

Sent via email:
holly.cheshire@communities.gsi.gov.uk

Our Ref: RS/MG/013
Date: 19th April 2017

Dear Holly

Use of precept

In reply to your letter of 21st February 2017 and 5th April 2017 I am writing to confirm that the London Borough of Croydon has increased its council tax to fund adult social care services in 2017-18.

The London Borough of Croydon's council tax has increased by 4.99% in 2017-18 (of which 3% relates to the adult social care precept).

I am also writing to certify that the London Borough of Croydon will use the additional 2017/18 funding for adult social care as announced in the Spring Budget 2017 to fund adult social care services.

I have completed the table in the attached spreadsheet (S151 return), comparing the changes in adult Social Care Budgets (including overhead and running costs) with those of other non ring fenced / non statutory services, including and excluding precept and the additional budget funding for adult social care.

Below is a description of how my authority proposes to use the funding from the precept, in support of this table.

Adult Social Care in Croydon continues to be under significant pressure. The main causes of these pressures are demographic demands, with significant increases in the older population over the last five years. We are also seeing an increase in the acuity of people using services due to increased life expectancy, alongside more time being spent in hospital and increases in the lengths of time in hospital which lead to the need for higher levels of care on discharge due to decompensating conditions. Additionally, epidemiology dementia is rising faster than other long term conditions. This is exacerbated by a health economy in extreme deficit and pulling away from investment in community and preventative service provision. Market conditions mean choice is decreasing as providers withdraw from the market place in the private sector.

The 3% increase in Council Tax (i.e. the ASC precept element) will raise Croydon approximately £4.4m in terms of the Council's overall cash limit. This funding has been used to support £4.9m worth of budget growth added to the Adult Social Care budget for 2017/18. This reflects Croydon's commitment to protecting and supporting vulnerable people in our borough.

Much of this growth was required to cover pressures identified during 2016/17 and ensure that the 2017/18 budget was being set from a realistic opening baseline. It will therefore be used, in the main, to continue to support the demographic growth and packages of support already in place. In addition it will be used to support the independent sector and voluntary sector market to prevent further withdrawal and market failure. Croydon Council have agreed not to reduce voluntary sector expenditure, seeing the value it brings to its preventative agenda as part of our reducing demand strategy.

Croydon Council is working with health commissioners and providers, including primary and secondary care and voluntary sector partners, to create a new alliance in 2017 for older people. These plans will enable us to transform care and support in communities at a local level and create greater community and individual resilience, and slow the demand in acute and high cost packages of care.

Whilst the London Borough of Croydon has committed this growth to Adult Social Care, this does mean a limitation to its investment in other areas of the Council which calls for a longer term solution to the funding crisis across health and social care.

For authorities planning to raise council tax by more than 2% for social care in 2017-18

I certify that the authority will use the funding above 2% to improve the way social care services are delivered in my area, and have set out below how we propose to do so. We suggest you use no more than 500 words.

As stated in the narrative above, the 3% ASC precept will raise approximately £4.4m in the context of the London Borough of Croydon's overall cash limit.

This is being used to support a series of growth initiatives within ASC worth £4.9m that have been approved as part of the 2017/18 budget setting process. The table below summarises the growth items that have been approved by Councillors:

Growth Item	Value (£M)
2016/17 Spending Pressures	2.890
Market Management	0.100
Outcome Based Commissioning	0.366
Transitions Growth	1.000
Deprivation of Liberty Safeguards (DoLS)	0.366
0-25 SEND Growth	0.300

TOTAL	4.906
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These initiatives are all designed to ensure that Croydon is able to direct the necessary resources to supporting the growing demand for adult social care, and also to continue to transform the service to provide quality outcomes for service users. Further detail is provided in the response above in terms of the main initiatives being pursued by Croydon.

Yours sincerely



Richard Simpson
**Executive Director Resources
& Section 151 Officer**



Barbara Peacock
Executive Director People

