Adult Social Care Bespoke Peer Review
Surrey County Council

September 2018

Peer feedback report
Introduction

Since 2010 Surrey CC has faced a reduction of more than £200m in its core funding from central government. During the same period the council has seen significant increases in demand, not least for adult social care. The number of adults with a learning disability supported by the council increased from 2,573 to 3,760 (46%) and the number of older people supported increased from 8,981 to 9,822 (9%). This growth in social care packages is well above the average for councils in the South East. This, together with increases in the prices paid to care providers, has resulted in both levels of net spending per head and aggregate growth in adult social care spending being above the average for other similar size councils in England. The impact of this spending growth, together with other pressures the council faces, has meant that Surrey CC has had to depend increasingly on the use of one-off resources to balance its budget. This is not sustainable and the council must re-evaluate how it can continue to support Surrey residents whilst managing within the financial envelope available.

This report summarises the findings of a peer team bought together to provide analysis of the current service and outline recommendations for Surrey senior leaders.

The findings below are based on a snapshot in time and some of the issues raised may already be being addressed. The peers and LGA associates involved used their experience and knowledge of local government and adult social care and health systems to reflect on the information presented to them by people they met, things they saw and material that they read. Peers are not inspectors but provide these recommendations in the spirit of sector led improvement.

The officers and peers that have contributed to this report are:

- Sarah Pickup, Deputy Chief Executive, Local Government Association
- Simon Williams, Director of Social Care Improvement, Local Government Association
- Sue Darker, Operations Director, Adults with Disabilities, Mental Health and Autism, Hertfordshire CC
- Tony Pounder, Director of Adult Services, Lancashire County Council
- Peter Stachniewski, Financial Improvement and Sustainability Adviser, LGA
- Clare Hudson, Programme Manager, LGA

The report is intended for use by the council to help inform its future financial planning. Within the time available, the LGA has made every effort to ensure the information is up to date and accurate, but cannot guarantee that all details of the analysis are accurate, and does not accept responsibility for any errors, omissions or out of date information. The LGA accepts no responsibility if any person or organisation incurs claims or liabilities or suffers loss or damage because they relied on anything in this report.
Contents:

1. Scope and focus
2. Summary findings
3. Findings on key areas:
   A. Commissioning and market shaping
   B. Financial planning and culture
   C. Operational and demand management
   D. Practice and culture
   E. Partnerships and integration
4. Recommendations

1. **Scope and focus**

This review has considered the council’s adult social care service in the context of the council’s current financial challenge. In setting its 2018/19 budget, the council planned to use £36m of one-off resources in 2018/19. The forecast budget gap for the council in 2019/20 was £86m in 2019/20 – taking account of one-off use of resources in 2018/19 and growth in the budget in 2019/20 – rising to £94m by 2020/21. Growth in the Adult Social Care budget was a major contributory factor to this; the net budget was forecast to rise from £350m in 2017/18 to £382m in 2018/19 and £439m by 2020/21 – a 9% and 25% increase respectively against the 2017/18 budget.

In response to the financial challenges the council faces, services have been set revised cash envelopes for 2018/19 and for subsequent years. For adult social care this means a £10.7m in-year budget reduction (down from £382m to £372m) and a reduction in 2019/20 from the budget set in the Medium Term Financial Plan of £411m to £366m.

In order to provide a view on how prepared the adult social care service is to meet these financial challenges and what other measures can be taken, this review has considered the following areas, and feedback is provided on these in the body of this report:

- Commissioning and market shaping
- Financial planning and culture
- Operational and demand management
- Culture and practice
- Partnerships and integration

These are supplemented by the peer team’s recommendations in section 4.
2. Summary findings

The council has a clear sense of purpose for the service and its fundamental safeguarding role. Feedback from service users and partners and complaints levels suggest the council is delivering a valued service. However, it is clear from budgets and expenditure that it is not doing so in a financially sustainable way. Whilst there is a clear sense of purpose the vision underneath this is less clear.

Budgets have been developed based on historical cost pressures and growth in demand. The organisation has taken as inevitable the presenting pressures and demands, and there has been insufficient challenge and discussion of them. Colleagues in service areas have lacked routine engagement in the budgeting process and consequently have not played an optimal role in influencing future budget decisions. This has led to a lack of ownership of budgets set for the services and of the savings targets set and the means of delivery. There is limited evidence that ideas and initiatives developed by staff feed into current and future budget decisions.

There is a widespread recognition that adult social care services are at a crossroads and there is now a willingness to explore change and work in a new way. This change of tone is not currently matched with appropriate capacity or pace given the urgency of the financial context. The council must ensure that it is able to lead new ‘conversations’ about the council’s future service offer in the context of the resources available.

The council is recognised as being one of the most advanced local systems in terms of health and social care integration. The council has introduced a locality-based model with adult social care services closely integrated with local health provision. However the council is not always clear what the implications and benefits of integration are for the council.

The most critical issue for adult social care in Surrey is formulating robust delivery plans that will enable the high levels of spending growth in the recent past to be contained and for managers to confidently address the challenging financial targets that have now been set for the service. This involves a combination of addressing the underlying causes of excessive demand growth, being clear about the level of service that users can expect to receive, and having effective strategies in place to address the market pressures the council faces. Under a refreshed leadership team, there is now clear corporate ownership of the challenges that need to be addressed to achieve sustainable levels of expenditure. This is positive and now needs to be matched with a robust delivery plan to ensure this happens.

The ability of the council to do this will be dependent on its capacity to strategically commission services that meet the needs of the community. Moving towards a more corporate approach to commissioning needs to be married with more consistent measurement of the impact of interventions. The council must inject greater rigour and consistency in how it uses performance and finance data to drive change and reform practice.
The new Chief Executive and corporate leadership team are focused on designing and delivering significant transformation programmes. For the most part these are still high level and much work needs to be undertaken to turn ambition into delivery plans.

3. Findings on key areas:

A) Commissioning and market shaping
B) Financial planning and culture
C) Operational and demand management
D) Practice and culture
E) Partnerships and integration

A. Commissioning and market shaping

Commissioning is a widely used term in the service, but there is not a common understanding of what is meant by commissioning nor a common approach to delivering it. There is a lack of strategic commissioning capacity and the council needs to ensure it is addressing all aspects of an effective commissioning cycle: needs assessments - strategic commissioning – procurement - review – monitor.

The council’s corporate procurement function and commissioning functions are fragmented. These two crucial elements of service design and delivery need to come together to drive the best outcome and price for the council. The emerging plans for the corporate strategic commissioning framework are encouraging and getting this right, quickly, will be absolutely critical for the service’s future.

Individual care packages are sourced by locality teams through an e-brokerage system. Feedback from teams is that the mechanics of this function satisfactorily but the peer team did not hear how and whether this system is able to ensure that the council is able to obtain the optimum combination of availability, quality and price. This applies particularly for care home placements where the council’s benchmark prices are rarely sufficient to secure the placement.

There appears to be some instances of innovative and effective commissioning within the localised model, particularly focusing on preventative and early intervention services. The council now needs to focus on extending this towards more strategic commissioning particularly in its highest spending adult social care areas which are care home placements, supported accommodation and domiciliary care services. This is crucial if expenditure in these areas is to be better controlled than over previous years and supply is to better match demand in the longer term.

Whilst the council has a well-established carers’ strategy and many positive relationships the peer team suggest that the council could further explore the role of carers in its transformation plans. The council’s spend on carers is relatively modest and it could be that by investing more in supporting carers it could reduce pressures on other formal services.
According to the local care providers’ association as many as 85% of care home beds in the county are occupied by self-funders. As a result the council has few effective levers to influence the price of in the local market. The council recognises this but has not developed a clear plan to shape the market and proactively address the impact of the cost pressures they are facing. The accommodation with care and support business case sets out an anticipated financial benefit of £9.2m in 2019/20 and a further £4.5m in 2020/21 as a result of reduction in the current provision for price growth – for example, for nursing care beds from a current 12% to 2.8% in 2019/20 and 2% in 2020/21. However it was not evident how this was to be achieved or that the people and resources were immediately available to address this effectively. The council will need to intervene in the market more proactively to ensure access to the care services it needs at prices it can afford.

Budget pressures within learning disabilities are particularly acute. This is an area where the council should have significant influence over the local care market provision as the primary commissioner and in the absence of self-funders. There has been too much disconnect in the transition between children’s services and adult social care which has meant that the services are not working together to commission the right things early enough. There has been some work with providers to reshape provision but there is a need to have more robust information about future demand both from children’s services and from adults living with family carers in order to assess future needs, and the consequent services that need to be available, and then work with providers to plan how to deliver these services.

There are more developed plans for managing the market in older people’s residential care, but the pace needs to be accelerated. The council is now seeking to generate its own extra care accommodation capacity but it will be challenging to deliver within the timescales needed unless there is more investment in project and commissioning capacity and unless relationships with housing providers are enhanced and focussed on the county’s requirements.

B) Financial planning and culture

The new senior leadership team are clear on the need to act decisively to reduce planned spending levels in 2018/19, address the budget gap in 2019/20 and subsequent years, and transform key services. There is now clear collective ownership of the financial issues that the council faces but this needs to be uniformly reflected throughout the organisation in recognising the cause of pressures on financial resources and putting in place measures to address them.

We were told that there had in the past been limited internal challenge to growth pressures included within the adult social care budget with what appeared to be an acceptance that the council has little control over these. The savings then included in the budget were to a large extent aspirational items to offset these pressures. This had a number of consequences for the council’s plans. First, lack of challenge to the growth meant that, even after savings were agreed, net budget growth in Surrey CC in 2017/18 and 2018/19 was well in excess of that agreed in other councils. In Surrey, growth of £32m in the adult social care budget in 2018/19 added 9% to the 2017/18 budget, whilst the ADASS 2018/19 budget survey showed total growth in England as a whole was £300m, from £14.5 billion in 2017/18 to £14.8
billion in 2018/19, an average increase of 2%. Councils with which Surrey would normally compare itself and which face similar challenges all had significantly smaller budget increases than Surrey.

Secondly, there has been a disconnect between building the budget for individual service areas/localities in adult social care and the process of agreeing the corporate budget overall. This led to a lack of ownership of and detailed planning for what services were expected to do to implement spend within budget even though, in comparison with other councils, the budgets were more generous. This was reflected in 2017/18 in the achievement of only £14m out of £26m agreed savings.

Adult social care has now been set a reduced cash envelope for 2018/19, with £10.7m taken out of the budget for 2018/19. Budget monitoring up to the end of July shows a forecast underspend of £4.5m with management action required to deliver the further £6.2m of savings required to achieve the reduced cash envelope. The peer team were told that most, if not all, of the remaining £6.2m is on track to be achieved. However, this will require collective corporate oversight to ensure targets are being met and spending contained within the revised cash envelope. The £10.7m reduction still leaves the 2018/19 budget £22m above the 2017/18 budget which remains significantly more than budget growth in other comparable councils.

Achieving budget reductions set for 2018/19 will help toward achieving the revised cash envelope for 2019/20. But the challenge to achieve the 2019/20 cash envelope is altogether of another order than for 2018/19. The £366m cash envelope set, whilst £16m above the 2017/18 budget of £350m, is £6m below the revised cash envelope for 2018/19 of £372m. Whilst the council is developing plans to deliver savings that will bridge this gap, there is insufficient detail on both the plans to achieve the turnaround required and the impact that these plans will have. We have referred above to the saving of £9.2m planned for reductions in price growth for older people’s residential care. The ASC practice improvement business case includes a planned saving of £24.5m in 2019/20 but, as with the reduction in price growth for residential care, there is a lack of detail on the measures that need to be put in place to achieve these savings, or clarity on the target numbers to reduce client numbers/price/or care package sizes needed to ensure that the target savings are met.

It is understood that in most cases these plans are at an early stage of development but there is very limited time to achieve the kind of ambitious savings that have been set for 2019/20.

Alongside the increased rigour at a corporate level to set challenging targets for services and ensuring that services come up with plans for delivering them, there needs to be a change in the way that service areas and localities manage their budgets. The peer team were told about a profiling tool which is used to monitor the number and cost of packages for different client groups and different types of care within localities. Whilst the process for engagement between finance and locality teams to ensure this monitoring is accurate seems fairly well embedded, it was less clear that this approach was linked to measures being taken consistently across localities to manage down costs. There are plans to change this and a new process was shared with the peer team whereby locality teams will have more ownership of
the measures that need to be taken to keep budget within the tighter cash envelopes that have been set.

C) Operational and demand management

The council is articulating a need to better manage demand, and this is a clear theme in the developing transformation business cases. The ambition is not yet matched with plans and activities to make this a reality. As well as taking action to manage future demand the council needs to better manage current demand. Reviews of care packages are not undertaken consistently enough and the council recognises that capacity needs to be injected to address this. The council is not always operating on the basis that many people who receive care, especially on discharge from hospital, can, and should, get better and may not require care services in the long run.

Surrey’s continuing health care (CHC) cases are reducing faster than the average for England and Surrey is the only area where CHC costs are within the budget allocated by the health service. This suggests that, despite successful challenge of cases referred to the central team, there may be a culture of acceptance of cases that should be the responsibility of the Clinical Commissioning Group. This may be one of the causes of demand growth in Surrey being higher than elsewhere. Equally, if cases are not being treated as CHC that should be, there is an impact on paying clients and self-funders who end up paying for services they should not have to pay for. Given this, there needs to be a strategic conversation with the health service about CHC and adequate attention given to the operational management in the localities. The council should consider a strategic plan to look at the services that the health service should be paying for, both to keep older people out of hospital and to move people into the right provision to reduce spend.

The council’s reablement service should be subject to a full review in order to assess its current impact and clarify its future aspiration. The service delivery model remains in-house and has a high vacancy rate. The team were told that this is partly a planned decision to allow flexible use of resources, but it was not clear what framework resourcing decisions are taken against. The service needs to better define its measures of success, be clear about its financial targets for savings from reablement and clarify the ideal outcomes for the people who use the service. The council should raise the reablement service’s profile with the public and the NHS as a core part of the council’s offer particularly for older people and those with a physical disability.

The service uses data and metrics to measure performance at both the senior leadership and locality level. Senior leaders should consider how this data is used and whether the vast amounts of data produced every month are used as business intelligence to drive performance and change. This is notable within learning disabilities where the council has not adequately been able to project demand coming through transition from children’s services. The plans for the all age service should begin to address this and children’s and adult services need to work more collaboratively to set expectations and promote and plan for independence at an earlier age.
D) Practice and culture

Surrey leaders are clear that they need to be much clearer about how their wish to meet the needs of their residents can be better aligned to available resources, which in turn is affected by budget cuts and rising demand. The council needs to assess whether its current offer has resulted in care packages that do not reflect the financial position of the council and do not underpin a culture that promotes independence. The culture of the service does not yet place enough emphasis on recovery and using personal and community assets, although the council’s Friends Family Community programme offers a potential methodology and the peer team heard of instances where this approach was being successfully used.

Moving forward the council must now lead a new conversation with residents and partners. This conversation should be rooted in the concept of ‘rights and responsibilities’ and needs to clarify what the council will help residents with – and what it expects of citizens in terms of taking responsibility for their own wellbeing. Locality teams will be the critical interface with residents in making this reality.

The peer team heard about the current structure of locality teams allowing some level of creativity for localised offers, which is encouraging. But it is not clear how the learning from different approaches is captured and used to inform future decision making and practice. This may reflect the dispersed model but needs to be overcome in order to ensure greater cross-fertilisation.

The council’s adoption of the consistent practice management framework and meetings appears constructive and should provide a solid basis for future decision making. The council needs to clearly analyse its impact on performance and budget and ensure that this informs future decisions.

E) Partnerships and integration

Surrey has one of the most advanced health systems in the South East in terms of integration and progressing this further is a well-rehearsed corporate ambition. Whilst the council is clear about what the benefits of integration will be for residents it is less clear on how it will help the council to be financially sustainable. The council also needs to be clear about how it will manage any risks that may impact on the council because of the integration process.

Colleagues articulate that one of the key steps for integration will be integrated commissioning which is already a feature in some localities and in one locality is delivering increased resources for the council. There is not a uniform view of whether this aim is something that is business critical for the council, and exactly what benefits the council as well as the health service would realise from it. The Council may wish to consider whether these integrated commissioning arrangements have in reality increased or decreased the capacity and focus on its high spending areas of domiciliary care and care home placements, areas where the council needs to play a stronger role in influencing the market.
Alongside the identified need to work more closely and in a different way with existing and potential social care providers, the council’s relationship with the housing sector is underdeveloped which has resulted in a lack of extra care and supported housing being available to the council. The council is in the process of seeking to increase this capacity itself but does not appear to have devoted adequate space and time to discussions with other partners such as housing associations, districts and boroughs, who may well be able to address capacity issues at pace, and in a way that best fits the local community’s needs. To achieve a substantial increase of capacity in this area all statutory partners need to be signed up to a longer term strategy which transcends any particular administration or senior management and gives investors the confidence and encouragement to work in the area.

The council’s introduction of the locality team model has been largely valued by key partners including clinical commissioning groups, districts and boroughs. However it is not clear that the council uses these teams in the most effective way or that there are realistic and commonly agreed expectations of the levels of support and care that can be offered. It is acknowledged that there is often a premium paid for care to support hospital discharge. The focus has been on matching the service’s team structures to the local health landscape and attention now needs to shift to ensuring the council is using these teams and the staff in them to deliver good outcomes for people at reduced costs.

4. **Recommendations**

The peer suggest that the council consider adopting the following recommendations:

1. Deal with the backlog of care package reviews and ensure a review cycle for care packages and placements regularly.

2. Establish a framework of expectations for operational staff and use the consistency of practice process to ensure that practice is aligned to this.

3. Work with locality teams to build budget management capability and encourage teams to have greater ownership of their budgets.

   Focus staff in the right place doing the right things

4. Establish sufficient strategic commissioning capacity and capability centrally to lead major strategic programmes and ensure sufficient focus on, and connection between, all aspects of the commissioning cycle

5. Join up finance and performance indicators and measures and use them as genuine business intelligence to influence future design and practice

6. Refocus the learning disability service from protecting individuals towards promoting independence – at an earlier age collaborating closely with colleagues in Children’s Services. Seek to maximise independence and reduce cost to the council at a younger age.

7. Undertake a full review of the Reablement service – is it the right size, does it have the right skills/capacity? Clarify the aspiration and design the service
around it with clear cost benefit analysis to justify investment and suitable financial metrics to evaluate performance

8. Review current arrangements for addressing continuing health care cases in both children’s and adults, including the way cases are dealt with in locality teams, to ensure that health is meeting its full responsibilities under continuing health care regulations.

9. Evaluate whether the balance of skillsets is delivering the most effective service – are there sufficient social workers and other trained staff to work with people to put together effective, creative and cost effective support solutions?

10. Ensure that workforce strategy is able to drive workforce transformation as well as manage the needs of the current service

11. Consider how to encourage creativity within the service – putting together more creative solutions for clients and their families may require more social worker time, and different skill sets which the current e-brokerage system does not necessarily foster

12. Empower managers and frontline staff – to challenge pressures, manage budgets and be creative

13. Re-focus partner engagement to replicate the success in working with health with wider partners within the market, such as housing and care providers

14. Invest in appropriate change management skills and capacity

15. Lead a new conversation with partners, residents, staff, and the market about the respective roles of the council, citizens, families and communities to support wellbeing and ensure people have the care and support they need.

16. Rebalance the relationship between the council, its partners, staff and the market to explore the art of the possible within the financial reality. Set out below is a new model of engagement that the peer team suggests the council needs to work towards to if it is to make the changes it needs in the coming months and years.
Model for Adult Social Care service - Surrey County Council for the future

September 2018

Peer Team:
- Sarah Pickup, Deputy Chief Executive, Local Government Association
- Simon Williams, Director of Social Care Improvement, Local Government Association
- Sue Darker, Operations Director, Adults with Disabilities, Mental Health and Autism, Hertfordshire CC
- Tony Pounder, Director of Adult Services, Lancashire County Council
- Peter Stachniewski, Financial Improvement and Sustainability Adviser, LGA
- Clare Hudson, Programme Manager, LGA

Clare.hudson@local.gov.uk, 07909 898324