

North Somerset Council

REPORT TO THE ADULT SERVICES AND HOUSING POLICY AND SCRUTINY PANEL

DATE OF MEETING: 27/06/2019

SUBJECT OF REPORT: UPDATE ON THE TRANSFORMATION OF COMMISSIONING

TOWN OR PARISH: N/A

**OFFICER/MEMBER PRESENTING:
GERALD HUNT – HEAD OF COMMISSIONING**

KEY DECISION: NONE

RECOMMENDATION

MEMBERS OF THE PANEL ARE ASKED TO:

- a) Consider and comment
- b) Give suggestions and observations about any areas not covered within the programme

1. SUMMARY OF REPORT

This report outlines the progress on the commissioning opportunities relating to the transformation of Adult Services, particularly in relation to the challenging demographic pressures and use of joint funding opportunities.

2. POLICY

Adult social care is one of the council's most important responsibilities and the largest area of expenditure. This is reflected in the Corporate Plan, which includes Health and Wellbeing as one of three outcomes the council aims to achieve for local people and sets ten ambitions for the council, two of which are particularly relevant:

- Enable residents to make healthy choices and promote active lifestyles which reduce ill-health and increase independence.
- Commission or provide quality health and care services, which deliver dignity, safety and choice

The following listed under Prosperity and Opportunity relate to this recommissioning.

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- Ensure that all our communities share in prosperity and employment growth.

The following listed under Quality Places relate to this recommissioning.

- Build and sustain great places to live and visit - vibrant, accessible and safe.
- Empower people to contribute to their community and communities to provide their own solutions.

3. DETAILS

In the summer and autumn of 2017, senior officers worked with staff to develop a new Vision and client journey for people approaching adult social care services. Following that work a draft vision for the service was developed that included a 'new offer' that can be clearly articulated to the residents of North Somerset. This is a strengths-based approach, which starts from an understanding of an individual's strengths and their personal, family and community networks and resources. Much of this is already best practice but the council has not previously set out as clearly what residents can expect when they approach Adult Social Care for care or support. The vision was previously presented to ASH and was endorsed by the Executive in 2018.

Our vision for Adult Social Care in North Somerset is:

To promote wellbeing by helping people in North Somerset be as independent as possible for as long possible.

The Vision document outlined a programme of projects to deliver the vision which we translated into a Transformation Plan. The Plan is monitored monthly by the Community Care Finance Group and the Maximising Independence and Wellbeing Board.

- **Savings Delivery & Budget Management**

Given delays by central government on the Green Paper and the longer-term funding of adult social care, pressure on the adult social care budget remains of significant importance to officers and every effort is made to ensure that services provided to the public are proportionate and demonstrate good value for money. The gross annual spend on adult social care is currently £100m. In 2018/19 we saw a much-improved budget position with good delivery against most of the Medium-Term Financial Plan (MTFP) savings and growth incorporated to give a more sustainable base. The final budget monitor for 2018/19 showed a slight underspend of £140k.

It should be noted that in 2017/18, adult social care received additional one-off grants from central government and without this additional funding we would not have reported such a positive position. We are mindful that these one-off grants are not guaranteed going forward but the report outlines how recent funding has been used innovatively.

Adult Social Care National Perspective

- It is expected that there will be half a million more-people aged over 85 in the UK by the year 2025.

- Currently there are 90,000 vacancies in adult care established posts. The BREXIT situation is likely to increase this significantly. 20% of the care workforce are non-UK citizens in BNSSG.
- Over 8,000 clients were directly affected by care home or domiciliary care provider closure or contract withdrawal in the last six months.
- Turnover of carer posts in the sector in 2017 reached 38% per annum, a crippling cost for providers and a huge risk to quality.
- Accountancy firm Moore Stephens analysis of data from a survey of 7,497 companies revealed in February 2017, 16% of care home companies were financially stressed and exhibiting signs that they were at risk of failure.
- The largest national domiciliary care provider, Allied Healthcare and Care Home Provider, Four Seasons, are in significant financial distress, which could have devastating impact on the markets of near neighbours.

Nationally the LGA Budget Submission for 2018 indicates that despite significant funding for adult care via the Improved Better Care Fund and Adult Social Care levy the 2019/20 funding gap is £3.8 billion, of which £1.5 billion of it is required to stabilise the existing adult care provider market.

North Somerset Position

Demographic Demand Pressures

Based on Older People Population Information System projections the population of North Somerset of the over 75's is expected to increase by 40.4% by 2025 and 74% by 2035. To meet anticipated population changes, the national care home population is projected to grow by somewhere between 14% to 34% by 2025. The estimate for BNSSG from NHS England for the over 75 population requiring a care home is 30.8% or 1,430 beds but this includes Bristol which has a disproportionately younger age profile, the forecast numbers for North Somerset is 36.5% by 2025 and 102.1% by 2035.

Given the actual population increase for the over 75, from 2012 to 2018 for North Somerset was 9.2%, the scale of the predicted demographic pressure is significantly accelerating (over three times the number of over 75's in the period) therefore the reduced reliance on care home placements will no longer be sustainable, particularly given the acute difficulties from expanding community provision such as domiciliary care.

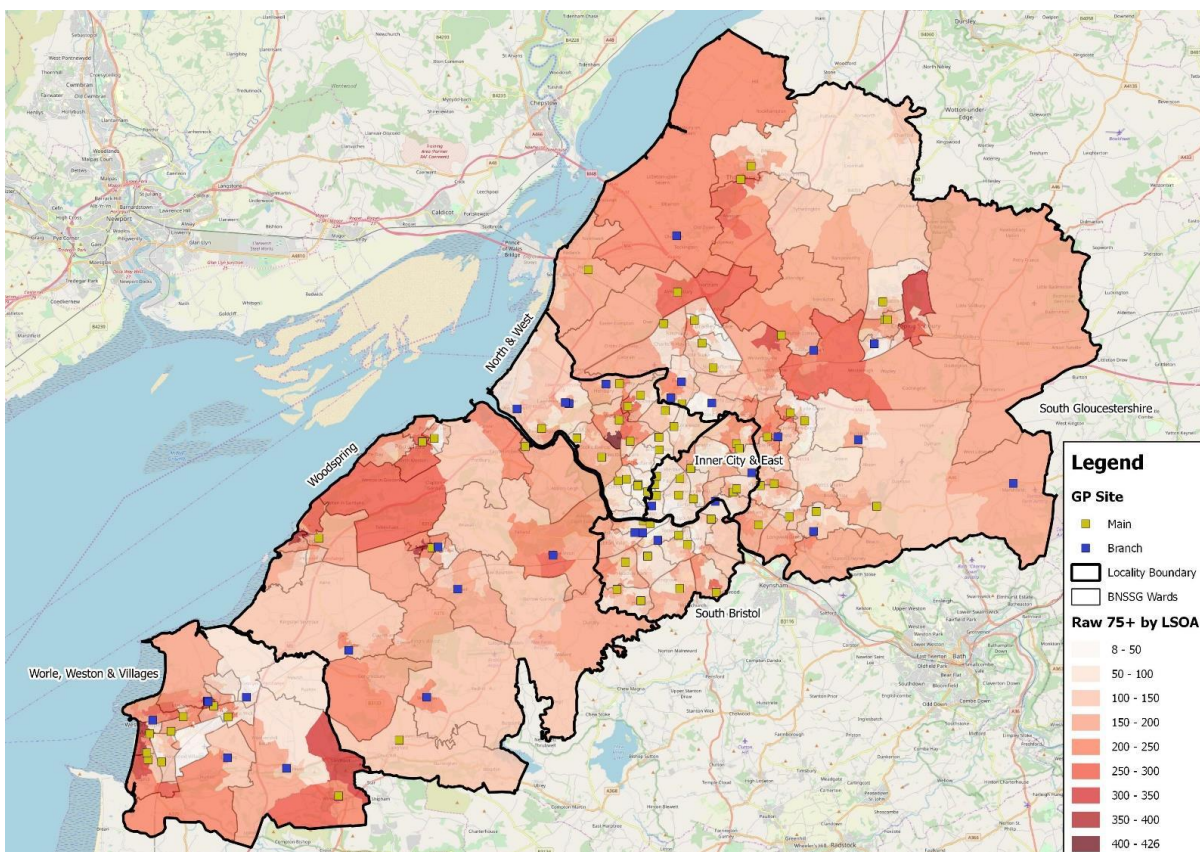
Based on NHS modelling of the incident of a need for a care home placement for frailty representing just over 6% of the over 75's year population, a crude estimate of the additional bed capacity requirements for North Somerset can be made. North Somerset will require a net increase of 555 care home placements by 2025, of which 222 would be NSC funded or an additional 32 per year. This would require demand increase of £1.33m p.a. to fund the 32 placements alone each year, and ignores other care categories or what packages would be required for the remaining 94% of increased 75-year olds.

Within the frailty cohort the population of over 75's with dementia will correspondingly increase by significant numbers, for North Somerset these increases are projected as 36.8% by 2025 and 94.1% by 2035, this represents an additional 811 and 1,905 additional new cases in that period. Whilst not all cases will require specialist dementia care home services, for context the current capacity of dementia specialist care home beds is currently 1,400.

Over 75 Population							
Area	Locality	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Bristol Area	Inner City	7272	7353	7378	7396	7438	7464
	North & West	11041	10976	11005	11059	11056	11253
	South Bristol	10970	10948	10939	10827	10705	10759
	Total	29283	29277	29322	29282	29199	29476
North Somerset Area	Weston Worle & Villages	9562	9699	9750	9770	9851	10016
	Woodspring	11740	12012	12440	12671	12868	13253
	Total	21302	21711	22190	22441	22719	23269
South Gloucestershire Area	South Gloucestershire	20606	21183	21669	22082	22469	23175
BNSSG Total		71191	72171	73181	73805	74387	75920

Year on Year Trend								
Area	Locality		2013 to 2014	2014 to 2015	2015 to 2016	2016 to 2017	2017 to 2018	2012 to 2018
Bristol Area	Inner City		1.1%	0.3%	0.2%	0.6%	0.3%	2.6%
	North & West		-0.6%	0.3%	0.5%	0.0%	1.8%	1.9%
	South Bristol		-0.2%	-0.1%	-1.0%	-1.1%	0.5%	-1.9%
	Total		0.0%	0.2%	-0.1%	-0.3%	0.9%	0.7%
North Somerset Area	Weston Worle & Villages		1.4%	0.5%	0.2%	0.8%	1.7%	4.7%
	Woodspring		2.3%	3.6%	1.9%	1.6%	3.0%	12.9%
	Total		1.9%	2.2%	1.1%	1.2%	2.4%	9.2%
South Gloucestershire Area	South Gloucestershire		2.8%	2.3%	1.9%	1.8%	3.1%	12.5%
BNSSG Total			1.4%	1.4%	0.9%	0.8%	2.1%	6.6%

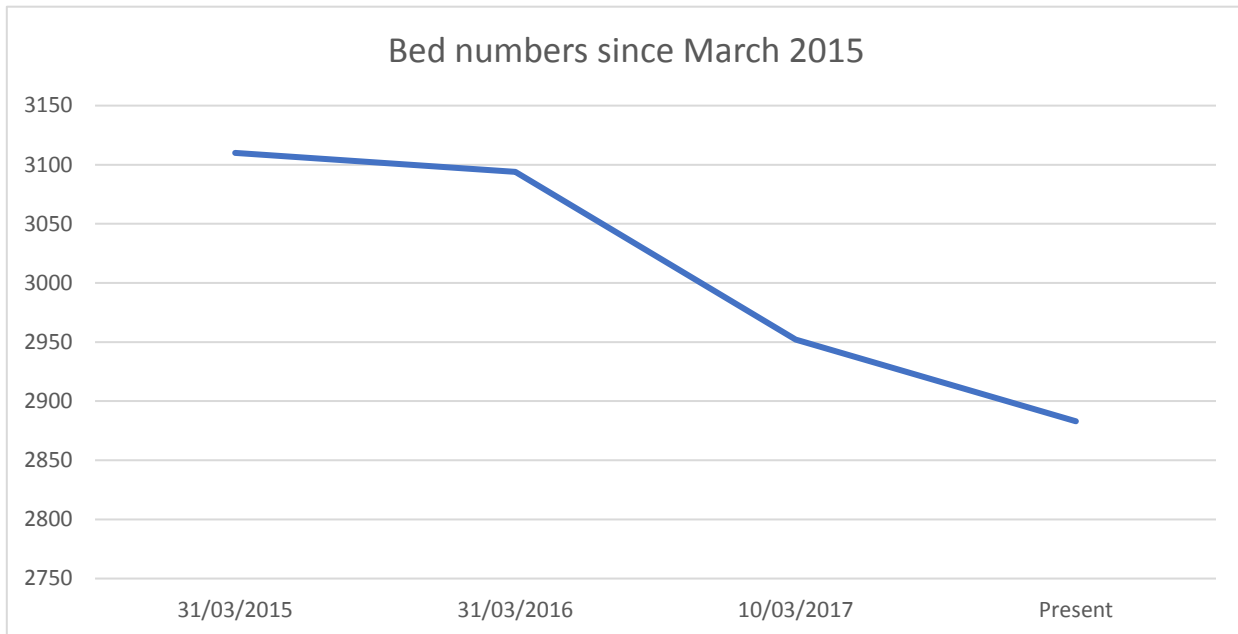
BNSSG Number of people aged 75+ in LSOAs



Supply Factors:

North Somerset has faced similar uncertainty with its provider market with above average levels of home closure in the last three years, as can be seen by the reduction in registered beds in North Somerset. A reduction of 7.3% of the bed stock in this period. The current market trajectory is unlikely to deliver the 500 additional placement requirements modelled by NHS data.

Figure One: Registered Bed Numbers All Categories in North Somerset (source CQC)



Total bed numbers across all categories have fallen 227 beds (nearly 8%) and a net ten fewer care homes exist. This contraction is exacerbated by out of district placements rising, particularly by Bristol City Council who have over 140 placements in North Somerset.

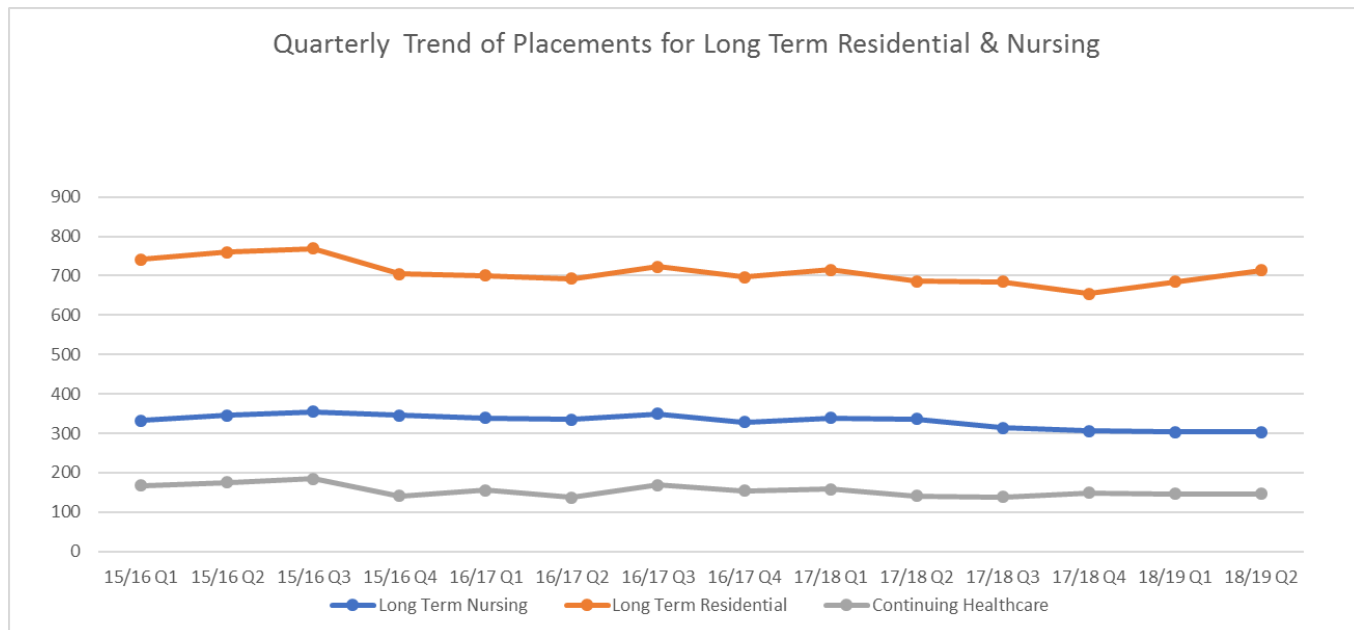
Several care homes have closed in recent years and the Local Provider Associations are flagging concerns that local provision will further shrink. Nursing homes are speculating that further closures or de-registration of nursing provision will result, given the acute shortage of registered nurses in health and social care both locally and nationally.

NSC currently purchases 1,124 beds or 38.8% of the available bed stock (based on CQC registered beds this can slightly overstate capacity due to dual registration), with additional NHS funded beds commissioned by us of currently 124 beds. We therefore commission just over 41% of the market. Given an additional estimate of c250 to 300 out of district placements made by other Local Authorities, the assumed self-funder share of the market is approximately 50%.

We at present meet all Care Act responsibilities to meet the need of our community, and the market conditions have held our favourable fee structures, but this position is weakening, and the long-term requirements of our demographic changes will require new investment in new care home provision and its alternatives such as Extra Care and housing support. Particularly as the characteristic of the North Somerset market is that most care homes are small family businesses where the owners are themselves becoming more elderly and the concern is that the longer-term trend will be for existing provision to decline at a stage when our community requirements expands. This data suggests similar concerns to a 2017 Which Magazine national analysis which projected changes in bed capacity with

population growth of the elderly population for each local authority based on their projections ranked North Somerset as the authority with the sixteenth largest in the country, on the size of its deficit on bed capacity by 2035.

NSC Placement Demand



Despite the demographic pressures to date, the long-term bed purchases by NSC have remained largely static, with in fact a modest reduction in placements made. This number is volatile but represents the successful interventions in the market from the development of Extra Care (Tamar Court) and other demand management initiatives to reduce placements. This reduction whilst welcome cannot be guaranteed without additional Extra Care capacity year on year and given the accelerated rise in our elderly population we cannot guarantee that the demand for care home capacity will increase significantly, particularly as the exponential growth in community placements will be challenged by the availability of carers. As elsewhere the ability to meet current demand for domiciliary care is not being met, let alone the huge expansion required to meet the demographic demands.

Funding Opportunities

As referenced earlier, the delayed Green Paper on the future funding of Adult social care, places great emphasis on short term funding opportunities and joint finance distributed by the DOH to support Adult Care via the Better Care Fund (BCF). The BCF is a national programme through which local areas agree how to spend a local pooled budget in accordance with National requirements. The Improved Better Care Fund (ICBF) is a national grant first announced in 2015 but has been subsequently increased in recent Budgets as a response to the national funding pressures on adult social care. The IBCF is paid direct to the local authority but it is a requirement that the funds are incorporated into the Better Care Fund Section 75 agreement.

Winter Pressures

An additional short-term fund was the Winter Pressures Grant, the use of the Winter Pressures funding announced in September 2018, aimed at addressing some of these challenges particularly relating to the frailty of the care market both locally and nationally. In

the absence of detailed guidance, the focus of the funding is anticipated to follow the lines of the overall Better Care. Its grant conditions relate to three purposes:

1. Meeting adult social care needs
2. Ensuring that the local social care provider market is supported.
3. Adult social care that supports the NHS deliver;
 - Avoidance of unnecessary admissions to hospital;
 - Improving patient flow after admission;
 - Ensuring prompt discharge from hospital either for further social care assessments or into a sustainable ongoing care setting (community, residential or nursing) when patients are medically optimised.

The Winter Pressures funding priorities have been focused on these areas with attention to the sustainability of the care provider market especially domiciliary care. Local, and national focus is on the chronic recruitment difficulties facing domiciliary providers (carers turnover is over 40% per annum).

The flagship proposal for the funding is to support our current domiciliary care strategic partners sustainability, this includes a Proud to Care Bonus for the workforce of our four strategic domiciliary care providers. NSC will fund a six monthly (subject to ongoing funding) premium payment for all care staff that are still working with the same strategic provider for the duration. The payment will equate to the average weekly wage (less travel expenses) for the previous six months. It is hoped this will act a significant improvement to retention figures and attractive additional package to new or returning carers. More details of the scheme are available on North Somerset Online Directory http://nsod.n-somerset.gov.uk/kb5/northsomerset/directory/jobincare_home.page. The Proud to Care Bonus whilst exclusive to North Somerset is part of a wider program of work relating to Building Sustainability in the Domiciliary Care across the BNSSG footprint. This programme is sponsored by the Head of Commissioning but involves commissioners from all three authorities and the CCG. The CCG has funded a project manager post for a year to work to the Head of Commissioning to develop the program and work closely with STP workforce planning groups to develop more robust health and social care career pathways for care staff. This work will contribute to the wider one and six-year system wide workforce plan being developed on behalf of BNSSG CCG by McKinsey.

Other areas of investment include an Innovation Grant bidding process for Care Homes in the area, to support one off innovation to reduce costs, support Assistive Technology or implement measures to improve DTOC or reduce hospital admissions. Twenty-three care homes bid for resources and a panel consisting of commissioners from NSC and CCG, Care Home Association representatives and the Chair of Adult Scrutiny were involved in considering the proposals.

Other priorities include measures to reduce discharge, including the expansion of the Home to Hospital service with a focus on preparing and removing barriers to effective discharge and contingency provision to support care assessment capacity if this is not addressed as quickly as anticipated. This service is part of the broader housing floating support grant awarded to Alliance.

Funding has also been used to support Voluntary Action North Somerset, complete a mapping exercise of voluntary and commissioned service within North Somerset and align the information to North Somerset Online Directory. This mapping exercise of local support services will assist GP's with social prescribing opportunities and align to the Adult Care vision to maximise independence. NSC is also consulting with the care sector on initiatives

about piloting a Trusted Assessor post, to assist the early discharge of care home placements by utilising a dedicated independent trusted assessor to undertake assessments on behalf of care homes and ensure discharge arrangements have been made appropriately. It is not certain that the sector will embrace this proposal, despite enthusiasm for the initiative from the CCG and Acute Trusts.

Finally, funding has been used to support additional social work capacity at the hospital particularly over the weekend period, this will hopefully assist with the reduction in delayed care assessments.

Current Transformation work in Commissioning

Technology Enhanced Care

Utilising the uncertainty of short-term funding and recognising that demographic demand pressures and the challenging supply of care, suggest that new alternative models of care are inevitable, North Somerset is keen to develop technology enhanced care and the opportunities this will invest in

- NSC successfully awarded £65k from CCG Transformation Project to support Assistive technology pilots. Three emerging projects:
 - 1) At Tamar Court Extra Care with Sparks Compass and Alliance, based around voice-activated technology (e.g. Alexa).
 - 2) wireless-enabled solutions, focussing on domiciliary care in rural area with CISCO and Notaro.
 - 3) Sycamore House Dementia Care Home with Shaw Care, movement and sound activated sensor monitoring devices to prevent falls and nursing interventions.

Additionally, NSC announced as one of 12 out of 57 authorities, successful as part of Social Care Digital Innovation Programme for 2019/21, this project relates to monitoring hydration in care homes, this brings initial funding of £30k rising potentially to £120k and is supported by the LGA and NHS Digital.

As part of the Better Care Fund Innovation Grant NSC will support the care home sector with Assistive Technology this includes:

- The provision of Dutch Tovertafel technology (interactive magic tables, to provide stimulating activities for people with dementia, also piloting children's version in children's centre). Tables will be leased to providers who agree to gather information about impact.

Domiciliary Care Sustainability

- BNSSG funded project lead appointed to look at domiciliary care and resilience (sponsored and employed by NSC), initiatives being developed include working with Universities on student options for providing care for accommodation and diverting shopping and cleaning services to direct payment models.

Accommodation Shift

Recognising the need to identify both new care home capacity but also extend accommodation options that are critical to delivering MTFP savings is the development of Extra Care and supporting housing options.

The following schemes have been delivered or planned as part of the work aimed to deliver the outcomes of the North Somerset Housing with support strategy 2017-27 accessed at <http://www.n-somerset.gov.uk/wp-content/uploads/2018/09/housing-with-support-strategy-2017-27.pdf>

Extra Care

- Tamar Court 28 units delivered in 2018,
- Yatton 30 units planned for 2019/20
- Diamond Court extension 22 units 2019/20

Supported Living Services

- Grove Park 10 units delivered in 2018
- Clifton Road 8 units Feb 2019

The demographic demands place a further emphasis to revise and accelerate this accommodation shift to deliver sufficient care needs to meet our communities needs.

4. FINANCIAL IMPLICATIONS

In total the Better Care Fund and related contributions, represents a shared resource of over £23m.

Financial Contributions 2018/19

	BNSSG CCG Contribution	NSC Contribution	Total
	£	£	£
Fund A - Lead Commissioner BNSSG CCG	7,459,300		£ 7,459,300
Fund B - Lead Commissioner NSC		£15,909,140	£15,909,140
Total Fund	£7,459,300	£14,487,281	£23,368,440

Successive Budgets have used the Better Care Fund to provide one off stimulation of funding for Adult Social Care. This may continue but last year the additional funding announced in October 2018 of £240m nationally will be paid direct to the Council. This funding is to be focused on addressing Winter Pressures with the NHS (£924k for North Somerset) and required discussion with CCG and other health stakeholders. The Budget in November 2018 announced confirmation that the same £240k funding for 2019/20 was confirmed plus an additional £410 million nationally for adult social care, albeit this funding appears more open ended and can be used to improve their social care offer for older people, people with disabilities and children. This additional element equates to approximately £1.5m for next year. The announcement did include a commitment to a 4.9% rise in National Living Wage which will have a significant impact on the likely care provider inflationary uplift to be offered this year and a call on some of this additional funding.

5. CONSULTATION

The BCF Plan for 2017/19 involved local stakeholders, these included the Care Home Providers, local urgent Care Flow group, corporate management team, Executive members and BNSSG CCG and was finalised via the Joint Commissioning group and the Plan is subject to regular quarterly monitoring by NHS England and the LGA. These arrangements are being modified for the development of BNSSG CCG, however the council will wish to ensure that joint commissioning arrangements continue to reflect local issues and needs.

6. LEGAL POWERS AND IMPLICATIONS

Adult Social Care will continue to meet its statutory obligations as set out in the Care Act 2014.

7. RISK MANAGEMENT

N/A

8. EQUALITY IMPLICATIONS

An equality impact assessment was completed alongside development of the Vision for Adult Social Care and has been shared with members previously.

9. OPTIONS CONSIDERED

Adult social care faces significant challenges due to increasing demand for services in the context of tightly constrained government funding. This has been recognised at a national level but reform to the funding system has been repeatedly postponed. It is therefore important that local authorities act proactively to manage demand and ensure that good quality services can continue to be provided to those who need them most.

AUTHOR

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BACKGROUND PAPERS

None