

Shaping the Council 2015-16 and beyond: Savings Business Case

Business Case Title	External Placements		
Revision No:	1	Date:	20th May 2014
Lead Director	Roger Harris		
Lead HOS			
Critical friend/Exec Bd			
Business Case Author	Catherine Wilson and Roger Harris		

Section 1: Summary

Savings Proposal

External Placements – Proposed saving £ 1m over three years

Over £ 20m is committed through our external placements budget covering all service user groups – older people, learning disability, physical disability, mental health together with young people in transition and nursing and dementia care.

This savings proposal sets a target to manage the new demands and increasing demographic pressures plus deliver a £ 1m saving over three years.

Strategic rationale

This is where Adult Social care spends the bulk of its money. There is a significant amount of work to manage demand and reduce existing costs as part of our Placement Review Programme.

The challenge is that demand is growing for a number of reasons :

- demographic pressures are increasing
- complexity of need is increasing
- the number of young people coming through transition is increasing
- service users and carers expectations are increasing
- government policy – DILNOT funding reforms will lead to more people requiring adult social care support.

A joint programme of work has been established with Health and Housing to review all of the placements made through the external purchasing budget, to redesign the service offer for people helping us move away from high cost traditional residential responses to need, to bring people back people from long stay out of borough placements and re-shape the market in Thurrock. This work is being overseen by the **Placement Review Programme Board**. It has the following workstreams :

1. Review of the respite/shortbreak pathway for disabled adults. Notice has been given on the Breakaway block contract this will terminate in its current form at the end of March 2015. Alternative models of shortbreaks are being explored including Shared Lives, an adult shared care scheme, supported holidays, support in the individuals own home together with direct payments to enable carers and their relatives to have more choice. Breakaway are working with us to provide a menu of services that can be purchased with a direct payment or a managed budget. Currently Hathaway Road is temporarily closed for structural repairs and a consultation will begin in June to

review the need for a council provided short break service either at Hathaway or at another location. A recent carers partnership group meeting was held which was received very positively as people felt involved in the redesign of the services from the start of the process.

2. Review of Supported Living / Supported accommodation. A separate business case has been prepared regarding all the current supported accommodation highlighting where savings can be made. Alongside this the model of supported living for Thurrock is being explored drawing together all the current resources and developing a framework agreement to ensure consistency. The most important consideration is that supported living can pose risks regarding ordinary residency and mitigation of these risks will be built into the strategic approach.
3. Mental Health Placements . We are working jointly with SEPT to review the existing service offer for both residential care and supported living. The initial stage of this work is now complete and we have clear figures regarding people who need to remain in their current placements those who can return to Thurrock and those who require a step down services to then move to their own accommodation.
4. Joint work with Housing. This has been a key area as we have developed a pilot service using empty warden flats in sheltered housing complexes. These flats have been used by learning disabled people moving from residential care as a step down to their own accommodation. A recent review has shown that this has worked very well and Housing have agreed to extend the tenancy agreements for a further year. As a result of this we are now working closely with housing to identify further properties that can be utilised to support people to move back to Thurrock from high cost placements. One significant area is transition as we have a number of young people with very complex needs currently in high cost residential placements, we are currently writing a business case for 2 young people and two properties which will if successful enable them to move back to be closer to their families at a significantly reduced cost. However for the projects with housing to work and realise the savings there will need to be up front investment to refurbish the properties.
5. Continuing healthcare. This part of the project is to ensure that a review of all high costs placements (starting with Section 256 service users) that may be eligible for NHS funding through continuing health care take place. These are small numbers but significant costs. The process is now well established in the social work teams and monitoring through the project group gives a clear picture of potential savings.
6. Specifically targeted reviews of our high costs providers. This process has started with Family Mosaic, this work has covered service quality, service user experience, service cost and is exploring the possibility of deregistration of some properties. The commissioning team have developed with Family Mosaic a detailed action plan to improve services ensuring that they are in a position to change as the market requires. This model will be used with other high cost providers.

Approximate Cost Savings

£ 1m over three years

However, as noted above there are considerable demands from :

- a. Growing demographic pressures, especially nursing care and dementia
- b. Legal and regulatory requirements;
- c. Service user and carer expectations;
- d. Young people coming through transition

Timescales

Activity	Timescale
Business Case to be written up in more detail	By end July 2014
Consultation on some aspects of the workstreams with the	

users/carers/providers where relevant (e.g. respite review)	August – October 2014
---	-----------------------

Risks /Consequences

The most significant challenge is managing the increase in demand for services.

Mitigation

There may be a need as highlighted above for additional funding as projects develop to ensure they are established so that longer term more significant savings can be made.

Section 2: Finance, savings and costs

Financial summary

General Fund budget 2014-15

	Staff £000s	Premises / Transport £000s	Supplies/ Services £000s	Direct Payments £000s	Third Party Payments £000s	Total Expenditure Gross £000s	Income £000s	Net Expenditure £000s
2014/15								

Staff Related savings

Current number of posts (FTE and headcount)	
Number of posts to be deleted (FTE and headcount)	
Amount of salary saving (inc on-costs)	

Non- Staff Related savings

Premises and buildings (inc utilities)	
Transport	
Supplies and services	
Other (please specify)	

Third Party Related savings/income

Commissioning/contracts	Approximately £ 1m over three years
Charges to the HRA/DSG/PHG (NB can be negative)	
Increase fees & charges	
Grants/additional funding streams	
Other (please specify)	

Benefits – non financial

--

Costs & Resources to deliver the savings

Direct costs	Significant officer time
Redundancy costs	
Accommodation costs	
Procurement and/or Legal costs	Legal and procurement will be required to contribute to this project.
Other HR costs	
Other (please specify)	

Section 3: Impact/Consequences of proposal – not covered in financial section

Impact on Corporate Priorities/objectives/ performance targets/standards

Priority 1. Create a great place for learning and opportunity	
Priority 2. Encourage and promote job creation and economic prosperity	
Priority 3. Build pride, responsibility and respect to create safer communities	
Priority 4. Improve health and well-being	There is a risk that there will not be sufficient provision to meet the increases in demand and as such the health and well being of those with identified needs will not be met.
Priority 5. Protect and promote our clean and green environment	
Well-run organisation - financial & governance; staff; customers	

Impacts on partners

There may be an increased demand on health budgets which might be seen as transferring the costs.

Impacts on customers / community and equality/diversity implications

Customer choice may be reduced and the expectations of service users and their carers may not be met. Service user eligible needs may not be met.

Has an Equal been undertaken?

NO **Date:**

Other impacts/implications

Increase in complaints.
Increase in LGO referrals.

Section 4: Risks and Mitigation

Delivery risks

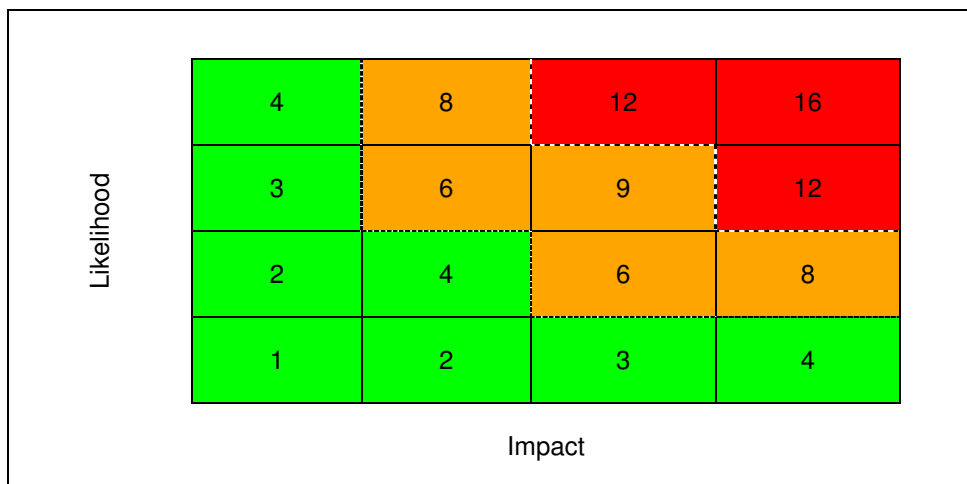
Risk Description	Likelihood	Impact	Rating	Management or Mitigating Action
Failure to deliver all the work streams of this project would mean that savings would not be realised, the main issue is ensuring that capacity is available to undertake all the detailed work.	2	4	6	Close management of the project team to support this complex task.

Service risks

Risk Description	Likelihood	Impact	Rating	Management or Mitigating Action
Failure to deliver a comprehensive consistent short break service pathway may result in break down with families and this may result in an increase needs for residential high cost support.	4	4	16	To ensure carers and partners are involved from the start in the service redesign.
Failure to create a robust supported housing framework agreement will heighten the risk of high costs, service that do not meet need and problems with ordinary residence	4	4	16	Involve providers in the design of the framework and learn from other local authorities.
Failure to build in predicted levels of need to the mental health work may result in demand increasing and resources not being available.	3	3	9	Ensure that the project is managed jointly with SEPT and that the mental health strategy is used to support projected need.

Failure to have funding available to refurbish properties will mean that utilising the housing stock will not be possible and a very positive opportunity will be lost.	4	3	12	Ensure that detailed business cases are written with clear financial modelling to realise the long term savings.
Failure to undertake detailed CHC assessments could mean that social care are paying for health needs	2	4	8	Make sure that CHC checklists are routinely completed.
Failure by Family Mosaic to deliver the changes required will mean that service redesign will not succeed	3	3	9	Continue to work closely with Family Mosaic taking a proactive role in supporting their service delivery

For information on the ratings criteria guide, please see <\\Thurdata01\data\THURROCK\EXCHANGE\ROM>



Section 5: Assumptions, Dependencies & Exclusions

Timeframes Assumptions/ Dependencies/Exclusions	The assumption is being made that savings can be delivered quickly, whilst savings can be realised to redesign the service offer will take time develop the alternatives and funding will be required.
Benefits Assumptions/ Dependencies/Exclusions	
Costs Assumptions/ Dependencies/Exclusions	The assumption is being made that reductions can be made even though the demand for services is increasing.
Other/ General Assumptions/ Dependencies/Exclusions	

Section 6: Stakeholder Engagement Requirements

Approximate timelines

Staff/Unions NB. Services should not be undertaken consultation with staff in isolation – all such activity should be co-ordinated through Jackie Hinchliffe	<input type="checkbox"/>	
Portfolio Holders/Members NB. Services should not be undertaken consultation with staff in isolation – all such activity should be co-ordinated through Directors Board	x <input type="checkbox"/>	Portfolio Holders and members would need to be fully informed of progress with the project as it may impact on the services received by their constituents
Partners NB. Services should not be undertaken consultation with partners in isolation – all such activity should be co-ordinated through Directors Board	x <input type="checkbox"/>	Partners both internally and externally will need to be involved so that the impact of any service reductions can be appropriately managed
Residents/Public NB. Services should not be undertaken consultation with staff in isolation – all such activity should be co-ordinated through Directors Board	x <input type="checkbox"/>	Residents will need to be actively consulted with.
Other – please specify	<input type="checkbox"/>	

Section 7: Any other comments to support savings proposals

Increasingly we are likely to see complaints from service users and families as we try and reshape services and model them in such a way that provides a service that meets there reasonable needs but in a more efficient way.

The number of LGO referrals in particular is likely to increase.