

**Social Care Services Board - Performance and Finance Sub-Group**  
**Tuesday 29 November 2016**  
**Update for the Board**

**Budget Planning Update**

1. Officers noted that there was a four year plan of price increases to providers of Older People care homes. This was agreed following an exercise conducted with the care home market in 2015. Officers explained that work is underway to assess market sustainability and determine the extent of any price increases that may be required for other care sectors. An exercise is now commencing with the Learning Disabilities sector in collaboration with the Surrey Care Association.
2. It was noted that the creation of a potentially sustainable budget for the service based on current spending and income generation was a significant challenge in light of growing demand and other pressures and reduced government funding levels.
3. It was highlighted that the total savings target for 2017/18 equivalent to previous years in terms of factoring in permanent budget reductions to replace savings previously achieved on a one-off basis is £43 million. This updated requirement still represents a very significant challenge. It was noted that a total of £190 million of savings had been achieved since the financial year 2010/11 up to the current financial year. The 2016/17 overspend was projected to be £21 million as at the end of November 2016.
4. It was explained by officers that there was an increasing level of demand, highlighting a projected 6% growth in demand for the service in 2016/17, as well as increasing market pressures. It was also noted that demand growth was expected to continue in the future. Savings forecast through managing demand differently have been reduced in the latest budget plans. The net demand growth now budgeted for 2017/18 is 6% and is consequently more in line with the current trend.
5. It was highlighted that the service was working closely with the Surrey Care Association and other partners to deliver future services.
6. It was noted that a re-procurement exercise is about to commence for Home Care services with new contracts due to come into force from October 2017. It was noted that the care tender process would likely be costly and lead to increased rates payable for home care services in order to maintain sufficient capacity and quality of services.
7. Officers highlighted that maintaining business continuity was a core aspect for the service.
8. It was noted that the current level of social care debt was in excess of £16 million. Members asked where this debt is shown in the accounts. Officers explained that social care debt is shown centrally on the balance sheet alongside other debts and is

not therefore built into ASC's annual budget.

9. Members questioned the statutory requirements and what other local authorities were providing. Officers noted that other local authorities had been challenged under the provisions of the Care Act, which the service was keen to avoid.
10. Members queried whether preventative services would be threatened by possible budgetary cuts. It was highlighted that the service had protected preventative services, noting that continued Health and Social Care Integration was a key aspect to avert the deterioration of preventative services. The funding received from Surrey's Better Care Fund has helped to maintain investment in preventative services, but ASC is now having to review and reduce prevention spend in some areas in light of the growing budget pressures and reduced government funding.
11. Members queried the progress of social care and health integration. Officers expressed that the integration agenda was a priority, and that work was progressing, highlighting pilot schemes in Frimley and Royal Surrey.
12. Members questioned what the savings and budget reduction plans were in place. Officers highlighted several key proposals which were outlined in the presentation.
13. It was noted by officers that there were some savings made from non-recruitment to open posts. It was stressed that frontline recruitment had not been frozen, but that assumptions regarding general levels of staff turnover and vacancies had been incorporated into the budget.
14. It was explained that the service were finding improved ways of supplying information and advice to residents, noting that the current usage of information hubs were considered to be too costly for too little gain.
15. It was noted that savings proposals had been agreed in relation to the cessation of the outsourcing of occupational therapy work and the cancellation of licences for ADL Smartcare Ltd. clinics.
16. It was noted that there was an assumption within the service that the Surrey Choices contract would be reduced from April 2017 in line with the contract variation signed for 2016/17.
17. Officers outlined a proposal to introduce a guideline threshold for the maximum amount ASC would normally expect to pay to meet an elderly person's eligible social care needs in their own home. It was noted that roughly 10% of Older People currently receive care in their own home that costs the council more than it would normally expect to pay for their care in a residential or nursing care home. The savings proposals assume that if the new guideline threshold is introduced, 80% of these people would be recommended for nursing or residential care or asked to arrange a top up to cover the difference over and above the guideline for continuing to receive care in their own home. This was highlighted as providing the best quality of service, noting that it is not always in people's best interests to receive care with

very complex needs in their own home, while also being the most cost effective. The new policy is in line with the Care Act which says that local authorities should take affordability into account in carrying out their duty to meet people's eligible care needs

18. It was requested that the service return with a follow-up report to the Performance and Finance Sub-Group at its next meeting.

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