible for Children's Social Care. They were not able to identify many ways of saving money, and tended to think that there should be more investment in services. Participants were in favour of early

intervention and prevention activity to stop problems escalating and the need for expensive interventions. Children's social care was rated as the least acceptable area for savings in the online survey, with some respondents concerned that proposed budget cuts could leave vulnerable children at risk. However, participants at the MORI workshops did not agree that council tax should be raised to increase funding for these services. Some participants recognised the need to encourage more people to adopt or foster children.

2.3.1 Cabinet acknowledges that the consultation has shown unease about the scale of the potential savings to Children's Social Care. Although there have been significant improvements in Children's Social Care over the last two years, this has come at the price of £23m of additional investment and Cabinet recognises that there is still much work to do to get long term value from this investment.

2.3.2 The transformation of Children's Social Care aims to shift the emphasis from high-cost reactive work to a preventative approach, while at the same time making necessary reductions in spend. It may take a longer period of time for the emphasis to shift and for the investment in early intervention and prevention to pay off. Subsequently, Cabinet will reconsider whether the savings proposed for Children's Social Care next year strike an appropriate balance between the need to reduce costs now and allowing the long-term benefits of a preventative approach to develop. Cabinet's revised plans will be set out in the final draft budget due to be published in a few weeks.

2.3.3 Cabinet agrees entirely with the MORI participants' views that we must do more to improve the process of adoption and fostering. This will help us return children to a stable family environment as soon as possible, which will deliver longer-term reductions in care costs and provide better outcomes for these children. Kent's Looked After Children Strategy explains how we will achieve this. KCC has already seen improvements in the adoption service through working with Coram to improve and streamline the process.

2.4 Children's Services

Participants felt that Children's Services needed the oversight of KCC and did not want to see a reduction in the quality or access to services. There was no support for an increase to council tax but participants were prepared to accept some reduction in cost through increased parental responsibility and greater input from community organisations. Children's Centres was chosen as the second least acceptable area for savings in the online survey, although we have some concerns that the results may have been skewed by a local campaign. Participants felt that employment and careers advice for young people might be better achieved by different external agencies, instead of the CXK service commissioned by KCC.

2.4.1 MORI participants said that each child and their family are unique. Cabinet agrees, and our aim is that families should receive tailored support from an integrated team of professionals including from KCC and our partners. One example of where KCC is putting this approach into action is

the Troubled Families initiative, which will improve outcomes for Kent's highest need families, reduce costs and enhance the way we work and commission together.

2.4.2 Children's Centres provide an important and valued service. Currently KCC has a large number of Children's Centres operating across the county (97). 20 of these are located in the 20% most disadvantaged wards in Kent, and 53 in the 30% most disadvantaged areas. 62 of the centres are located on school sites. 21 have attached on site nurseries, with partnership agreements with a further 25 nurseries which are actively supporting the free childcare places for all three and four year olds, as well as the new 'Free for Two' agenda.

2.4.3 Between October 2011 and September 2012, 42,480 children were active registered users at a centre in Kent, this equates to approximately 40% of the County's 0-4 year olds. Cabinet needs to ensure that the centres are reaching the families that need help and supporting the preventative agenda. Review work is underway to find the most appropriate operating model for Children's Centres, which includes looking at integration with other services and their geographical distribution. This review activity will ensure that we better target Children's Centres activity to those who need it most in the future, and supports other Kent priorities such as Children's Social Care and the Troubled Families initiative.

2.4.4 In addition to looking at operating and geographical models, Cabinet are also considering how Children's Centres could deliver improved value for money and further efficiencies through income generation, standardised core staffing structures, reallocation of funding based on needs and economies of scale through more effective commissioning.

2.4.5 People who responded to the budget consultation felt that supporting young people into employment is important. This is a priority for KCC and there is a great deal of activity going on including the Kent Jobs for Kent's Young People campaign which has already secured over 100 apprenticeship pledges and the online careers guidance portal Kent choices 4 U which is being used by 83% of young people who are in the transition to 16+ learning. Cabinet acknowledges participants' concerns about the effectiveness of the current contract for employment and careers advice. Cabinet agrees that we need to find a more effective way to provide specialist careers advice to vulnerable young people and are developing options to achieve this within the proposed budget.

3. Medium Term Financial Plan and Budget Book

3.1 The published Medium Term Financial Plan (MTFP) 2012/15 set out the main changes between 2011/12 and 2012/13 budget for each portfolio. We did not produce detailed plans for individual portfolios for future years as recent experience has shown that subsequent changes make these plans unrealistic. The published plan included an overall 3 year plan for the whole council setting out the anticipated funding reductions and additional spending

demands and the broad areas where the authority anticipated identifying savings to balance the budget. The 2012/13 plan for the Adult Social Care and Public Health and Specialist Children's Services portfolios is included as appendix 1.

3.2 The Budget Book continued to be produced in an A to Z service format rather than portfolio basis. This change was introduced in 2011/12 and has generally been well received as it focuses attention on the services KCC provides rather than how the authority is organised. In 2012/13 we introduced detailed variation statements for each line in the A to Z to explain movements between 2011/12 and 2012/13. The final version of the Budget Book published in March included details of individual directorate/service unit budgets and an extract of the A to Z for each portfolio. This extract of the 2012/13 A to Z for the Adult Social Care and Public Health and Specialist Children's Services portfolios is included as appendix 2.

3.3 The Budget Book included a revised presentation of the capital programme. This set out the overall capital investments under each portfolio and how expenditure in 2012/15 was planned to be funded. This revised presentation provided a more appropriate focus on overall spending and funding rather than concentrating on the phasing of expenditure. The 2012/15 investment plan for the Adult Social Care and Public Health and Specialist Children's Services portfolios is included as appendix 3.

3.4 The final draft MTFP and Budget Book 2013/14 adopts these same principles. In order to be compatible with the spending Review we have only included a 2 year overall plan for the whole council (it would not be appropriate to pre-judge the outcome of the forthcoming spending review). The MTFP also includes more detail on the national and local economic context and revised revenue and capital budget strategies.

3.5 The timing of the local government provisional settlement means that Committees have had little opportunity to consider the final draft proposals in advance of the meeting. Committees are invited to consider whether individual Informal member Groups (IMGs) should be convened to consider the draft proposals prior to final consideration at County Council on 14th February. The final proposals have been launched with a very short period for comments.

4. Recommendations

4.1 Members are asked to:

- (a) **NOTE** the late announcement of the provisional local government finance settlement and the impact on budget timetable
- (b) **COMMENT** on the issues affecting the Adult Social Care and Public Health and Specialist Children's Services portfolios raised in consultation and Cabinet's response
- (c) **CONSIDER** convening an IMG to consider the final budget proposals affecting the Adult Social Care and Public Health and Specialist Children's Services portfolios in advance of County Council meeting on 14th February

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Background Documents: None