

Open Report on behalf of Glen Garrod, Executive Director of Adult Social Services

Report to:	Adults Scrutiny Committee
Date:	29 June 2016
Subject:	Adult Care 2015/16 Outturn

Summary:

The Adult Care outturn is £145.342 million, an under-spend of £1.460 million against a budget of £146.801 million.

Actions Required:

Adults Scrutiny Committee is asked to consider and comment on the Budget outturn for 2015/16.

1. Background

The Adult Care outturn is £145.342 million, an under-spend of £1.460 million against a budget of £146.801 million. This is as a result of a reduction in base residential placements, a reduction in service user contributions and the impact of the new prime provider contract for home based care services. However, it is set against an environment of increasing placement costs in all services following the introduction of the National Living Wage and additional legislative burdens placed on providers in respect of pension obligations.

This is the first year that finance has been reported through the new Agresso system, ongoing and well established issues have meant this report being delayed from its usual May publication. However, significant work has been undertaken to get to a position where an outturn can now be reported.

Key issues within the outturn include:

- Further in year savings totalling £3.138 million
- Adult Frailty and Long Term Conditions underspend of £0.563 million
- Specialist Adult Services underspend of £0.897 million

2. Adult Care Savings Programme

The service produced savings of £3.138 million in 2015/16 from a number of successful projects including:

- Staff savings as a result of the recent senior management review
- Maximising income recovery
- Review and renegotiation of provider contracts

As part of the Financial Challenge process undertaken in the Summer/Autumn of 2015 Adult Care has identified an additional £6.843 million of savings to be delivered in 2016/17 these include:

- Additional staff savings as a result of the recent senior management review
- Maximising income recovery
- Changes to the current Adults Contributions policy
- Continued review and renegotiation of provider contracts
- Withdrawal of funding for Lincolnshire Health & Care

The savings identified through the Financial Challenge process plus the one off use of reserves, will ensure the Council can withstand the immediate pressures in local government funding.

3. Adult Frailty & Long Term Conditions

The Adult Frailty & Long Term Conditions strategy brings together Older People, Physical Disability Services and Adult Care Infrastructure. This commissioning strategy aims to ensure that eligible individuals receive appropriate care and support that enables them to feel safe and live independently. Activities within this area include:

- Reablement and Intermediate Care
- Domiciliary Care
- Direct Payments
- Community Support
- Extra Care Housing
- Residential Care
- Dementia Support Services
- Assessment & Care Management and Social Work Service

Older People's Services

The final outturn for the Older People's Services was £75.650 million, an under-spend of £0.352 million on a budget of £76.002 million.

Changes have recently been made to homecare contracts with the implementation of a new "prime" provider contract.

A consequence of the change to "prime" providers was the significant increase in the number of service users choosing to take their care in the form of a direct payment as they sought to keep services that were delivered by outgoing providers. The resulting boost saw direct payments as a proportion of total long term packages increase.

Whilst the number of new service users placed in long term residential care continued to increase, the service saw an increase in the number of services ending, with a total net reduction of 85 places in year.

The change in reablement provider also resulted in an under-spend due to changes in the payment emphasis from block contract payments to payments made for hours actually delivered.

A further impact of reduction in long term placements and changes to homecare services was the overall reduction in service user contributions received in 2015/16, this was somewhat offset due to an increase in income raised from direct payment audits.

Physical Disability Services

The final outturn for the Physical Disability Services was £12.397 million, a small overspend of £0.067 million on a budget of £12.330 million.

The service saw a substantial increase in direct payment costs from the transition of new service users who have transitioned from Children's Services and to a lesser extent the impact of the introduction of the new homecare contract which saw a number of service users transfer from homecare to direct payment packages as again service users sought to maintain their existing provider. Long term and short term residential placements however remained static with only a minor overspend.

However additional service expenditure was offset by income being higher than expected. This was again due to increased income as a result direct payment audits.

Infrastructure

The infrastructure budget currently includes expenditure in relation to the two assistant directors along with individual county managers covering Operational Services for Older People's/Physical Disability, Learning Disability, Policy and Service Development, Performance, Workforce Development and Quality.

The infrastructure budget was balanced in 2015/16 at a value of £7.941 million.

4. Specialist Services

This commissioning strategy aims to ensure that eligible adults with learning disability, autism and/or mental health needs receive appropriate care and support that enables them to feel safe and live independently. Activities within this area include:

- Residential and Nursing Care
- Community Supported Living
- Homecare
- Direct Payments
- Day Services
- Respite Services
- Shared Lives Scheme
- Transport

- Assessment and Care Management and Social Work Service
- Section 75 agreement with Lincolnshire Partnership Foundation Trust for Mental Health Services

Learning Disability Service

The Adult Learning Disabilities service is administered via a Section 75 agreement between the Council and NHS commissioners in Lincolnshire in addition to a small in-house element that sits outside the Section 75.

Learning Disabilities ended 2015/16 with an under-spend of £0.895 million against a budget of £45.837 million.

The service has seen growth in supported living and direct payments costs due to a combination of high cost discharges from in-patient provision and as a result of school/college leavers requiring packages of care. There has also been an increase in high value cases coming through the Practice Enablement Group.

This has been mitigated by in year residential placements being lower than expected partly as service users choose community based services rather than in those in a residential setting.

Income from Health for the S75 remains unchanged from the £10.4 million. In addition to this service user income has increased as a direct consequence of increased direct payment audit income. The service has also benefited from an additional £460,000 repayment following the successful conclusion of a long standing legal dispute in respect of out-of-county placements from other local authorities within the County.

Mental Health

The Mental Health service is run on behalf of the Council by the Lincolnshire Partnership Foundation Trust by way of a Section 75 agreement.

The service delivered a balanced budget in 2015/16 of £5.776 million.

5. Safeguarding Adults

The Safeguarding Adults strategy aims to protect an adult's right to live in safety, free from abuse and neglect. The service works both with people and organisations to prevent and stop both the risks and experience of abuse and neglect ensuring that adult's wellbeing is being promoted.

The Lincolnshire Safeguarding Adults Board discharges its function to safeguard adults on a multi-agency basis. This is led by an Independent Chair.

This area also encompasses the Deprivation of Liberty Safeguards (DOLS) which a significant increase in activity as a result of the 'Cheshire West' legal judgement in March 2015.

The service delivered a small underspend £0.010 million against a budget in 2015/16 of £3.020 million.

DOLS assessments are currently carried out on Lincolnshire's behalf by LPFT. Assessment costs were lower than anticipated in 2015/16, this was mostly due to the ongoing set up and training of LPFT staff to undertake assessments with the team only recently coming up to full strength. This was mitigated by increases in legal costs that are specific to the additional assessments coming through due to the Cheshire West legal judgement. Additional agency costs were also incurred by the Emergency Duty Team for emergency staff requirements.

6. Carers

The Carers Strategy aims to prevent or delay ongoing care needs by supporting adult carers so they are able to sustain their caring role, reducing the need for costly services in primary and acute care, and long term social care.

The service is also responsible for services provided to young carers helping to prevent inappropriate caring, helping to reduce the negative impact on the child's wellbeing and development by ensuring adequate support for the adult and to support the child to fulfil their potential.

The service ended 2015/16 with an under-spend of £0.135 million against a budget of £1.673 million.

Throughout the year there was a lower than anticipated take up of Carer's Personal Budget in 2015/16. It is thought that this is due to changes in the eligibility criteria set out in the Care Act 2014, however it is anticipated that take up will increase in 2016/17.

Additional revenue expenditure was incurred in relation to the Family Dementia Support service as a result of a decision not to draw down on reserves as originally planned, but to fund from 2015/16 revenue budgets due to the low uptake of carer's personal budgets.

7. Capital

Adult Care spent a total of £0.263 million against a net budget of £0.471 million. Expenditure included ongoing pre-development costs for the Council's Extra Care Housing Scheme and additional investment in Lincolnshire Telecare services. Telecare has seen continuing growth in the number of people using telecare which is seen as a low-cost preventative service.

8. Better Care Fund

The Better Care Fund (BCF) is a pooled budget that shifts resources into social care and community services for the benefit of the NHS and local government. In 2015/16 £53 million (£48.1 million revenue and £4.9 million capital) was earmarked for the Lincolnshire health and care economy. Spend was agreed with the four Clinical Commissioning Groups (CCGs) and Lincolnshire County Council.

£20 million was allocated to the Council in 2015/16 predominantly in Adult Care to fund the costs of the Care Act and protect adult care services. The majority of the fund was allocated to areas where it was already being spent, on such services as the Reablement Service, Hospital Discharge Teams and Learning Disability Services.

Adult Care continues to change the way it works with partners from additional areas of the care spectrum including colleagues from other areas such as Children's Services and Public Health, alongside health partners from the Clinical Commissioning Groups. This resulted in the agreement to pool health and social care budgets totalling £197 million in 2015/16 through five Section 75 agreements and two aligned budgets.

This represented the single biggest pooling arrangement ever achieved in Lincolnshire and placed Lincolnshire amongst the five largest pooled budget areas in the country.

9. Conclusion

The Adult Care outturn is £145.342 million, an under-spend of £1.460 million on the final budget of £146.801 million. This is the fourth year in succession that Adult Care has achieved either a balanced budget outturn or an underspend which reinforces the view that Adult Care in Lincolnshire is one of the lowest funded Adult Care departments, spending less on 'overheads', staffing and pay grades than other local authorities both nationally and regionally and that comparatively Adult Care spends less on nearly all types of social care service commissioned when compared with most regional authorities whilst delivering excellent services.

However, this is set against an environment of increasing placement costs in all services following the introduction of the National Living Wage (NLW) and additional legislative burdens placed on providers in respect of pension obligations.

10. Consultation

a) Policy Proofing Actions Required

N/A

11. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Steven Houchin, who can be contacted on 01522 554293 or steven.houchin@lincolnshire.gov.uk.