

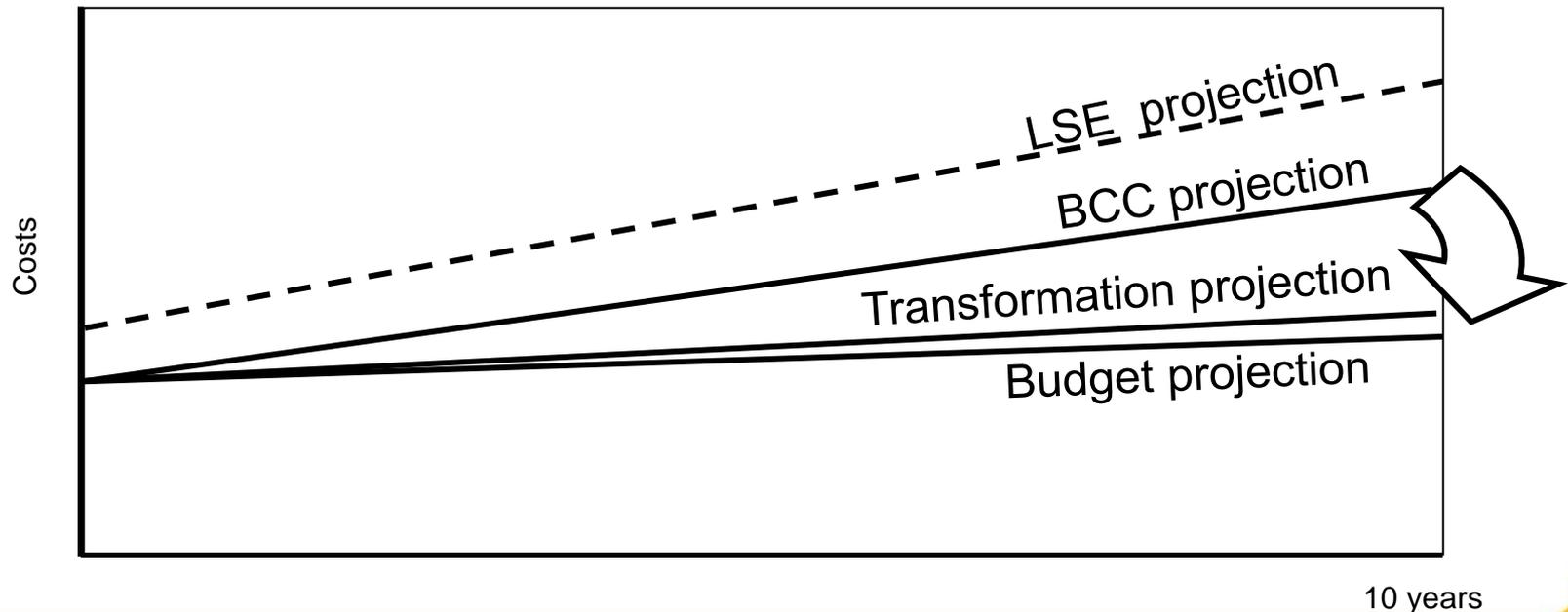
CIPFA Annual Regional Seminar Reforming the Public Sector October 2014

**The Transformation and enterprise of social care
Steve Wise, Birmingham City Council**

- Transforming adult social care
- What sort of Enterprise?
- Where next

The options for the Council

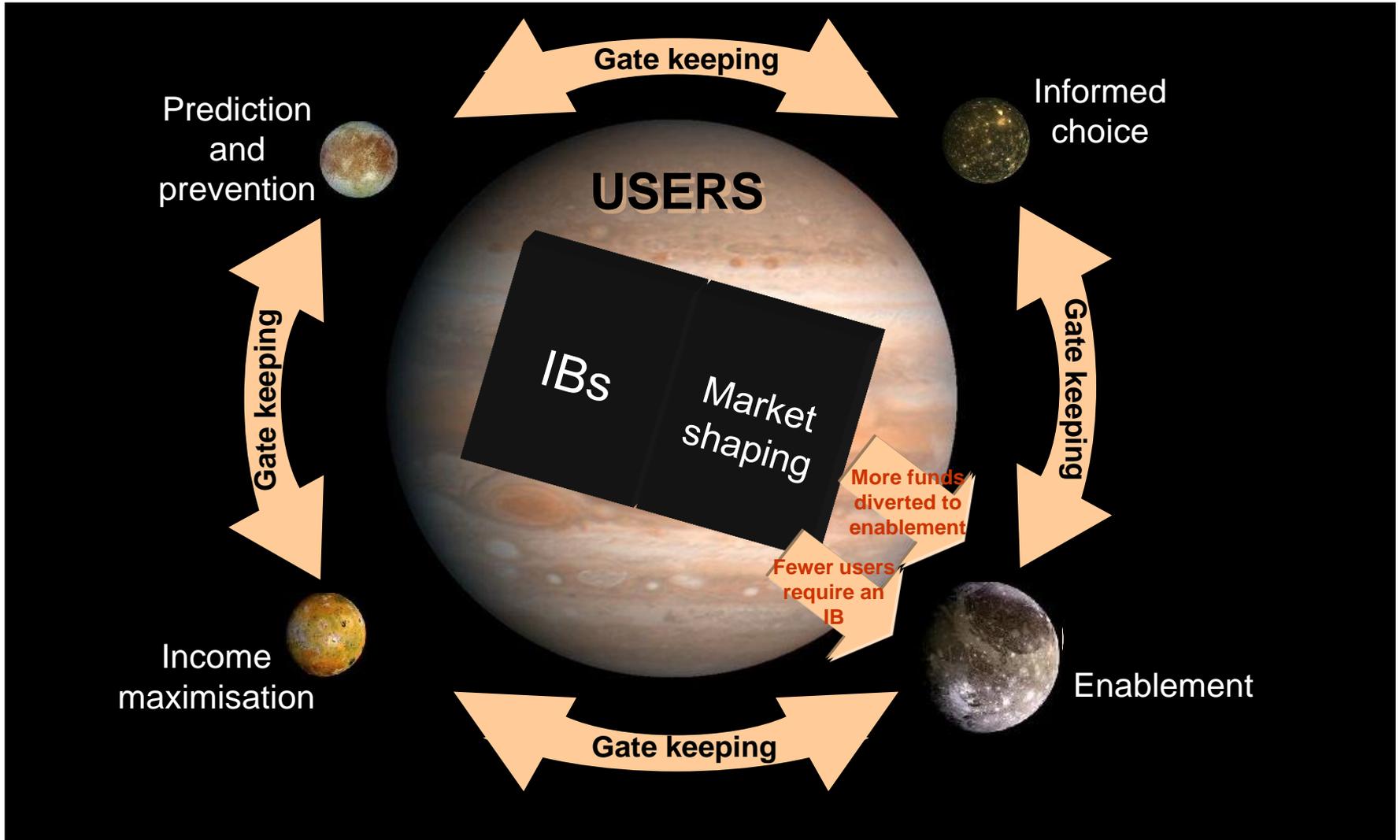
- 1) Maintain current budget (bottom line) – Raise eligibility criteria and provide services to only critical service users and disregard self funders.
- 2) Fund the demographic projections (top lines) – BCC projection suggests an additional £290m funding requirement over 10 years. This does not include projections for asylum seekers, “other adult services” and service strategy, which account for £50m of the current budget. Work by the LSE assumes a higher starting budget, includes these elements, and results in an additional 10 year funding requirement of £500m. A direct comparison with the BCC projections is not possible, but the LSE work does suggest additional funding will be required.
- 3) Transformation – Increase capability to meet growing demand by up to 50%, improving services to self funders and increasing community capacity. This will result in an estimated saving of £230m against the BCC demographic projections. This will still require an increase in year on year funding to maintain current levels of services.



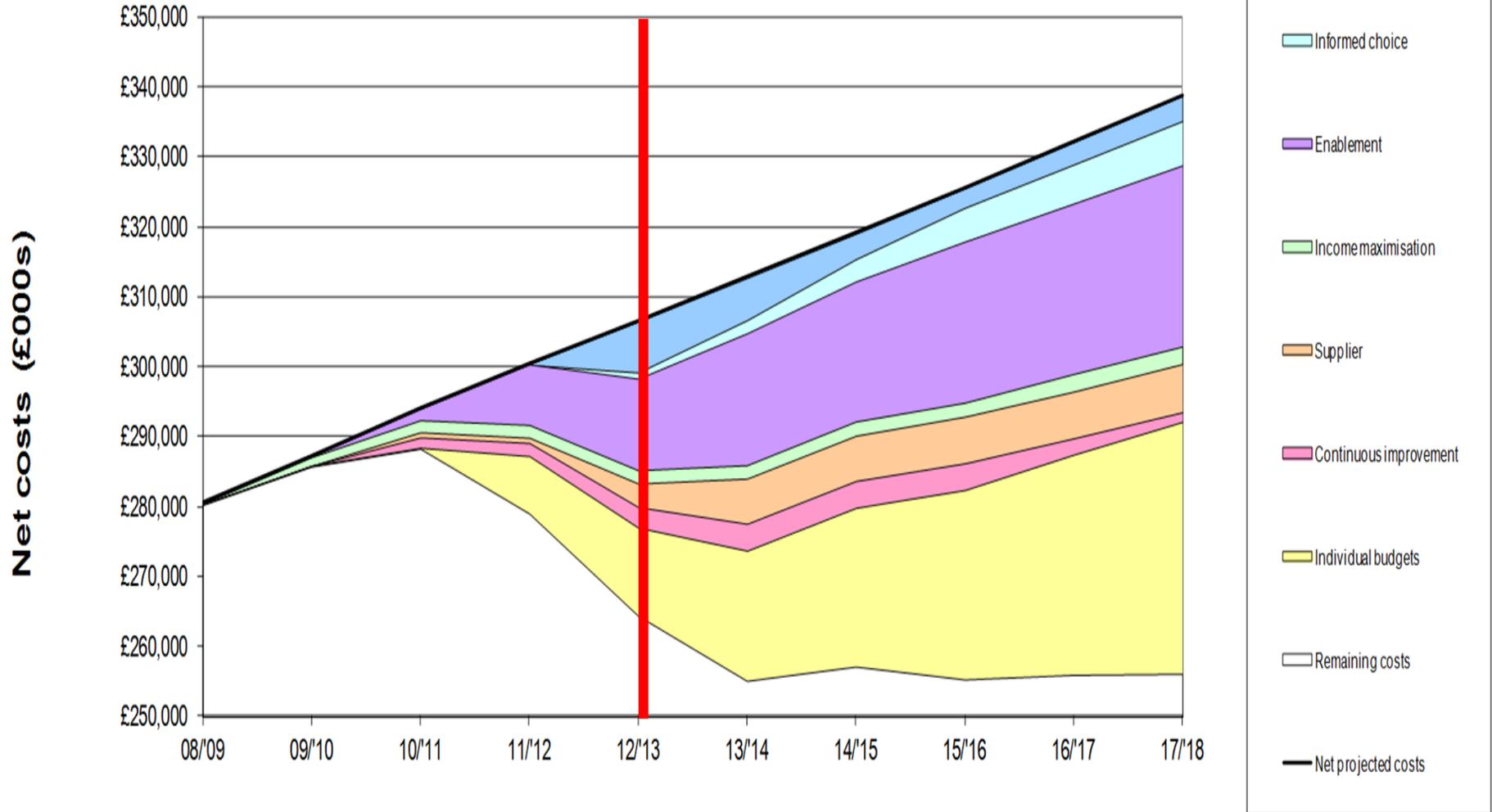
Revised FBC review - benefit approach

Benefit area	Map to Logical Design	Enabling projects and dependencies	Hypothesis	Assumptions	Benefit type	10 year gross benefit £000s
Predictive & prevention demand reduction	Understanding future Needs	Assistive technology ESCR single assessment Customer insight Proactive intervention team Interim preventative care	Demand will be reduced by a small percentage as a result of predictive data analysis and identification of high risk groups followed up by related preventative initiatives	Straight line projection of demand reduction from year 4 to 2% (residential care) and 1% (community care) by year 10	Cost avoidance	£15,155
Informed citizen decision making and management of own care demand reduction	Understanding future Needs	Self planning Customer First	Demand for residential and community based care will be reduced as a result of citizens being better informed of their choices by the new social care portal. As a result they will be able to take charge of their care needs and make decisions up front that avoid them falling through to the high cost end of Council provided care	Straight line projection of demand reduction from year 4 to 5%, moderated by a shift from residential care into community based care, where demand will consequently actually increase by 1%	Cost avoidance	£23,444
Enablement demand reduction	Supporting the citizen	Intermediate care and the PCTs	Cost savings will be achieved, particularly among those requiring high end care, by a small percentage as a result of the new enablement process	Straight line projection of cost savings to 30%, in OA community care only, by year 10	Financial cashable	£54,655
Citizen contributions income maximisation	Supporting the citizen	National funding sources including the DLA, state benefits and health benefits	An effective increase in the contribution of citizens to their own care costs will be possible, either from an increase in their means tested contribution, charging for services mechanisms, or additional grant and funding sources	Straight line projection of additional contributions to 5% by year 10	Financial cashable	£15,823
Individual budgets	Supporting the citizen Shaping the place	Older Adults pilot Individual budgets policy Self service Market shaping	All citizens will take up an individual budget, governed by related policy decisions that set the level of funding that citizens then receive, and supported by market shaping activities. This initiative must be balanced with a consideration of the quality of life and safe guarding responsibilities	Uptake of 100% by year 4 in community care, and year 5 in residential care. Saving ramping up to 35% by year 10 for YA. Costs expected to immediately increase by 10% for OA	Financial cashable	£94,538
Supplier savings	Shaping the place	Self Service Market shaping	Additional supplier savings on contracts not directly related to individual budgets	Straight line projection of supplier savings from year 3 to 5% by year 10	Financial cashable	£4,590
Continuous improvement	Supporting the citizen	Electronic assessment Self managed care Customer First and EPM	Up to 10% savings will be possible in Assessment and Care Management as a result of the implementation of the various elements of front end of the solution	Ramp up to 10% saving between years 2 and 6, falling back to 3% by year 10 as savings eroded by continued demographic pressures	Financial cashable	£21,570

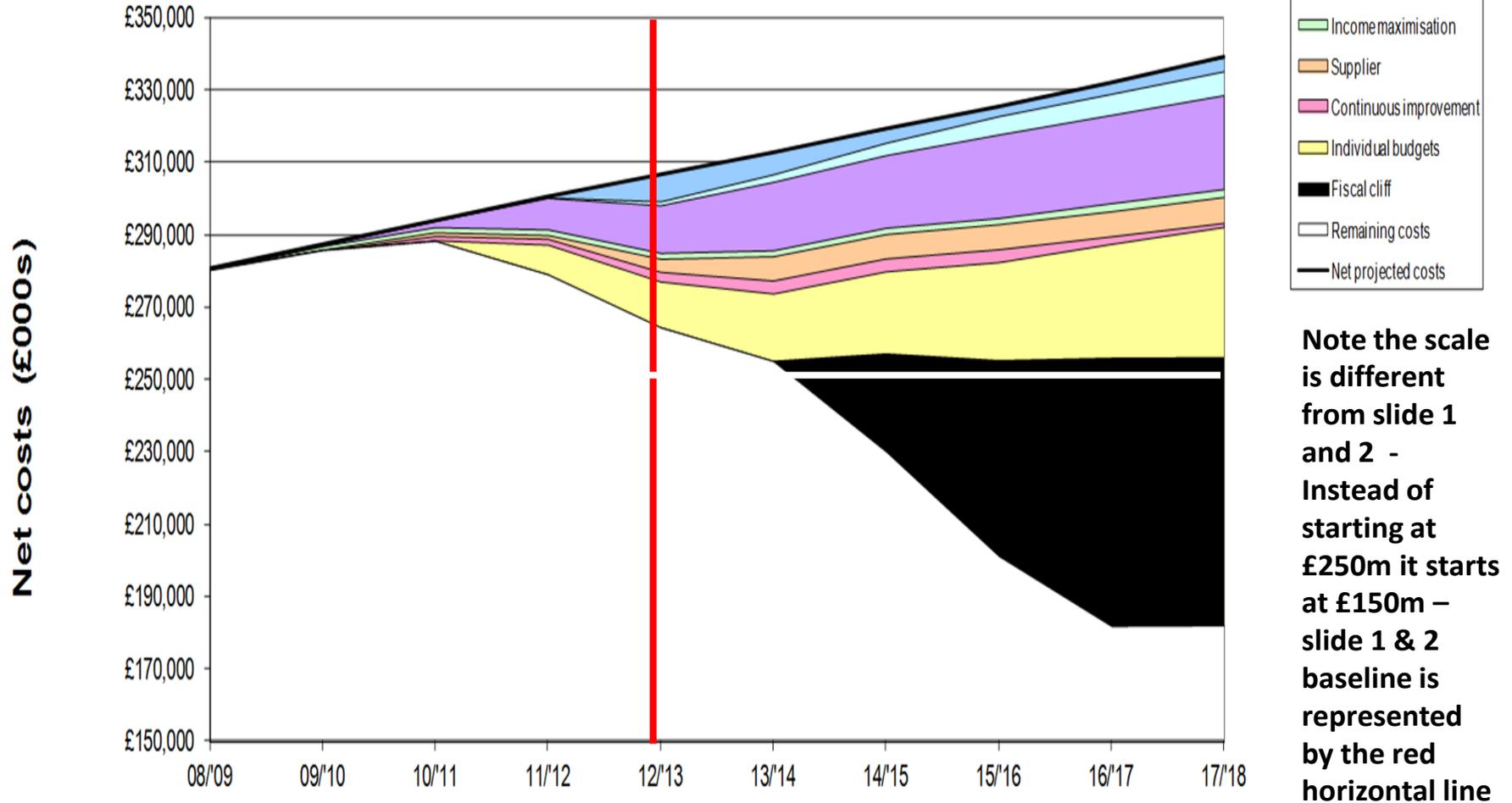
Benefit dependencies



Savings profile



Savings profile



Note the scale is different from slide 1 and 2 - Instead of starting at £250m it starts at £150m – slide 1 & 2 baseline is represented by the red horizontal line

- There is a minimum price of care but it is difficult to define absolutely.
- Ultimately this is about vulnerable people – if you forget that you are lost.
- There is always more that you can do – but it isn't just about money, it has to be about outcomes first.
- Statutory care services directly serve a very small proportion of the population (2%) but take up a large share of the money – that's what we are here for!
- Dilemma – clean/green/safe vs statutory.

- Only 18% of Birmingham City Council's care provision is directly provided and this is reducing.
- It isn't about the minimum wage or zero hours contracts.
- It isn't about 15 minute visits.
- It isn't about political dogma – labour / tory.
- It's about survival
- Birmingham MOSE (Mutually Owned Social Enterprise).

- Better care fund – integration of health and care for older adults. Better outcomes for people but not an enormous cash cow – at least not set against the already planned cuts in health and care. Possibly pooling £600m just for older adults.
- We already pool learning disability and mental health spend – around £300m pa.
- Social value. Particularly the relationship between the private and public sector.
- Not forgetting accommodating the Care Act – prevent duty, carer assessments etc.
- All at a time when resources for Birmingham are reducing by 40% looking forward!

We are the transformers

Questions