

INDIVIDUALS OVERVIEW & SCRUTINY SUB-COMMITTEE SUPPLEMENTARY AGENDA

4 September 2018

The following report is attached for consideration and is submitted with the agreement of the Chairman as an urgent matter pursuant to Section 100B (4) of the Local Government Act 1972. The following presentation was not available on the date of publication.

7 ADULT SOCIAL CARE PRECEPT - OVERVIEW (Pages 1 - 14)

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Havering

LONDON BOROUGH

Adult Social Care (ASC) Precept, Funding ASC and Green Paper

The ASC Levy (1)

In 2018/19, revenue from the 2% council tax precept is estimated at £2.3m and was used to safeguard the Adult Social Care provision within the borough, especially in mitigating the following pressures:

- Demographic growth, and
- Increased complexity of needs from both an ageing population as well as the Younger Adults cohort - as a consequence of initiatives within the health sector for greater provision within the community – e.g. Transforming Care Programme (TCP).

Approximately £6.7m has been raised from the ASC precept as at 2018/19, of which £4.6m has been under the extended powers granted in 2016.

The last year for councils to take up the ASC precept is 2019/20 if they wish to (it is for councils to decide as part of the annual budget setting process).

The ASC Green Paper is expected to set out options and mechanisms for funding in the future.

The ASC Levy (2)

The following table illustrates the precept as a proportion of the core Council tax raised in Havering over the 3 years under the extended powers.

	2017/18		2018/19	
	Total Raised £	Band D Charge £	Total Raised £	Band D Charge £
Core Council Tax	110,087,292	1,267.98	112,479,812	1,287.75
Adults Social Care precept - 2% annually	4,317,608	49.73	6,645,284	76.08
	114,404,900	1,317.71	119,125,096	1,363.83

Council Tax collection is undertaken corporately and includes the precept, below is an illustration of a straight 1/12th monthly collection profile.

	2017/18	2018/19
Monthly Income		
Core Council Tax	9,173,941	9,373,318
Adults Social Care precept - 2% annually	186,146	193,973

Other Funding of ASC

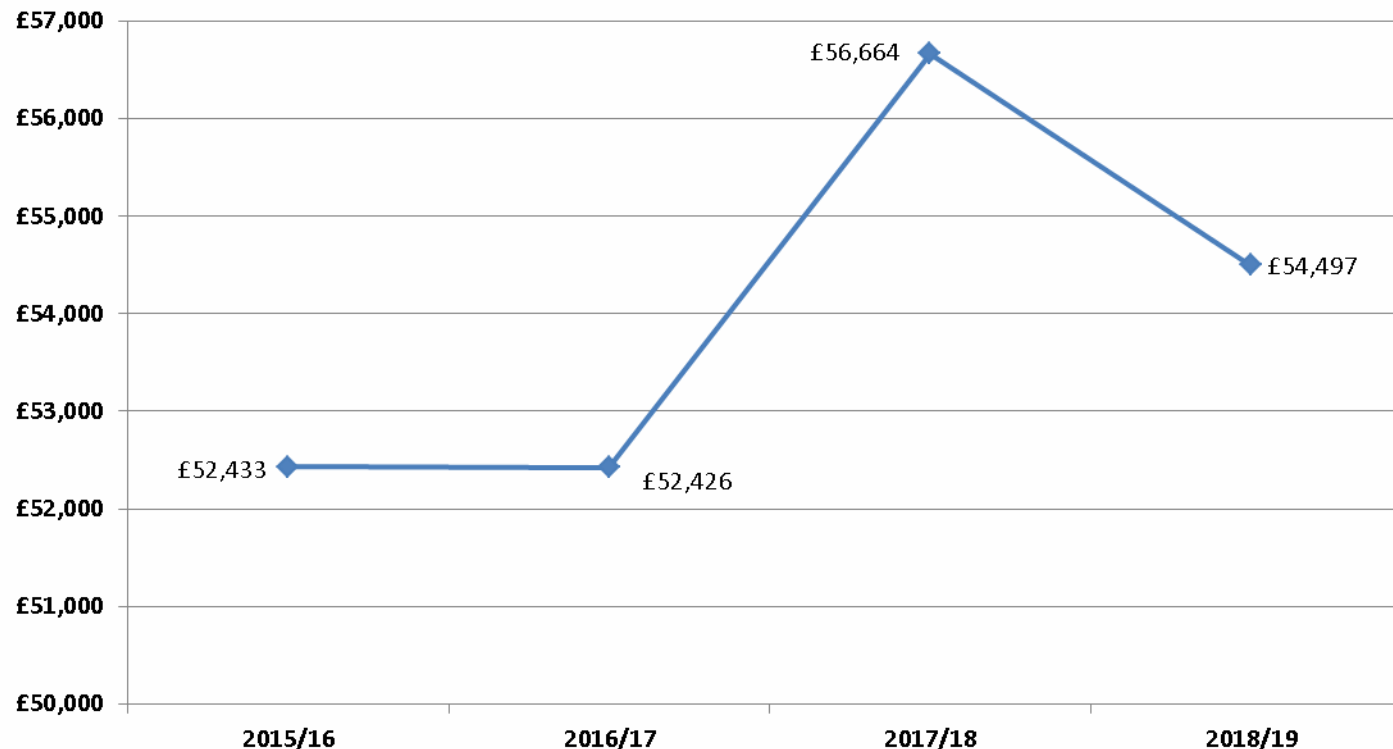
- Better Care Fund (BCF) via the NHS towards greater integration and service transformation – spend must be approved by Health and Wellbeing Board.
- Also receive Improved Better Care fund (IBCF) – agreed 2015/16 plus new one-off 3 year grant announced in Spring 2017 budget.
- All funding have conditions and risks, especially for the spring 2017 budget announcement but must be used for Social Care, support hospital discharge and to support local social care provider market
- The iBCF is not guaranteed beyond 2019/20, as such, should ideally be used to help prepare for future funding changes.

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	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
BCF - Core	6.332	6.442	6.565	6.689	6.816	6.946	7.078
IBCF							
- Announced 15/16	-	-	1.978	4.202	-	-	-
- Spring 17 budget	-	3.761	2.844	1.417	-	-	-
	6.332	10.203	11.387	12.308	6.816	6.946	7.078

4 Year Movement in Net Expenditure Budget £000s

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Note: 2018/19 Original budget of £54m excludes adjustments for additional funding due in year for the ILF, other one-off government grants and corporate adjustments for inflation.

2017/18 & 2018/19 Budget Analysis

£000's

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	2017/18 expenditure outturn			2018/19 budget
	gross	income	net	net
	£(000)	£(000)	£(000)	£(000)
Commissioning	6.240	-2.310	3.930	3.698
Care for people over 65	26.489	-9.550	16.939	15.277
Care for people with Learning Disabilities	19.826	-1.735	18.091	17.133
Care for people with Physical & Sensory Disabilities	6.435	-0.147	6.288	3.743
Care for people with Mental Health issues	1.270	-0.080	1.190	1.287
Council run Day Opportunities/Centres	1.558	-0.110	1.448	1.668
Assessment and Care Management Teams	9.153	-1.058	8.095	6.693
Safeguarding Service	0.688	0.000	0.688	0.774
iBCF/other				4.224
	71.659	-14.990	56.669	54.497

The good news...

- Short-term injections of funding from government
- Balanced budget (including use of ASC Precept)
- Improved performance, including a significant reduction in delayed transfers of care.

The not so good news...

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- More older and disabled people with more complex care needs
 - Market failure in some parts of the country and fragility elsewhere.
 - Pressure on and from the NHS, particularly in relation to increased hospital activity and shortages in social, primary and community services.
 - Further savings are still required (currently projecting a £38m funding gap within Havering over the next 4 years) as a result of the cessation of central government grants and limitations on the Authority's ability to raise additional funding from Council tax.
 - Expectations for demographic growth (including increasing complexity of needs) and additional burdens will need to be funded.

What's next

- Green Paper for Adult Social Care
- Green Paper on Supported Housing
- Fair Funding Review
- National programmes (STP v BCF)
- The £20 billion Health monies
- Integration
- The Comprehensive Spending Review (CSR)
- CQC Inspection Regime – System Reviews

Towards the Green Paper – what should sustainable social care look like

- A long term approach to **funding reform**
- Recognises needs of **working age as well as older people**
- Addresses costs of a sustainable & valued **workforce**
- Seeks to achieve a stable and responsive **provider market**
- Ensures **a fair balance** between individuals, families and the state in **how care is funded**
- Educates the public about **the value of social care**

Source: ADASS evidence to Communities and Local Government and Health Select Committees Joint inquiry on the long-term funding of adult social care
<https://www.adass.org.uk/media/6273/adass-evidence-to-h-clg-select-committee-final.pdf>

Consultation -

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- The Government's recent decision to delay its long-awaited green paper on the issue until the autumn, has prompted the Local Government Association to take action and publish its own green paper and public consultation.
- The green paper poses a series of consultation questions
- Consultation will run from 31 July to 26 September
- Upon closure LGA will analyse all responses and publish a response in the autumn
- The LGA will respond to the findings to inform and influence the Government's green paper and spending plans.

ADASS Budget Survey 2018 Key Messages

- Older and disabled people with more complex care and support needs getting less long-term care.
- 75% of directors reported that reducing the number of people in receipt of care is important or very important for them to achieve necessary savings.
- Market failure in some parts of the country and fragility elsewhere, with real challenges in recruiting and retaining staff at the levels required.
- Being able to increase salaries for care workers is ranked as the most important factor in recruitment and retention.
- Pressure on and from the NHS, particularly in relation to increased attendances at, and admissions, to acute hospitals and resultant increases of people being discharged.

Links to relevant webpages:

Green paper consultation: <https://futureofadultsocialcare.co.uk/the-green-paper/>

The King's Fund report entitled "Social care funding options: How much will they cost?"

<https://health.org.uk/sites/health/files/Social-care-funding-options-May-2018.pdf>

ADASS Budget Survey

<https://www.adass.org.uk/adass-budget-survey-2018>

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