

## Commentary by Director of Adult Social Care

### 1. Background

- 1.1. The Directorate has an annual budget of £105 million. The proposed standstill pressure is 8.6%, less a 2% efficiency target, which equals 6.6%. This is a cash increase of £7 million.

### 2. Key Drivers

- 2.1. Service pressures continue to increase for older people and those with learning disabilities. This reflects national trends but, within older people's services, the challenge is particularly significant in East Sussex due to demographic trends.
- 2.2. There has been a significant rise in costs, again particularly in older people's services, due to the effects of implementing Single Status and rises in the independent sector fee rates. There remains relatively high numbers placed in mental health and learning disability residential and nursing care.
- 2.3. A joint White Paper on Adult Social Care and community health services is expected in January. This is expected to reflect the principles set out in the Green Paper: 'Independence, Wellbeing and Choice'. There will be increased expectations placed on local authorities to lead partnership working, increase investment in preventative services and to take greater responsibility for the well-being of the whole community.

### 3. Approach to Modelling Exercise

- 3.1. The Department has undertaken a comprehensive review of its current commitments, performance and projected demand for services, including benchmarking against other local authorities in our Audit Commission group. As a result, additional pressures of 4% or £4.4 million have been identified above the proposed standstill. This is, however, subject to further review.
- 3.2. It is proposed that work is undertaken to identify the further efficiency savings required and that the outcome of this is reported to Cabinet on 31<sup>st</sup> January 2006.
- 3.3. The initial efficiency savings are outlined at table 1.
- 3.4. The key elements of the plan for identifying further efficiency savings are as follows:
  - Further tightening of eligibility criteria through Fair Access to Care Services
  - Review of existing care arrangements and, where appropriate, reduction or withdrawal of services in line with Fair Access to Care Services criteria
  - Reduction or withdrawal of funding for contracts for services, including the voluntary sector
  - Review of all directly-provided services to achieve greater efficiency by improved productivity or through re-provisioning
  - Improvements to commissioning and procurement
  - Improvement to business processes
- 3.5. It is the intention to ensure strategically critical services such as intermediate care are maintained. The requirement to modernise services in line with the objectives expected within the White Paper will also need to be achieved.

This will be managed through developing alternative ways to deliver services within existing resources, for example Direct Payments and Independent Budgets. Success in applying for Government grants, including Partnerships for Older People's Projects and Telecare will also be critical in developing local services. There will, however, be a need to raise thresholds for access to core services if we are to establish a sustainable position in the future.

Table 1

Service Area	Adult Social Care: Savings target 2006/07 £2.292m		Impact
	Proposed Savings	Saving 06/07 (£000's)	
Older People	Review of support to independent providers	110	High
	Review of high cost placements	62	Medium
	Review of eligibility criteria	645	High
	Full year effect of the transfer of home care packages from the Directly Provided Service to the independent sector plus increased efficiencies	600	Low
	Review of transport arrangements to specialist services	40	Low
	Increased efficiency in directly provided residential homes through maintenance of higher occupancy levels	200	Low
	<b>Older People sub-total</b>	<b>1,657</b>	
Physical Disabilities	Review of high cost placements	170	Medium
	Review of eligibility criteria	70	High
	<b>Physical Disabilities sub-total</b>	<b>240</b>	
Learning Disabilities	Review of high cost placements	100	Medium
	Review of eligibility criteria	220	High
	Re-provision clients currently living within small group homes.	150	High
	<b>Learning Disabilities sub-total</b>	<b>470</b>	
Mental Health	Cessation/reductions in contracts for services	90	High
	Review of eligibility criteria	65	High
	Review of high cost placements	20	Medium
	Deletion of one post	30	High
	<b>Mental Health sub-total</b>	<b>205</b>	
Other	Increased income through review of the charging processes	40	Low
<b>Total Savings</b>		<b>2,612</b>	