

**Manchester City Council  
Report for Resolution**

**Report to:** Health and Wellbeing Overview and Scrutiny Committee – 8 March 2012

**Subject:** Impact of the Redefined Social Care Offer, Fairer Charging and Supporting People Charges

**Report of:** Liz Bruce, Strategic Director for Adults, Health and Wellbeing

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**Summary**

This report provides an update on the impact, as it has been able to be identified so far, of the key areas of change to services delivered or commissioned by the Directorate for Adults, Health and Wellbeing. Given the scale and complexity of the changes and the fact that implementation took place between the end of 2011 and beginning of 2012, it is anticipated that the full impact on Manchester residents will only become clear in the course of the next twelve to twenty four months.

**Recommendations**

Members are requested to note early progress made in identifying and tracking the potential impacts arising from implementing the changes to the Redefined Social Care Offer, Supporting People investment and Fairer Charging.

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**Financial Consequences for the Revenue Budget:**

Delivery of savings resulting from changes to the Redefined Social Care Offer, Supporting People investment and Fairer Charging will support a balanced budget for the City Council.

**Financial Consequences for the Capital Budget:**

None

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**Wards Affected:**

All

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<b>Community Strategy Spine</b>	<b>Summary of the contribution to the strategy</b>
<b>Performance of the economy of the region and sub region</b>	Social care support encourages people to participate fully in society by maintaining their own home, and underpinning employment, family life, thus contributing to the economy. The proposals in this report support economic growth by reducing

	worklessness and dependence and by managing demand away from statutory services and into universal settings.
<b>Reaching full potential in education and employment</b>	These services provide a range of tailored support to all customer groups (e.g. learning disabled people and older people) and carers in the city. Providing the necessary support to customers and carers promotes independence. Providing greater choice and control to customers over how their assessed needs are met helps to support customers to pursue other activities such as education and opportunities for volunteering / employment.
<b>Individual and collective self esteem – mutual respect</b>	A diverse range of social care support provided through Individual Budgets to meet identified care needs helps to build self esteem amongst vulnerable and disabled people. Promoting independence via reablement, equipment and assistive technology is integral to this and will help local residents to engage in community life and reach their individual potential.
<b>Neighbourhoods of Choice</b>	Social care provision helps people remain in their own home and neighbourhoods. As an authority, we commission high quality homecare and residential care for our customers in the home of their choice. This contributes to satisfaction and stability in local neighbourhoods.

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**Background documents (available for public inspection):**

Reports to Executive 16<sup>th</sup> February 2011 and to Council 9<sup>th</sup> March 2011 on Budget Proposals for the Directorate for Adults.  
Report to Health and Wellbeing Overview and Scrutiny Committee September 2011 on the Redefined Social Care offer  
Report to Health and Wellbeing Overview and Scrutiny Committee October 2011 on Fairer Charging  
Report to Health and Wellbeing Overview and Scrutiny Committee October 2011 on Supporting People

Report to Executive September 2011 on the Redefined Social Care offer  
Report to Executive October 2011 on Fairer Charging  
Report to Executive October 2011 on Supporting People

## **1. Introduction**

- 1.1 The budget proposals for the Directorate for Adults, Health and Wellbeing were agreed at Executive on 16 February 2011 and at Council on 9 March 2011. The Directorate target savings over the period 2011/12 and 2012/13 are £39.5m.
- 1.2 Three key areas of savings were identified as follows:
- Redefined Social Care Offer      £9.3m
  - Supporting People                      £8.6m
  - Fairer Charging                          £1.8m

This paper provides an update on the systems in place and early progress to assess the impact of the funding reductions upon Manchester residents.

## **2. Redefined Social Care Offer**

- 2.1 The Redefined Social Care Offer includes all areas of assessment and reablement, Manchester Equipment and Adaptations Partnership (MEAP), provision of both direct cash payments and the commissioning of individual packages of support. After extensive consultation, detailed proposals were agreed in September 2011 by Health and Wellbeing Scrutiny and Executive Committees.
- 2.2 It was agreed reablement capacity would be increased and greater use of assistive technology, equipment and natural support would be encouraged to promote independence, wellbeing and reduce dependency upon costly services. It was also agreed to stop supplying social care equipment costing less than £25.00, with the exception of items used during reablement and specific items that are not available on the high street under £25, and to increase the charge for transport to day services from 40p to £1.40 per journey. Hot meals provision will be replaced by frozen meals for new and existing customers.

### **Implementation**

- 2.3 The Redefined Social Care Offer will deliver savings of £9.3m in a full year; other savings have already been identified through staffing reductions, largely the reduction of management posts, using fewer office bases, simplifying procedures and through the creation of a new Customer Journey.
- 2.4 The new Customer Journey combines three assessment streams into one thus reducing officer time, streamlining recording and administration, enabling a more responsive and co-ordinated approach to the customer and promotes the City Council's objective of reducing future demand. Introducing this new combined approach has required extensive retraining for many assessment staff, new Information Technology processes and policies and other considerable changes affecting human resources; this process is being implemented district by district commencing in Wythenshawe and concluding

- in the North West of the city. The whole transformation exercise will be completed by the end of April.
- 2.5 A new Resource Allocation System (RAS) was introduced from 1st November 2011. The RAS is a tool which enables a broad financial value to be put on the eligible social care needs of individuals. Eligibility thresholds remain unchanged in Manchester. The new RAS promotes a positive assessment designed to capture people's abilities and the wider networks of support available to them (e.g. family, friends, neighbours and universal services). The RAS also promotes the use of equipment and Assistive Technology as alternatives to more costly support. Improving access to universal services amongst our customers is starting to reduce the costs to the Council of individual packages of care as predicted.
- 2.6 A significant expansion of the Reablement service is now being implemented. This includes a joint initiative with health to recruit to 30 Reablement Support Worker posts. In addition, 14 Apprentices offered posts with Reablement are due to join the council as Assistant Support Workers before the end of March 2012.
- 2.7 This is an important element in the Directorate's cost control and integration strategy. There is strong evidence, both nationally and from local experience in Manchester that a short period of intensive input, personalised to achieve specific objectives, reduces future demand for services and significantly improves independence for individuals. The Directorate's Reablement service is now integrating with the six District Teams across the city as part of the service redesign. This will reduce management costs whilst maintaining service quality.
- 2.8 Improving the Customer Journey and Reablement capacity will increase our customers' independence, choice and control and provide necessary support by helping customers to achieve their aspirations. Reablement support helps customers to regain their confidence and daily living skills. Where appropriate, equipment is provided and support given to ensure it is used safely and effectively.
- 2.9 Customers are helped and supported to use universal services within their local community. Reablement is embedded within the assessment process and identifies individual's long term support needs. This ensures that funding is appropriately allocated to individuals to meet their needs, which in turn helps people to remain at home and living as independently as possible. 1,847 customers received Reablement between April 2011 and the end of January 2012. 52.8% required no further support. In addition 25.8% of customers required a less intensive provision of service. The provision of additional reablement resources mean that even more customers can benefit from this service.
- 2.10 An independent review team has been established to promote a more assertive and value conscious approach to commissioning larger and more costly packages of care. The team's review of high value care packages, most

of which are for learning disabled adults, will inform future commissioning strategies. A new approach to assessing the needs of learning disabled adults is being developed and negotiations are underway with service providers, both of which will deliver further efficiencies.

- 2.11 The recommendation to cease the supply of items of equipment costing less than £25, where these are available on the high street, was successfully implemented from 1<sup>st</sup> November 2011. The council's website provides information about where these items can be purchased and local offices provide advice and assistance on this to local residents. People supported by Reablement continue to receive all equipment including items under £25.
- 2.12 Hot meals will no longer be offered by the Directorate from April 1<sup>st</sup> 2012 but customers will still be able to arrange delivery of hot meals if they enter into an individual agreement with the supplier. Reviews conducted to date indicate that a little less than half of customers in receipt of hot meals are making private arrangements to continue to receive the service directly from the provider. The remaining customers will receive a frozen meal. We continue to monitor the impacts on customers as they transfer to frozen meals.
- 2.13 The increase in Transport charges (primarily for access to Day Care) will be introduced from April 2012.
- 2.14 The Directorate will monitor wider, unanticipated impacts on household incomes that might arise as a result of these changes combined with other reductions in public sector funding and welfare reform, which may reduce benefits income from funding streams such as disability living allowance and housing benefit.
- 2.15 The Directorate is monitoring:
- Withdrawal from services
  - Complaints
  - Appeals against budget allocation
  - Referral and re referral rates
  - Outcomes and impacts upon people whose needs are met using
    - Equipment
    - Reablement
    - Voluntary sector support and services

### **Early Indicative Impacts**

#### **Appeals, Complaints and Withdrawals from Service**

- 2.16 As a consequence of the introduction of the new RAS from 1 November 2011, the level of support provided to many customers has reduced following the annual reassessment of their needs.
- 2.17 An appeal process is in place to allow a different Allocations Panel to monitor, consider and respond to customer concerns. To date only 8 customers have

appealed against the outcome and two further complaints have been received relating to budget reductions. We are continuing to monitor both Appeals and Complaints as reassessments are completed and will provide further detail as information is gathered.

- 2.18 A number of customers have stated their intentions to withdraw from services but these decisions relate to the rise in charges and are covered in that section of the report. All customers' records are kept on MiCare<sup>1</sup>. If customers withdraw and represent to services at a later date, this will be flagged up.

### 3. Fairer Charging

- 3.1 The changes to the Fairer Charging policy are set out in the table below. It is estimated that the financial contribution of approximately 70% of customers has changed.

	Previous policy	New policy
Level of protected income	Income Support + 45%	Income Support + 25%
Maximum charge	£250 a week	No maximum charge
Protected savings level	Up to £23,250	Up to £14,250
Treatment of higher element of Attendance Allowance (AA)/Disability Living Allowance (DLA)	Disregarded unless night time care is provided via managed individual budget	Taken into account if a night time care need is identified in Needs Assessment

#### Implementation

- 3.2 Customers were notified in November 2011 of the new charges that would be applied to their care. Information was provided to customers again about how and why the charging policy had changed and contact details were provided so that customers could seek further advice or raise concerns regarding the changes to the policy and/or their new charges. Customers that are not affected by the Fairer Charging policy have not been contacted. The new charges were applied from 12 December 2011 and invoices were sent out to customers in early January 2012.

#### Early Indicative Impacts

- 3.3 Fairer charging was planned to generate £914k additional income in 2011-2012 rising to £1,828k in 2012/13. However, due to delays in implementation to allow for full consultation, the projected additional income for 2011/12 is £560k. Weekly charges for the 4449 customers affected have increased on average by around £41 per week. This does not take account of unpaid debts or a rise in bad debts overall.
- 3.4 Approximately 200 of the affected customers have made complaints/enquiries. Approximately 80 of these customers have requested a financial reassessment or visit to discuss their position. At this stage, 24 customers

<sup>1</sup> MiCare is the Directorate's Electronic Social Care Record

have withdrawn from services due to the increase in charges. The Directorate is working with those customers to ensure it continues to meet its statutory obligations, to address identified social care needs and to ensure customers get the support they need.

Many families have indicated they will provide the care themselves instead of relying upon support commissioned or provided by the Council. Where this occurs it is likely in the longer term to increase pressure upon those families that carry out a caring role.

#### **4. Supporting People Investment**

- 4.1 Supporting People funding has reduced by £5.5m in 2011/12 and a further reduction of £3.1m must be made in 2012/13. The Directorate has sought to balance the delivery of savings with maintaining support for those adults with the highest and most complex needs. The vast majority of savings will be achieved by redesigning services to reduce operating costs whilst maintaining capacity to respond to local need. Some customers will receive less support than in the past and/or support will be provided to individuals for shorter periods of time.
- 4.2 Whilst front line services have been protected as much as possible, the level of savings required necessitated reducing capacity to support 98 customers in supported housing (approx 1.6%), and 199 (approx 2.7%) customers across floating support services. Six of the services listed below have now been decommissioned, and the decommissioning of Marillac House is at an advanced stage and will be completed by the end of March 2012.

Services to be decommissioned:

- Praxis Care: Willow Park Housing Trust – Supported accommodation for 4 people with mental health needs
  - Great Places: Next Step Dispersed - Supported accommodation for 8 people with mental health needs
  - Riverside ECHG: William House – Supported accommodation for 14 ex-offenders and people at risk of offending
  - Riverside ECHG: Wilson Carlisle Move On – Supported accommodation for 10 ex-offenders and people at risk of offending
  - Caritas Diocese of Salford: Marillac House - Supported accommodation for 11 teenage parents
  - Riverside ECHG: Manchester SMG – Floating support for 60 single homeless people
  - Richmond Fellowship: Floating support for 11 women escaping domestic abuse
- 4.3 Decommissioning of services has proved both challenging and staff intensive. Difficulties continue to be encountered in finding alternative accommodation for customers (within the above six services and across the SP programme) who often have complex needs. The needs of all customers who have moved on have been reassessed, and some customers now receive support from



different provider organisations where their original provider was unable to offer them alternative support. This has resulted in disruption for individuals, particularly where their support workers have changed.

- 4.4 Work is ongoing with providers to monitor the impact on customers who have moved accommodation and to identify what additional support may be needed to counteract the impact of any disruption they have experienced. Some impacts may only become apparent as people get used to their new support mechanisms. In some cases the number of customers in accommodation gradually reduced as people were moved on or relocated to other support services. Where this occurred, individuals (particularly those with complex needs) experienced a reduction in peer support, which added value to and supplemented the support commissioned from service providers.
- 4.5 It should also be noted that the decommissioning of William House has only been possible at this time because English Churches Housing Group agreed to continue to fund the venue from the organisation's own resources in the short term whilst alternative accommodation is found for some of their customers. Without this support, additional move-on accommodation would have had to be found for affected customers. Move-on has also been helped by utilising a limited number of vacancies that providers agreed to maintain specifically for this purpose.
- 4.6 Accessing appropriate move-on accommodation remains very difficult, particularly for customers with complex needs. Improving access to appropriate accommodation remains a key priority for the programme. Work is ongoing to develop a social lettings agency to improve access to additional private sector lets, but in the short-term the ability of some customers to access move-on accommodation may be further reduced following the Greater Manchester Probation Trust's decision to remove their experienced member of staff, commissioned through SP, from working alongside officers in Letwise to find accommodation for exoffenders. Without access to move-on accommodation, the ability for the programme to support new customers is significantly reduced, resulting in increased numbers of people on waiting lists.
- 4.7 An additional potential factor is that the Home Office has selected a private sector company which will become responsible for placing asylum seekers across Greater Manchester and the North West later this year.
- 4.8 Two of the most significant risk factors for local areas are the level of funding available to meet the cost of asylum accommodation and support and the availability of low cost private sector accommodation. There is a risk that if new contracts are not adequately funded a disproportionate number of asylum seekers will be placed in poorer neighbourhoods where low cost private sector housing is most readily available. If this were to occur it would have a disproportionate impact upon communities, community relations and services in those neighbourhoods and may also restrict affordable housing options for local people.

- 4.9 The Directorate is leading work with the Home Office on behalf of Association of Greater Manchester Authorities and other affected local authorities to develop performance targets that will help us to jointly identify, prevent and address the potential impacts on communities and services that may otherwise arise from asylum dispersal to the region. In principle agreements have been reached that will allow local authorities to exert greater influence over the placement of asylum seekers.

### **Early Indicative Impacts**

- 4.10 Levels of activity are closely monitored across the Supporting People programme, and all providers are required to submit quarterly performance returns. Negotiations with providers to deliver savings is ongoing, therefore monitoring the full impact of reductions in Supporting People is still at an early stage.
- 4.11 Outturn figures for the full twelve months 2011/12 will be available in June 2012. Where possible activity data from 2010/11 will be used to set comparative baselines. Performance measures will include:
- Number of people accessing SP services
  - Throughput in short term SP services
  - Number of people moved on successfully
  - Number of people who maintained their independence within their own homes
  - Number of people presenting as homeless
  - Number of people presenting as victims of domestic violence
  - Number of people who have previously been supported, but who have been re-referred for support to maintain their independence
  - Number of people delayed in being able to move-on
  - Number of people evicted from services
- 4.12 Whilst it is too early to accurately report the impact of saving proposals that have yet to be fully implemented, it should be noted that savings agreed will have a differential impact on some client groups. This is because a significant proportion of the agreed savings will be achieved through the remodelling of in-house homelessness services, mental health services and targeted commissioning / decommissioning of services across client sectors. The differential impact of the above measures on client groups will be monitored. Evidence of significant impacts will be included in future monitoring reports and will inform future commissioning intentions.
- 4.13 In considering the impact of Supporting People funding reductions, it is also important to consider the potential cumulative impacts that will arise from other policy changes, such as welfare reform. For example, analysis of benefit changes suggests that accessing move-on accommodation within the private and public sectors will become harder, and the number of people registering as homeless may increase as housing benefit payments reduce.

- 4.14 It is possible that customers of Supporting People services may face significant impacts that are not related to the council's investment decisions. Impacts upon services may include further increases in the number of homelessness referrals, a reduction in available move on accommodation as landlords seek to maximise rental income across Manchester's buoyant rental market, and customers continuing to be supported within existing services for longer than would otherwise be the case as a result of reduced move on accommodation options.
- 4.15 The development of the Manchester Investment Fund may also require a change in the nature of SP services commissioned in the future, this may help to mitigate the wider impacts referred to above. Work is ongoing with partner agencies to identify ways of measuring and reducing the adverse impacts that are likely to arise as a result of the combined effect of public sector funding reductions, the current economic climate (restricted employment opportunities) and changes in national policy. A more detailed overview of emerging impacts and mitigating action will be included in future reports.

### **National Initiatives**

- 4.16 A national leadership group for the Supporting People programme, led by Department of Communities and Local Government (DCLG) has been established to help to stimulate the market through the development of holding information centrally on future procurement opportunities. The group will assist in providing intelligence on the national market as government is keen to promote access to the market by Small and Medium Enterprises.

## **5. Conclusion**

- 5.1 Extending consultation and a subsequent legal challenge on some aspects of the Directorate's proposals delayed implementation of the changes highlighted in this report until late in 2011. As a consequence only early indications of the impact of funding reductions upon Manchester residents have been captured at this stage.
- 5.2 It is however apparent that reducing support to adults and families, many of whom have complex needs coupled with national policy changes and reductions in public sector funding will inevitably have an adverse impact upon local residents.
- 5.3 Local impacts are likely to be evidenced by further increases in homelessness presentations and mental health referrals, arising in part as a result of the current economic climate exacerbating the pressure of demographic growth amongst groups who rely upon the support of services commissioned or provided by the council, such as the sustained increase in the city's learning disabled adult population.