

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

Report to:	<b>Adults Scrutiny Committee</b>
Date:	<b>07 September 2016</b>
Subject:	<b>Adult Care 2016/17 Outturn Projection</b>

**Summary:**

The Adult Care net budget is £154.237m. Whilst it is still an early stage in the financial year based on current information available to 31 July 2016 it is estimated that Adult Care is likely to balance its budget at the end of 2016/17.

**Actions Required:**

Adults Scrutiny is asked to note the budget outturn projection for 2016/17.

## **1. Background**

The year end close down has now been completed hence this is the first projection report for 2016/17. This report is from 1 April 2016 through to 31 July 2016.

Whilst we are still undergoing certain problems with some of the information being extracted from the Agresso system, we are working closely with Budget Holders, Principle Practitioners and Managers across all areas. The experience, close working relationship and knowledge of those involved provide a level of assurance in addition to the pre-existing system information we have access to.

Adult Care is now organised into four key commissioning strategies, these being:

- Adult Frailty & Long Term Conditions
- Specialist Services (Mental Health, Autism and Learning Disability)
- Safeguarding Adults
- Carers

In addition to this Adult Care also has a capital budget in 2016/17 of £9.80m.

The report will look at each of these areas in turn.

## **a) Adult Frailty & Long Term Conditions**

The Adult Frailty & Long Term Conditions strategy brings together Older People and Physical Disability services. 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
- Adult Care Infrastructure

The current budget for this commissioning strategy is £99.208m.

### Older Peoples Services

The current budget for Older People for 2016/17 is £80.124m.

Budgets within Home Care and Direct Payments are being realigned to reflect the changes in these two areas to match budgets to actual costs.

Long Term Residential Activity has increased slowly across the County, with activity being higher at this point in the year than the first four months of 2015/16. The reason behind the increase in numbers this year has been because of a change in policy with long term placements being made at an earlier stage rather than keeping service users in Short Term Care for long periods. The last quarter should therefore reflect a short term increase only.

Spend on Short Term Care and carers respite services are lower in the first quarter than in the final quarter of 2015/16. This is due to the policy change as described above. Short term care home placements usage (short term care beds to cover for lack of facilities at service users home) have reduced by nearly two-thirds since April, due to improved services within our Home Care service. A new contract has also been made to block book beds in a number of homes across the County, initially just for short term care home placements but now for all types of placements. This will assist in keeping the costs down in areas where there are high top up fees which have mainly been borne by LCC.

Initial analysis of Income collection suggests this will be on target for 2016/17. The reduction in short term care home placements will reduce the pressure on income seen in 2015/16 as we are unable to charge a service user contribution in these cases. Also by making placements to long term at an earlier stage than before will increase income as Long Term assessments are usually higher than short term care. We shall also start to see an increase in income following the implementation

of the revised contributions policy – this has been reflected in the level of budgets for income set across the service.

Taking all the elements described into consideration it is expected that outturn for Older People will be on target in 2016/17.

### Physical Disability Services

The current budget for PD for 2016/17 is £12.150m.

There has been some growth in home support and direct payments due to a number of transition cases from Children's Services. However it is envisaged at this stage that this growth will not impact on overspending the budget with projections remaining on target.

Long term residential placement activity is currently below the 2015/16 level. Short Term Care and Carers Respite activity is also reported to be less than at the same time last year. However these areas are expected to fully utilise their budget allocation by the end of the year.

Income collection as at the end of Quarter 1 Debtor/Non Residential and Direct Payments suggests that overall income collection for 2016/17 is likely to be on target.

Taking all the elements described into consideration it is expected that outturn for Physical Disability Services will be on target in 2016/17.

### Infrastructure

The current budget for 2016/17 for Infrastructure is £6.934m.

The infrastructure budget currently includes expenditure in relation to the Director, along with individual Heads of Service covering Operational Services for OP/PD, Learning Disability, Policy and Service Development, Performance, Workforce Development and Quality, Carers and Safeguarding.

Current estimates suggest that the infrastructure budget may produce an underspend in 2016/17 due to a number of vacancies across several teams within the infrastructure area.

### **b. 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
- Adult Supporting Adults
- Transport
- Assessment and Care Management and Social Work Service
- Section 75 agreement with Lincolnshire Partnership Foundation Trust for Mental Health Services

The current budget for this commissioning strategy is £51.189m.

### Learning Disability Services

The current budget for Learning Disabilities for 2016/17 is £45.570m.

The Adult Learning Disabilities service is administered via a Section 75 agreement between the Council and NHS commissioners in Lincolnshire.

There have been a number of large support packages coming through Practice Enablement Group (PEG) in the first half of this year to date. These are across Community Support, Residential and Direct Payments. Some of these costs are either new to the service or through 'Transforming Care' where they have moved across from in-patient accommodation. Whilst growth within the service has been built into this year's budget, these additional unexpected large packages have put some additional pressure for 2016/17. Hence, early signs are that LD S75 may have a small overspend in 2016/17. However, at this early stage it is still uncertain if all of these packages will be taken up in year as they are not all yet in place.

Income from Health for the S75 remains unchanged at £10.4m. In addition to this we continue to receive income from other local authorities for health funded cases which totals £300k per annum.

We have also successfully managed to reclaim £150k to date of direct payments refunds back into the system from unspent service user Direct Payments. This is expected to at least double for the whole year which should help to mitigate some of the unexpected high cost placements described above.

Taking all the elements described into consideration including a continuation of the £2.125m investment for demographic pressures via the Better Care Fund and the possible additional income for Direct Payment refunds it is expected that the outturn for Learning Disability Services will be on target in 2016/17.

### Mental Health Services

The current budget for 2016/17 for Mental Health is £5.619m.

The Mental Health service is run on behalf of the Council by the Lincolnshire Partnership Foundation Trust by way of a section 75 agreement. Current reports from LPFT suggest an increase in services activity, however there is an expectation that LPFT budgets will remain on target in 2016/17.

### **c. Safeguarding**

The current budget for Safeguarding for 2016/17 is £1.795m.

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 an 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.

As above, the current budget for this commissioning strategy is £1.795m, however due to ongoing costs coming through for continued pressures relating to DOLS assessments (continued costs due to the Cheshire West ruling), it is projected to overspend by circa £500k in this financial year. We have requested that this overspend should be funded from the 1% 2015/16 underspend carry forward.

### **d. Carers**

The current budget for Carers for 2016/17 is £2.044m.

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 strategy 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 current budget for this commissioning strategy is projected to be balanced by the end of the financial year.

### **e. Better Care Fund**

£16.825m is the CCG planned transfer to LCC for 2016/17. This is predominantly in Adult Care and will help fund the costs of the Care Act and protect adult care services. Most of the fund will be allocated to areas where it is already being spent, on such services as the Home Based Reablement Service, Hospital Discharge Teams and Learning Disability service. The fund will also provide a continued £4.250m investment in both Adult Frailty and Adult Specialty commissioning strategies (£2.125m each) to continue to cover demographic pressures that both services are expected to incur in this financial year.

The agreement with Health to pool health and social care budgets totalling £193m through a number of Section 75 agreements has now entered its second year.

This continues to represent the single biggest pooling arrangement ever achieved in Lincolnshire and places Lincolnshire amongst the five largest pooled budget areas in the country.

**f. Adult Care Savings Programme**

The 2016/17 budget also includes a commitment from the service to deliver £6.843m worth of savings during the current financial year from a number of initiatives including an earlier Senior Management Review, a continuation of the work to maximise service user contributions, the review of the contributions policy, and the renegotiation of several contracts.

At the end of July 2016 Adult Care has achieved £1.785m in savings with an expectation that the majority of expected savings will be delivered by the end of the financial year.

**g. Capital**

Adult Care revised its Capital Strategy and Investment Plan in 2014/15 as part of a renewal of its commitments to infrastructure developments. The plan (shown below) is designed to meet the changing needs of Adult Care over time, but must also recognise that the plan has specific benefits for other directorates (e.g. Public Health) and partners outside of the authority.

<b>Investment Plan</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Total</b>
Extra Care Housing	£7,550,000	£150,000	£150,000	£7,850,000
Telecare/Telehealth	£250,000	£250,000	£250,000	£750,000
DFGs	£500,000	£500,000	£500,000	£1,500,000
Health & Adult Care Integration	£900,000	£300,000	£300,000	£1,500,000
Day Care Modernisation	£500,000	£50,000	£50,000	£600,000
Care Act Infrastructure	£100,000	£25,000	£25,000	£150,000
<b>TOTAL</b>	<b>£9,800,000</b>	<b>£1,275,000</b>	<b>£1,275,000</b>	<b>£12,350,000</b>

Information received to date suggests that the full allocation of funding for telecare will be utilised this year. Capital allocations in respect of Disabled Facilities Grants (DFGs) based will also be utilised.

Colleagues from the Corporate Property Team are continuing to scope options for the development of the Extra Care Housing Strategy prior to work to identify a preferred provider in which to take the project forward, it is assumed therefore that the allocation for 2016/17 will also be used.

Additional money has now been allocated in 2017/18 and 2018/19 towards Health and Adult Care Integration, as well as Extra Care Housing, Day Care Modernisation and Care Act Infrastructure.

## **2. Conclusion**

The Adult Care outturn is projected to be within the £154.237m, producing a balanced budget. This being the case it would be the fifth year in succession that Adult Care has been able to live within its budget allocation.

## **3. Consultation**

### **a) Policy Proofing Actions Required**

n/a

## **4. 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 Paul Collins, who can be contacted on 01522 550504 or [paul.collins@lincolnshire.gov.uk](mailto:paul.collins@lincolnshire.gov.uk).

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