

Committee: Cabinet

Date: 15 February 2016

Agenda item: Wards: All

Subject: Adult Social Care (ASC) 2016/17 budget savings

Lead officer: Simon Williams, Director of Community and Housing

Lead member: Councillor Caroline Cooper-Marbiah, Cabinet Member for Adult Social Care and Health

Contact officer: Dan Short, Head of ASC re-design

1. RECOMMENDATIONS

- 1.1 That Cabinet finalise the recommended budget for Adult Social Care (ASC) in 2016/17 (£74.845m gross and £51.481m net) for Full Council, including required savings, taking into account the outcome of the consultation exercise and taking into account any recommendations from the relevant Overview and Scrutiny Panel and Commission.
- 1.2 That Cabinet authorise the Director of Community and Housing, within the council's Constitution, to take the action necessary to achieve these savings.

2. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 2.1 To present the feedback from stakeholders and service users, from the consultation exercise, on the proposed savings.
- 2.2 To set out the impact on service delivery of the proposed savings and the proposed mitigation.
- 2.3 To consider the alternative savings options previously considered but rejected and also the alternative proposals from consultees.

3. BACKGROUND

- 3.1 Due to the reductions in funding from central government, added to demographic and inflationary pressures, the council needs to deliver £14.535m in savings across all departments in 2016/17.
- 3.2 Around a third of the council's budget is spent on ASC. The total value of ASC savings proposed in 2016/17 is £5.06 million (see page 59 of Appendix 1), which, as part of our four year financial planning, have been identified over a three year period. Of this £857,000 (see page 60 of Appendix 1) relates to savings actions / schemes that could not be changed or were already being implemented, so these savings were not included as part of the consultation. Members need to consider the newly identified savings for 2016/17 and review how the previously accepted savings will be achieved in the context of the overall budget for ASC. The consultation was therefore based around 21 savings proposals totalling £4.203 million which covered three main areas:
 - Staff savings £1,841,000 (see page 61 of Appendix 1)
 - Decommissioned services £ 531,000 (see page 62 of Appendix 1)

- Reductions in support packages £1,831,000 (see page 63 of Appendix 1)

3.3 These three savings areas were identified using the same value based approach used since 2011. This approach is underpinned by the Use of Resources Framework (see page 65-66 of Appendix 1) which:

- Retains investment in prevention and recovery where this reduces longer term costs;
- Minimises the costs of long term support;
- Reduces waste / duplication in work processes;
- Works in partnership where possible;
- Ensures everyone makes the contribution they are able to; and
- Uses a Promoting Independence approach (see page 69 of Appendix 1).

This framework has informed the overall approach to investment and savings. It takes an approach seeking added value for the customer and for the taxpayer. It has also been adopted in other parts of England.

3.4 This approach is used to minimise the impact of savings on the customer experience, where possible, however, it is acknowledged that there is a cumulative effect of year on year savings for some of customers, carers and providers. It is also recognised that it has become increasingly difficult to identify options to make savings without impacting on customers as the only areas where significant savings can now be made are staff, support packages and commissioned services.

3.5 The ASC savings have been proposed in the context of the following national and local factors:

- Central government cuts of 40% to local authorities and the need to make savings across the council and in all departments, including ASC, where the council concentrates around a third of it's spending;
- An expected increase in demand for services due to population increases by 2020 of 23% for older people aged over 90, 13% for people with dementia and 6% for adults with learning disabilities. This is coupled with demographic pressures in other departments, particularly Children's Services, where the birth rate has increased in recent years and had a knock on effect on demand for services;
- A commitment by the administration to freeze council tax for four years;
- Recognition that the level of council tax continues to be one of the main concern of residents in the Annual Residents Survey;
- Performance data published in the Local Account that shows ASC performance is good and above average in many areas; and
- The council's July Principles (see 3.5) adopted on 13 July 2011 to guide strategic decisions in financially constrained times.

3.6 The July principles state that:

- Merton should continue to provide a certain level of essential services for residents. The order of priority of "must" services should be to:

- Continue to provide everything that is statutory.
 - Maintain services – within limits – to the vulnerable and elderly.
 - After meeting these obligations Merton should do all it can to help residents who aspire. This means we should address the following as priorities in this order:
 - Maintain clean streets and keep council tax low.
 - Keep Merton as a good place for young people to go to school and grow up.
 - Be the best it can for the local environment.
 - All the rest should be open for discussion.
- 3.7 In line with the July principles, overall savings targets for each department are weighted against controllable budgets as follows:
- Corporate Services- 1.50
 - Environment and Regeneration-1.50
 - Community and Housing- 1.00
 - Children, Schools and Families- 0.75
- As such, ASC (which forms the majority of the Community and Housing budget) and Children’s Services have had proportionally lower savings targets compared to other areas of the council.
- 3.8 As a financially prudent council, some of the proposed savings have been previously put forward and accepted to facilitate future year service planning, in line with the council’s four year financial planning as part of the Medium Term Financial Strategy. Appendix 2 details the chronology of savings proposals affecting 2016/17 since 2013. However, Members still need to review how the previously accepted savings will be achieved in the context of the overall budget for ASC.
- 3.9 Alternative savings proposals were considered but not recommended in the consultation documents (see Section 8 for further details).
- 3.10 Feedback from the Healthier Communities and Older People Overview and Scrutiny Panel on 14 January 2016 and the Overview and Scrutiny Commission on 28 January 2016 has been submitted for consideration by Cabinet in a separate report.

4. THE CONSULTATION PROCESS UNDERTAKEN AND A SUMMARY OF FEEDBACK:

- 4.1 To ensure those affected by the proposals could fully participate in the consultation process (see pages 73 and 74 of Appendix 1):
- A letter was sent to all 3,072 customers on the ASC Carefirst system on 23 October 2015 to notify them of the consultation period and how they could participate; and

- A further service specific letter was sent on 23 November 2015 to the customers of the three services that had been put forward for decommissioning.
- 4.2 The stakeholder and service user feedback was obtained through a variety of means (see pages 73 and 74 of Appendix 1):
- An online questionnaire was available at www.merton.gov.uk/consultation;
 - Paper questionnaires, including an accessible version, were widely available at Merton’s libraries, at Vestry Hall, the civic centre main reception and the daycentres within the borough;
 - Two public consultation events were held on 30 November 2015 and 2 December 2015 at Vestry Hall;
 - Healthwatch Merton facilitated 6 small customer / carer group meetings;
 - Two consultation meetings were held with ASC staff;
 - A consultation event was held with voluntary sector organisations on 26 November at the Chaucer Centre; and
 - Email comments could be sent to ASCconsultation@merton.gov.uk and letters to the Civic Centre.
- 4.3 The Healthier Communities and Older People Scrutiny Panel on 12 January 2016 received a report on the feedback from stakeholders and service users to the proposed ASC savings, with the detail of the feedback received detailed in Appendices (see pages 39 – 47 and 103 – 224 of Appendix 1).
- 4.4 There are currently approximately 3,072 ASC service users, who make up 1.5% of the overall population of Merton. There were a total of 409 responses to the questionnaire and / or attendance at a consultation event¹. There may have been some overlap as people may have responded to the questionnaire and attended consultation meeting(s). The overall response rate to the questionnaires was 4.2%, with 129 questionnaire responses received. Feedback from the other consultation methods was obtained from a further 280 people (30% of whom were staff where there may have some overlap as people may have responded to the questionnaire and attended consultation meeting(s)). It should be noted that some people may have completed a questionnaire and also attended a consultation event.
- 4.5 Overall, respondents generally agreed with the council’s approach to making these savings. Feedback on our approach, which is based on the Use of Resources Framework is shown below (see page 106 of Appendix 1);
- Retain investment in prevention and recovery where it reduces longer term costs – 63% of respondents agreed or strongly with this priority, only 8% disagreed or disagreed strongly with this priority and 27% did not know.

¹ A number of staff, carers, individuals and organisations that responded to the consultation may not live or be based in Merton.

- Minimise the costs of long term support – 27% of respondents agreed with this proposal, 38% disagreed or strongly disagreed with this priority and 23% did not know.
 - Reduce waste and duplication in work processes – 79% either agreed or strongly agreed with this priority. No one disagreed with this priority and 18% did not know.
 - Work in partnership where possible – 71% of respondents either agreed or strongly agreed with this priority. Only 2% disagreed with this priority and 25% did not know.
 - Ensure everyone makes the contribution they are able to – 37% of respondents agreed with this priority, 7% disagreed and 28% didn't know.
 - Use a 'promoting Independence approach' – 57% of respondents either agreed or strongly agreed with this priority, 11% disagreed while 26% did not know.
- 4.6 The feedback to the specific proposals in the consultation was that some consultees understood that the council needed to find savings by looking at staffing costs and reviewing care packages regularly (see pages 41 - 42 of Appendix 1), but 87 out of 129 questionnaire respondents (67%), felt the overall reductions were too much and out of the 67 comments received the main concerns were that it will:
- Affect the most vulnerable of people and put them at risk (52%); and
 - Reduce the access to/ quality of services and puts the ability to meet statutory obligations at risk (24%).
- 4.7 There was concern about the cumulative impact of ASC savings in recent years (and factors such as central government's housing and welfare reforms) on vulnerable people e.g. 48 out of 75 respondents (64%) who answered a question about whether services had got better or worse since 2011 said services had got worse or much worse (see pages 43 - 44 of Appendix 1).
- 4.8 Some consultees expressed concern about the overall level of the planned staff reductions and some commented they were too risky. Some consultees were therefore concerned that capacity may be insufficient to meet statutory duties under the Care Act 2014 (see page 41 of Appendix 1).
- 4.9 Some consultees expressed concern about the impact on their lives from the overall planned reduction in support packages e.g. 20 felt that the most vulnerable people and their families would be adversely affected and 10 felt that short term savings would lead to long term higher costs (see pages 41 - 42 of Appendix)
- 4.10 Some consultees expressed concern about the impact of decommissioning specific services: meals on wheels, South Thames Crossroads, and Imagine Independence (see page 41 of Appendix 1).

5. CONTEXT OF HOW 2016/17 SAVINGS ARE BEING CONSIDERED

- 5.1 Members should consider the following important contextual factors, to take account of the cumulative effect of savings over multiple years:

- £10.306m of ASC savings have been proposed for 2016-19 (see page 88 of Appendix 1) out of £29.9m for the authority;
- 2013/14 benchmarking data shows Merton is a below average spender (see page 95 of Appendix 1), but has an above average satisfaction rating (see page 287 of Appendix 1), due to targeting our support to those customers who need it the most;
 - below average spend per head of population on older people;
 - slightly below average spend for other care groups; however
 - above average spend on staff costs for care management;
- the overall net reduction of in the ASC budget between 2011-16 has been £2.516m (see page 89 of Appendix 1). The main budget reductions and additions were:
 - £18.65m savings targets in the 5 years to 2015/16 (see page 89 of Appendix 1);
 - Growth and inflation of £11.888m (see page 89 of Appendix 1);
 - Extra funding from the NHS of £7.355m, to deal with the transferred financial commitments and responsibilities for learning disabilities (see page 89 of Appendix 1);
- The Local Account (see pages 255 – 310 of Appendix 1) summarises performance and views from service users during 2013/14, combining performance and benchmarking data and annual survey results. Overall ASC performance compares well against the comparator group.

6. IMPACT AND MITIGATIONS OF PROPOSED SAVINGS:

6.1 Relevant data relating to all the proposed savings is detailed below, highlighting:

- A brief description of, and the amount of, the proposed saving.
- Key data.
- Consultation feedback.
- Consequence.
- Financial risk to the ASC budget.
- How ASC planned to mitigate.
- ASC plans to further mitigate possible impacts after consultation feedback.

Prevention	
Proposed saving CH05 £500,000 (agreed at 18.2.13 Cabinet) – Reduction in level of grant to voluntary sector	Key data It is estimated that currently 45,395 Merton residents potentially benefit from the preventative services provided by the nine organisations in the current Ageing Well Programme. This includes an estimated 28,695 people whose independence and wellbeing will be compromised without support and 16,700 people whose independence and wellbeing could be comprised without support.

Consultation feedback (see pages 103 – 224 of Appendix 1 for details):

This savings proposal was not consulted on again as the voluntary sector has been fully involved in the Ageing Well Grant funding programme from the start and the ageing well grant funding prospectus had been published before the consultation process had begun.

However, at consultation meetings with the public and with voluntary sector organisations the contradiction between prioritising prevention and reducing VCS funding was pointed out strongly.

Impact of saving:

- Care Act requirement of prevention will be less met through Ageing Well Programme Prevention programme being reduced. There will be no continued funding for services such as :
 - incontinence service, life after stroke service, falls prevention service
 - befriending service
 - activities and clubs for people with learning disabilities
 - volunteer car service with mobility requirements
 - exercise classes for older people
- more reliance on friends and family

Financial risk to the ASC budget:

- reduced funding to voluntary sector could mean customers coming back to the council for service provision
- impact on support packages budget for alternative service provision to meet statutory duty

How ASC planned to mitigate:

- with reduced funding, work will continue with the voluntary sector through the Ageing Well programme to provide suitable alternatives to statutory services. There will therefore be a still more targeted approach to people with higher levels of need.

How ASC have planned to further mitigate as a result of the consultation feedback:

ASC managers have received grant applications and are engaged in dialogue with relevant voluntary sector organisations to ensure that the available funding will meet the proposed priority needs.

Support packages**Proposed saving**

CH02 (agreed at 18.2.13 Cabinet), 24, 25, 26, 27, 28, 29, 30, 31, 32, 33 & 34 (agreed at 16.2.15 Cabinet) – support package reviews, including learning disabilities, mental health, older people, physical disabilities and substance misuse
£1,831,000

Key data

Out of 4,665 ASC customers in 14/15, 3,815 received community based support (£17.5m) & 850 received support via residential / nursing placements (£24m)

As the most complex customers are supported in residential settings and our usage rates of these settings are now comparatively low, it is anticipated the majority of this proposed saving will come from community based support (Domiciliary care, Direct payments, equipment & day opportunities), which will amount to around 10% of the expenditure

Out of 838 customers receiving homecare in October 2015, 423 (50.5%) customers receive an intensive support package of 10 or more hours (10 hours = £8,278 p.a. and 28 hours (4 calls a day x7) = £23,179.52)

From 2010/11 to 2014/15, the total number of customers receiving support fell from 4326 to 4095, despite demographic pressures nationally estimated at 3% per annum.

Consultation feedback (see pages 103 – 224 of Appendix 1 for details):

46 out of 97 respondents (47.42%), disagreed and strongly disagreed with the proposed saving to review customer's support packages and out of 61 comments received the main concern (32.78% - 20 people) was that it would affect the most vulnerable of people and put them and their families under pressure or at risk. Comments made at consultation meetings echoed this sentiment. At staff meetings staff said that the underlying emphasis on using social capital more, might not be feasible as they doubted many more volunteers would be found.

Impact of saving:

- reduced number of day calls e.g. get customers up later and combine breakfast and lunch call and just provide one meal and a snack for later in the day
- reduced length of calls with potential reduced customer satisfaction and quality of life
- possible greater reliance on families for support
- likely to have stricter rules if cheaper to go in a care home than be cared for at home, and the customer will have to be placed in a care home regardless of expressed wishes

Financial risk to the ASC budget:

- at the end of December 2015, the full year cost of open support packages (the annual commitment) was £41.59m, £3.412m higher than the £38.178m 2015/16 budget for support packages i.e. these savings further reduce an already overcommitted budget
- agencies reluctant to reduce visits to 15 minutes so may decide to terminate contract which may lead to having to go to a more expensive service provider
- increase in fee levels to providers will erode savings made through reduced volumes, due to both higher actual provider costs and to local market conditions whereby we are outbid by neighbouring boroughs/NHS/self-funders for capacity. In 2015/16 an extra £500k has needed to be paid for enhanced fee levels.
- difficulty in reducing volumes of support as it is statutory based on assessment of individual eligible needs and Merton levels of funded support are already low compared with other boroughs.

Mitigation:

- reviews undertaken following established methodology ,
- working with the voluntary sector through the Ageing Well grant to provide suitable alternatives
- training for staff on outcome based support planning and using a promoting independence approach
- incentivising providers to restrict home care hours through outcomes based commissioning, being trialled elsewhere nationally and to be implemented in Merton in 2017
- support package overspends would be mitigated by underspends in other budgets where possible

How ASC have planned to further mitigate as a result of the consultation feedback:

Feedback generally confirms that this mitigation is correct, and has emphasised the importance of support packages being set according to individual assessed needs which is the existing approach.

Specific Contracts

Proposed saving	Key data
CH60 – South Thames Crossroads – caring for carers £294,000	<ul style="list-style-type: none"> • 72 service users, aged between 22 and 97 years old, with 40 (55%) over the age of 75 (38 female carers and 32 male carers) • Estimated number of carers in Merton approximately 17,000 based on 2011 census, with nearly 600 known young carers. • In quarter 2 of 2015/16 the following hours were provided: • 2,623 for Older People (includes Dementia Service) • 1,128 for Adults with Learning and Physical Disabilities • 187 for adults with Mental Health issues • This averages at 4.2 hours per week per person

Consultation feedback (see pages 103 – 224 of Appendix 1 for details):

The services proposed for decommissioning were consulted on together. 71 out of 102 respondents (69.61%), disagreed and strongly disagreed with the overall proposed saving to decommission the Carers Support service, Meals on Wheels and the Mental Health Day Support service and out of 90 comments received the main concern was that it reduce access to / quality of services and the puts the ability to meet statutory obligations at risk.

In terms of the South Thames Crossroads contract, 16 out of the 90 specifically opposed this proposed saving.

Of the overall comments on the package of decommissioning savings:

<ul style="list-style-type: none"> • 24 objected as the savings would increase the risk to vulnerable people • 11 felt the savings would be short term only and lead to long term cost increases • 8 opposed the savings as access to or the quality of services would reduce <p>Similar concerns were raised at consultation meetings e.g. at public meetings concern about the impact on carers of the proposed decommissioning of South Thames Crossroads Carers Support.</p>
<p>Impact of saving:</p> <ul style="list-style-type: none"> • no respite for carers through this specific service, carers potentially put under increased pressure
<p>Financial risk to the ASC budget:</p> <ul style="list-style-type: none"> • impact on support packages budget for alternative service provision or new demand to meet statutory duty
<p>Mitigation:</p> <ul style="list-style-type: none"> • reviewing alternative ways to support carers e.g. personal budgets, the holistic carers support service from the voluntary sector, or contracted home care
<p>How ASC have planned to further mitigate as a result of the consultation feedback:</p> <p>Officers have had discussions with the current service provider about possible mitigations, and have continued to take forward discussions about ensuring that alternatives are available.</p>

<p>Proposed saving</p> <p>CH61 – Sodexo – Meals on Wheels £153,000</p>	<p>Key data</p> <ul style="list-style-type: none"> • 175 customers, aged between 50 – 103 years old. • For 81 customers (46.4%), meals on wheels is the only service provided by ASC • In December 2015, 2,893 (94.5%) meals supplied were hot and 167 (5.5%) were frozen
<p>Consultation feedback (see pages 103 – 224 of Appendix 1 for details):</p> <p>The services proposed for decommissioning were consulted on together. 71 out of 102 respondents (69.61%), disagreed and strongly disagreed with the proposed saving to decommission the Carers Support service, Meals on Wheels and the Mental Health Day Support service and out of 90 comments received the main concern was the reduced access to / quality of services and this puts the ability to meet statutory obligations at risk.</p> <p>In terms of the Sodexo Meals on Wheels contract, 15 out of 90 specifically opposed this proposed saving.</p> <p>Of the overall comments on the package of decommissioning savings:</p> <ul style="list-style-type: none"> • 24 objected as the savings would increase the risk to vulnerable people • 11 felt the savings would be short term only and lead to long term cost increases • 8 opposed the savings as access to or the quality of services would reduce <p>Open letters / e-mails also registered strong concerns about proposals to cease meals on wheels e.g. 18 specific responses were specifically against reductions in meals on wheels.</p>	
<p>Impact of saving:</p> <ul style="list-style-type: none"> • customers will not get from the council / Sodexo a hot meal or a frozen meal to heat up • customer's needs regarding managing and maintaining nutrition may not be met • customers may become more isolated 	
<p>Financial risk to the ASC budget:</p> <ul style="list-style-type: none"> • potential impact on placements budget for any required alternative service provision to meet 	

eligible needs
Mitigation: <ul style="list-style-type: none"> review of customers eligible needs and identify how their needs will be met through a range of options including help with meals in domiciliary care provision, where eligible, working with the voluntary sector, community groups and families
How ASC have planned to further mitigate as a result of the consultation feedback: Continuation of existing plans, which involve a detailed overview of the needs of current users of the service and a continued discussion with the voluntary sector on alternative ways of meeting these needs.

Proposed saving CH62 – Family Mosaic – Waldemar Road £106,000	Key data There are currently two LBM adults with mental health issues (25%) at this facility which can support a total of eight residents. The provider has chosen to close and has served notice
Consultation feedback (see pages 103 – 224 of Appendix 1 for details): This savings proposal was not consulted on as the provider had announced its withdrawn from the market before the consultation began i.e. the feedback would not be meaningful as it could not affect subsequent decisions. However concerns were expressed during consultation about the loss of supported accommodation for this client group	
Impact of saving: <ul style="list-style-type: none"> customers with mental health issues living in non-supported accommodation, which may lead to more crisis events customers may spend longer in institutionalised settings, including mental health wards 	
Financial risk to the ASC budget: <ul style="list-style-type: none"> impact on placements budget for any required alternative service provision to meet statutory duty 	
Mitigation: <ul style="list-style-type: none"> work with service providers to ensure suitable alternative accommodation is available. This follows on from a study in 2015 into what is needed 	
How ASC have planned to further mitigate as a result of the consultation feedback: Continue to look for other options for accommodation with support for people living with an enduring mental illness.	

Proposed saving CH63 – Imagine Independence – Peer led support £84,000	Key data 165 customers with mental health issues aged 18+ - services include advocacy, employment support, peer support and social inclusion
Consultation feedback (see pages 103 – 224 of Appendix 1 for details): The services proposed for decommissioning were consulted on together. 71 out of 102 respondents (69.61%), disagreed and strongly disagreed with the proposed saving to decommission the Carers Support service, Meals on Wheels and the Mental Health Day Support service and out of 90 comments received the main concern was that these proposed savings would reduce access to/quality of services and the puts the ability to meet statutory obligations at risk. In terms of the Imagine Mental Health Service contract, 4 out of the 90 specifically opposed this proposed saving. Of the overall comments on the package of decommissioning savings: <ul style="list-style-type: none"> 24 objected as the savings would increase the risk to vulnerable people 11 felt the savings would be short term only and lead to long term cost increases 8 opposed the savings as access to or the quality of services would reduce 	
Impact of saving:	

<ul style="list-style-type: none"> • fewer opportunities to support people in benefits appeals, housing issues and applications, accessing medical support. • reduction in employment support (seeking and retaining employment) for people with mental health issues • less support with promoting social inclusion and purposeful activity • less peer led support groups for people to access
<p>Financial risk to the ASC budget:</p> <ul style="list-style-type: none"> • impact on placements budget for any required alternative service provision to meet statutory duty
<p>Mitigation:</p> <ul style="list-style-type: none"> • pilot peer support project to meet needs in an alternative way, with some funding retained from contract to fund this
<p>How ASC have planned to further mitigate as a result of the consultation feedback: Continuation of peer support pilot, and ensuring that priority outcomes continue to be met.</p>

<p>Staffing – Assessment and Commissioning</p>	
<p>Proposed saving</p> <p>CH04 (agreed at 18.2.13 Cabinet), 20, 22 (agreed at 16.2.15 Cabinet) & 58 – staffing reductions £1,467,000</p> <p>Also CH23 (agreed at 16.2.15 Cabinet) – £21,000 & CH64 £30,000 (posts will not be cut but now funded by Public Health)</p>	<p>Key data</p> <p>There will be a reduction of around 40 staff. The saving is around 10% of the staffing budget.</p> <p>This is in addition to a reduction in Access and Commissioning staff who don't directly give support from 265FTE in 2011/12 to 168FTE in 2014/15.</p>
<p>Consultation feedback (see pages 103 – 224 of Appendix 1 for details):</p> <p>Proposed staffing savings were consulted on together. 52 out of 110 respondents (47.27%) disagreed and strongly disagreed with the proposed staff savings and out of 63 comments received the main concern (41.27% - 26 people) was about the effect on the quality of service provision and the ability to meet statutory obligations. Of the 63 people who made specific comments:</p> <ul style="list-style-type: none"> • 26 were concerned about the effect on the quality of service provision and the ability to meet statutory obligations • 11 were Concerned about there not being enough capacity to meet demands safely • 6 opposed staff reductions without giving specific reasons • 12 agreed with the planned staff reductions • 6 would support staff reductions, but only in the back office. 	
<p>Impact of saving:</p> <p>It is intended to implement this saving through the revised ASC Target Operating Model and re-design programme to deliver efficiencies in staffing costs whilst continuing to deliver services for our customers. Without effective mitigation in place through process redesign, however, the consequences would be:</p> <ul style="list-style-type: none"> • staff having less time to come up with imaginative and cost effective support plans • increased waiting times and numbers for assessment and support planning including statutory assessments such as Deprivation of Liberty Safeguards (DOLS) • reduced frequency of reviews • increase in delayed transfer of care (DTCO) for customers coming out of hospital, with fines of £150 per day for every patient whose discharge we delay paid to the NHS. • reductions to the Financial Assessments may impact on the amount of money raised via customer contribution (£9m per year) • reduced monitoring of Direct Payments team could lead to reduced clawback of personal budgets where not being spent on actual support • staff collective resilience (e.g. covering for holiday or sickness) will be reduced 	
<p>Financial risk to the ASC budget:</p> <ul style="list-style-type: none"> • more expensive support plans 	

- fewer reviews lead to missed opportunities to reduce packages of support in line with needs
- legal challenge, courts costs and potential compensation claims
- increase in DTOC fines - £150 per day
- reduced client contributions via Financial Assessments
- unspent personal budgets not recouped by Direct payments

Mitigation:

- ASC redesign programme, including process efficiencies and flexible working. It is expected that the efficiencies will come from a combination of the new information system which requires shorter inputting time, a revised structure intended to reduce hand offs, and embedding flexible/mobile working which is expected to lead to a higher proportion of time being spent with customers.
- As the integration programme with the NHS moves into its next phase, it is intended that there will more use of practices such as trusted assessments in order to reduce repeat assessments.

How ASC have planned to further mitigate as a result of the consultation feedback:

To continue with these mitigations and to make some adjustments to the proposed structure.

Staffing – Direct Provision

Proposed saving

CH21 (agreed at 16.2.15 Cabinet) & 59 £374,000 – please note a number of non-staff savings have been identified reducing this figure to £269,000

Key data

Reduction of 8 posts, 2.6% of overall ASC staffing budget

Consultation feedback (see pages 103 – 224 of Appendix 1 for details):

Staffing savings were consulted on together. 52 out of 110 respondents (47.27%) disagreed and strongly disagreed with the proposed staff savings and out of 63 comments received the main concern (41.27%) was about the effect on the quality of service provision and the ability to meet statutory obligations. 63 people made specific comments:

- 26 were concerned about the effect on the quality of service provision and the ability to meet statutory obligations
- 11 were Concerned about there not being enough capacity to meet demands safely
- 6 opposed staff reductions without giving specific reasons
- 12 agreed with the planned staff reductions
- 6 would support staff reductions, but only in the back office.

Impact of saving:

- customers will have less choice of activities in day services e.g. fewer therapy options and community outreach activities
- residential services management capacity reduced
- telecare staff reduced in numbers
- less management capacity in Re-ablement service
- staff collective resilience (e.g. covering for holiday or sickness) will be reduced

Financial risk to the ASC budget:

- day services potentially less attractive to private customers and other boroughs, reducing income – current daily charges range from £40 - £125;
- lack of managerial capacity to spot commercial opportunities – current income generated £234,000.

Mitigation:

- improved staff flexibility has enabled day services to retain a range of services;
- a further campaign to recruit volunteers will take place
- more management across services to enable managers to be supported and work strategically as well as operationally
- changed working arrangements and new technology in MASCOT

How ASC have planned to further mitigate as a result of the consultation feedback:

To continue with these mitigations.

Income	
Proposed saving CH51 – NHS funding £200,000 This is a change in funding source and will not result in any change / reduction in services.	Key data Merton already receives £6.1m from the CCG through the Better Care Fund, with an expectation that this continues in 16/17.
Feedback (this proposed saving was not consulted on): NHS partners are flagging up severe pressure on NHS budgets in 16/17, with a consequence that any funding transferred to social care must have a demonstrable impact on these pressures, chiefly non elective hospital admissions and excess bed days in hospitals.	
Impact of saving: We will need to demonstrate to the local NHS some key outcomes of benefit to the NHS in return for any extra funding.	
Financial risk to the ASC budget: <ul style="list-style-type: none"> costs of any enhanced services required to meet these outcomes NHS refusing to provide extra funding 	
How ASC have planned to further mitigate as a result of the consultation feedback: In current discussions with NHS partners over 16/17 Better Care Fund and mutual impact.	

8. ALTERNATIVE OPTIONS

8.1 The alternative savings options proposed and previously not recommended in consultation documents are detailed below (see page 23 of Appendix 1). These savings proposals should be considered further to ensure the full savings target is achieved in 2016/17. If this option is chosen, authority is delegated to the Director of Community and Housing to decide on the feasibility of these options in line with the council's Constitution.

- Close some day centres and give people personal budgets minus the savings instead – Not recommended in the consultation for 2016/17 as officers believe day centres currently represent good value for money. Consultation in general supported the continuation of day centres
- Outsource all in-house services - Not recommended in the consultation for 2016/17 as officers do not believe that this will generate savings in time. Consultation supported evaluation of in house services to ensure value for money
- Share services with other councils or the NHS - Not recommended in the consultation for 2016/17 as officers do not believe that this will generate savings in time. Consultation supported the sharing of services.
- Negotiate fee reductions from providers - Not recommended in the consultation for 2016/17 as current market conditions mean it is not feasible. Consultees in general acknowledged that further fee reductions across the board are neither desirable nor feasible

- Make bigger staffing reductions - Not recommended in the consultation for 2016/17 as further staff cuts would risk reducing capacity to the point where delivering statutory duties under the Care Act 2014 would not always be possible. Consultees supported this view, but overall there was greater relative support for savings in this area rather than direct support

Officers have already advised against such alternatives having given them careful consideration, and following consultation remain of the same view, but will be ready to both re-consider and implement them, if so directed.

8.2 Consider the alternative savings proposals, details below, put forward as a result of the public consultation. There were 57 comments made about other ways the council could make savings that fell into eight categories. For each category of comments an overall response is included.

- Don't spend on Wheelie Bins (2 responses) – Response: there is no current budget for wheelie bins.
- Increase council tax / use 2% ASC precept (14 responses) – Response: the administration has a commitment to freeze council tax.
- Cut other council services instead of ASC (8 responses) – Response: other council services are having to make budget cuts (see 3.6).
- Increase parking fees (2 responses) – Response: Some increases have been proposed e.g. premium for diesel cars, needs careful consideration in relation to the elasticity of demand / use of parking relative to parking fees.
- Review staffing costs, senior management and duplication of resources (15 responses) – Response: already happening.
- Sharing of resources and the provision of services (7 responses) – Response: agreed and being taken forward but this will not deliver savings for 2016/17.
- Work better with carers and voluntary organisations (4 responses) – Response: agreed and continuing to look to find best ways of working.

9. CONSULTATION UNDERTAKEN OR PROPOSED

9.1 The consultation on the proposed ASC savings programme for 2016/17 began on 23 October 2015 and closed on 7 December 2015 (see pages 73 – 75 of Appendix 1).

10. TIMETABLE

10.1 All the savings proposals that relate to 2016/17 are presented and scrutinised as follows, by:

- Healthier Communities and Older People Scrutiny meeting on 12 Jan 2016;
- Overview and Scrutiny Commission on 28 Jan 2016 for final scrutiny of all savings proposals across all departments of the council; and
- Cabinet on 15 Feb 2016 for consideration of this report and the feedback from Scrutiny and to make recommendations to Full Council budget setting meeting on 2 Mar 2016.

11. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 11.1 At £74.845m gross and £51.481m net the ASC budget accounts for around a third of the council's overall budget so setting a prudent and achievable budget, alongside realising savings, is consistent with safeguarding the council's wide financial stability.

12. LEGAL AND STATUTORY IMPLICATIONS

- 12.1 The consultation has been undertaken in line with the Gunning Principles following a commitment by the council that service users and residents will be given ample opportunity to express their views on proposals for further savings in the years 2016-19.
- 12.2 The report presents to Members the outcome of the consultation on proposed ASC savings for 2016/17 and recommends that they consider various options on how best to achieve those savings in light of the responses to the consultation and having regard to the legal obligations of the Authority.
- 12.3 Members must ensure they consider all the information thoroughly.
- 12.4 Section 2 of the Care Act 2014, places a duty on the Authority to provide or arrange for the provision of services, facilities or resources, or take other steps which it considers will-
- a. Contribute towards preventing or delaying the development by adults in its area of needs for care and support
 - b. Contribute towards preventing or delaying the development by carers in its area of needs for support
 - c. Reduce the needs for care and support of adults in its area
 - d. Reduce the needs for support of carers in its area.
- 12.5 In discharging its section 2 duties, the Authority must have regard to the importance of identifying services, facilities and resources already available in the area and the extent to which the Authority could involve or make use of them in performing its duty.
- 12.6 Consideration of Responses to Consultation
- The local authority consulted the public as part of a wider engagement to garner views and preferences and understand possible consequences of the proposed savings in adult social care. The purpose of the consultation was to ensure public participation in the council's decision-making process. Members, in their role as decision makers, should conscientiously take into account the views expressed by consultees, when making decisions on the proposed savings for 2016/17 and consider the cumulative impact of the decisions.
- 12.7 Section 149 of the Equality Act 2010
- The local authority must, in the exercise of its functions:
- Have due regard to the need to –
 - a. Eliminate discrimination, harassment and victimisation
 - b. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

- c. Foster good relations between persons who share a relevant protected characteristic and those who do not share it.
- Have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - a. Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - b. Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - c. Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

The relevant protected characteristics are:

- (a) age;
- (b) disability;
- (c) gender reassignment;
- (d) pregnancy and maternity;
- (e) race;
- (f) religion or belief;
- (g) sex;
- (h) sexual orientation'

The Equalities Impact Assessments appended to this report (see pages 2 – 28 of Appendix 1) provide information relating to the impact of the proposed savings on persons with relevant protected characteristics. The assessments enable Members to discharge the local authority's duties under section 149 of the Equality Act 2010. Members are, therefore, required to consider the Equalities Impact Assessments before the meeting and prior to making a decision on the proposed budget. Members are also required to consider the report and associated Appendices on the results of the ASC proposed savings (see pages 29 – 253 of Appendix 1) prior to the meeting.

13. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 13.1 Disadvantaged and vulnerable groups in society disproportionately use, and rely on, support provided or funded by ASC, so Members should have regard to the Equality Impact Assessments undertaken for the proposed ASC savings for 2016/17 (see pages 2 - 28 of Appendix 1).

14. CRIME AND DISORDER IMPLICATIONS

N/A.

15. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 15.1 Setting a prudent and sustainable ASC budget will help to reduce financial management risks and, in so far as it will help ensure ASC is adequately funded, it will help to deliver the council's Adult Safeguarding duties, its duties under the Care Act 2014 and help to mitigate public safety risks associated with neglect and abuse.

16. BACKGROUND PAPERS

N/A.

17. APPENDICES

17.1 Appendix 1- background and contextual information, including Equality Impact Assessments for the proposed ASC savings, Healthier Communities and Older People Overview and Scrutiny Panel report 12 January 2016 , ASC Local Account 2013-15 and Healthier Communities and Older People Overview and Scrutiny Panel report 22 October 2015. This has been provided as a Supplementary Agenda.

17.2 Appendix 2 - chronology of savings proposals affecting 2016/17 since 2013.

Appendix 1 is to be
published separately as a
Supplementary Agenda