

2022/23 Scenario Modelling for Demand-Led Services

The following demand-led service areas are primarily statutory services requiring the council to meet an assessed need (e.g. Adult Social Care), safeguard adults or children, or meet a required duty (e.g. Housing Duty). In most of these service areas the council must meet the statutory or regulatory duty but there is a very wide ranging discretion as to how the duty is fulfilled. For example, an Adult Social Care need can be met through a variety of different care pathways, in different care settings or with different care plans and packages of care. Services can also be provided in partnership with others e.g. the Health Service. The council is also able to define the needs it will meet, often called eligibility criteria, because otherwise if it were to meet all needs down to very low level needs, the cost would far outstrip the public purse nationally. Generally, the council therefore provides for critical and substantial need or where safeguarding and protection is required but works with a wide range of partners across the city to address lower level need through advice, support, prevention and signposting to other agencies.

The budget requirement for Demand-led services is driven by three main factors:

- i) The **demographic change** in demand i.e. changes in the size of the population group within the city as well as changes in socio-economic or public health factors that affect the relevant population group.
- ii) Changes in the **prevalence** and/or type of need. For example, in Adult Social Care there has, for some years, been evidence of growing complexity and cost of care due to improved drugs and treatments that enable people to survive for longer but with limiting health conditions requiring more social care support.
- iii) Changes (increases) in the **price or cost** of care, accommodation or services above normal inflation, due to increasing quality standards, the price of the local workforce, the competitiveness of local provider/contractor markets, or local economic factors e.g. cost of housing/property in the city.

The table below indicates potential cost scenarios for 5 key demand-led areas that are of corporate financial significance to the council's budget setting process. Costs are modelled on Worst, Midpoint and Best case scenarios of the 3 factors outlined above. Modelling starts on the basis of the current level of activity (i.e. numbers of people supported) and then takes this forward through 2021/22 to 2022/23 based partly on recent demographic trends (last 3 years) adjusted as far as possible for spikes in cost and/or demand caused by the pandemic. Joint Strategic Needs Assessments (JSNA) are not used for this purpose. JSNA's are macro planning tools that can help design and plan systems of care and support over a long time frame, alongside Public Health data, but are not sensitive enough to indicate changes in numbers of people requiring, for example, dementia care in the city next year. Generally speaking, a straight-line projection based on current activity and recent trends will produce the worst case scenario where the current situation indicates growing costs and demands which is the currently the case for all 5 areas.

Public finances in general, as well as the council's budget, are finite and there are a wide range of limitations on the funding available to provide services. This inevitably requires the council to carefully manage its resources and ensure that they are not only allocated in a fair and consistent way but that they are used to best effect to achieve good quality outcomes for the people they support at a sustainable price/cost of service (i.e. Value for Money). This requires a complex array of commissioning, procurement, prevention and intervention strategies to manage the resources across the whole sphere of needs and services. This is an ever-evolving process that builds on best practice, local and national research and learning, feedback and consultation with all key stakeholders including those

receiving services, and ongoing reviews of service outcomes. This is often referred to as 'demand management' which is effectively the process of using these strategies, particularly prevention, to be able to meet the needs that present to the council within the limited resources available.

Effective strategies involve everything from changing the balance of prevention and intervention, keeping care plans and placements under regular review, 'moving-on' or transitioning people to more sustainable care or housing settings, improving systems of care management (care pathways) to achieve better outcomes, working in partnership or integrating support with other agencies and so on. These strategies and approaches are set out in the Budget Strategies of the relevant service directorate. However, these approaches can also be quantified financially in terms of the positive impact they can have on the overall resource requirement. This can be critical in reducing the overall budget requirement for demand-led services which would otherwise, financially, grow uncontrollably. The table below indicates the potential cost management impact of the Budget Strategies for each demand-led service. Historically, these strategies have been able to achieve year-on-year cost management of between 1.0% and 2.5% of the total spend on demand-led budgets which is in excess of £225m.

At this very early stage of the budget setting process, detailed workings are not available on the potential for cost management improvements in 2022/23 and therefore the amounts below are illustrative planning assumptions based on an average of the last 3 years except in the case of Homelessness where the scenarios assume achievement of different potential levels of 'move-on' from emergency and temporary accommodation from 10 per month (Worst) to 12 per month (Midpoint) to 15 per month (Best). The table is summarised in the main report.

Demand-Led Service Area	Worst £m	Midpoint £m	Best £m
Adult Social Care (ASC)	4.800	4.000	3.000
Budget Strategy cost management	-2.000	-2.000	-2.000
Net Resource Requirement for ASC	2.800	2.000	1.000
Adult Learning Disabilities (ALD)	2.500	2.000	1.800
Budget Strategy cost management	-0.500	-0.500	-0.500
Net Resource Requirement for ALD	2.000	1.500	1.300
Looked After Children/Care Leavers (LAC)	3.000	2.400	1.500
Loss of Troubled Families funding	0.950	0.000	0.000
Budget Strategy cost management	-1.000	-1.000	-1.000
Net Resource Requirement for LAC	2.950	1.400	0.500
Homelessness & Rough Sleeping	4.200	2.500	2.000
Budget Strategy cost management	-1.250	-1.400	-2.000
Net Resource Requirement for Homelessness	2.950	1.100	0.000
Home to School Transport (HTST)	0.500	0.200	0.200
Budget Strategy cost management	-0.200	-0.200	-0.200
Net Resource Requirement for HTST	0.300	0.000	0.000
Total Net Demand-Led Budget Requirement	11.000	6.000	2.800

Budget Strategies - Cost Management

The Budget Strategy for each area will be refreshed as part of the draft Budget Plans that will come to 2 December 2021 Policy & Resources Committee. However, in general cost management strategies will be a continuation of current longer term strategies and activities as follows:

Adult Social Care:

- increasing the reablement offer in order to enable people to live more independently, therefore decreasing the amount of long term care required;
- joint commissioning with the CCG for hospital discharge pathways, which will improve management of the care market, improving value for money;
- increasing the discharge to assess options, reducing long term placements, therefore enabling more people to return home with increased independence;
- negotiating all fee uplifts based on performance, enabling better management of care market costs;
- reviewing service agreements to ensure improved records and improved budget management of service variations;
- recommissioning the provision of night care within an extra care block contract, reducing the required budget;
- using revised home care system controls, enabling more accurate billing of providers;
- redevelopment of a social care building, providing additional care and housing within the City for physically disabled clients;
- enhanced levels of scrutiny for authorising support plans, to ensure consistency and value for money commensurate with outcomes.

Adult Learning Disability

- Continuation of the 'Move On' project supporting adults with LD to move on from high cost placements into new living arrangements which promotes independence;
- Appropriate joint funding arrangements to be pursued i.e. Continuing Health Care funding as current rate of NHS support is below the South East average;
- Improved transition arrangements for young people. Improved earlier planning for transition will provide the 14-25 social work pod more time to explore cost effective options that achieve good outcomes and thereby continuing to focus on this high cost area;
- Review of existing block contracts for outsourced services to address any over provision and more effective utilisation of voids;
- Ongoing expansion of Shared Lives capacity.

Looked After Children/Care Leavers (including Disability Services)

- Ongoing strategy to increase the number of in-house foster placements and reduce reliance on more expensive independent provider provision;
- Provision of high quality, value for money services though contracted, external providers supported by the children's services framework contract arrangements and preferred provider guidelines;
- Relationship based social work practice and the specialist adolescence service is continues to divert children from the care system, and for those already in care, aims to step down care to in-house and/or less expensive placements;

- Close scrutiny of the cost of placements relative to outcomes (performance) is in place to reduce unit costs wherever practicable.

Homelessness & Rough Sleeping

- The focus is on improving homeless prevention and reconnection to reduce overall numbers and the length of stay for households in temporary accommodation (TA);
- An 'end to end' review of Temporary Accommodation (TA) services is progressing through a TA Improvement Programme which includes a review of income collection (i.e. benefit recovery), voids turnaround, procurement, management of lettings etc, as well as work to increase the number of council-owned TA units;
- The planned review of Allocations Policy also provides the opportunity to consider options that could reduce the use of TA;
- There is an ongoing review of support to rough sleepers to reflect the aims of the Homelessness and Rough Sleeping strategy, including learning from the Covid-19 emergency housing programme to improve support and transition planning;
- A primary focus is on achieving 'move-on' of people into sustainable tenancies and accommodation, including through the Housing First initiative.

Home to School Transport

- The main activity is to keep under review the mix of provision and ensure that it closely matches assessed needs i.e. avoids over-provision;
- Single passenger and multi-occupancy routes and performance are also kept under review and scrutinised to ensure value for money.