

**Open Report on behalf of Glen Garrod, Executive Director of Adult Care and Community Wellbeing**

Report to:	<b>Adults Scrutiny Committee</b>
Date:	<b>11 January 2016</b>
Subject:	<b>Adult Care Budget 2017/18</b>

**Summary:**

This report describes the Adult Care revenue and capital budget for 2017/18. The paper provides the Committee with the opportunity to comment on the budget proposals. The provisional local government finance settlement for 2017/18 was published for consultation on 15 December, the consultation runs until 13 January 2017. Proposals were also discussed at Executive in December 2016.

**Actions Required:**

The Adults Scrutiny Committee is requested to consider the report and comment on the budget proposals.

## **1. Background**

- 1.1 The Executive are currently consulting on a one year financial plan for revenue and capital budgets. For the third year running the Council is only able to set a one year budget. This is due to the continued significant reductions in government funding, growing cost pressures from demand led services such as adult and children's social care, waste disposal and the Council's responsibility to pay staff and contractors the National Living Wage. These pressures mean the Council does not consider it practicable, at present, to develop sustainable long term financial plans beyond the next twelve months.
- 1.2 In developing its financial plan the Council has considered all areas of current spending, levels of income and council tax and use of one off funding (including use of reserves and capital receipts) to set a balanced budget. The budget proposals take a mixed approach to meeting the current challenges of reduced levels of local government funding.

1.3 The Commissioning Strategies reporting to the Adults Scrutiny Committee and their associated activities are:

#### Adult Frailty & Long Term Conditions

1.4 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

1.5 Adult Care Infrastructure sits within the Adult Frailty Commissioning Strategy but is reported separately for the purpose of this and other reports. Adult Care Infrastructure incorporates budgets in relation to the Executive Director of Adult Care & Community Wellbeing and Senior Adult Care Management along with a number of back office functions including:

- Policy and Service Development
- Brokerage
- Performance
- Workforce Development and Quality Assurance.

#### Specialist Services

1.6 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

### Safeguarding Adults

- 1.7 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.
- 1.8 The Lincolnshire Safeguarding Adults Board discharges its function to safeguard adults on a multi-agency basis. This is led by an Independent chair.
- 1.9 This area also encompasses the Deprivation of Liberty Safeguards (DOLS) which had a temporary injection of funds from the Council to help address a significant increase in activity as a result of the 'Cheshire West' legal judgement in March 2015. Activities within this area include:
- Adult Safeguarding Fieldwork Teams
  - Deprivation of Liberty Safeguarding Unit
  - Emergency Duty Team (weekend and night-time)

### Carers

- 1.10 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 for the people they care for.
- 1.11 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. Activities in this area are almost completely commissioned externally though a small commissioning unit oversees the service and addresses policy and strategy requirements.

## **2. Budget Setting**

- 2.1 The Adult Care budget is set in the context of increasing demographic pressure and cost pressures related to service provider fee increases in order to accommodate the increasing cost of employment as a result of the National Living Wage. This results in a proposed cost pressure of £6.670m in 2017/18.
- 2.2 Savings in 2017/18 of £4.083m are proposed, covering two of the four Commissioning Strategies.

- 2.3 Adult Frailty and Long Term Conditions overall proposes a £3.648m saving in 2017/18, (or 3.677% of the 2016/17 original budget). Within the element relating to Older People and Physical Disability service budgets, it is proposed that this would include:
- Increase in user contributions to services via growth in the number of people being supported (£1.438m); and
  - The additional full year effect of the change in the policy introduced in April 2016 (£0.225m)
- 2.4 Within the Adult Care Infrastructure budget savings would include:
- Efficiencies made through joint commissioning with partners and pooled funding arrangements (£1.685m); and
  - Reshaping management and commissioning processes following the implementation of the Mosaic Care Management System (£0.300m).
- 2.5 Specialist Adult Services propose a £0.435m saving in 2017/18 (or 0.85% of the 2016/17 original budget). It is proposed that this would include:
- Increases in user contributions to services as described above
  - Further efficiencies in micro-commissioning.
- 2.6 The Better Care Fund (BCF) continues to have a profound effect on Adult Care in Lincolnshire. £53.538m (£48.654m revenue and £4.884m capital) was earmarked for the Lincolnshire health and care economy in 2016/17. Spend against this allocation was agreed with the four Clinical Commissioning Groups (CCGs) and £16.825m was allocated to the County Council in 2016/17. Discussions regarding the 2017/18 allocation of the BCF are ongoing and are likely to be agreed early in 2017. A new additional BCF funding regime will also be put in place for 2017/18 with additional funding (suggested to be in the region of £2.106m) paid direct to upper-tier councils to be added into the pooled fund.
- 2.7 The provisional local government finance settlement also announced additional flexibility in terms of the adult care precept. Prior to this announcement an annual increase of a maximum of 2% was permitted. An increase of up to 3% is now permitted next year and the year thereafter. However, the increase over 3 years is limited to 6%, so 3% increases in the next two years means no increase in the adult care precept in the third year.
- 2.8 Current budget assumptions are for an even 2% increase in each of the next 3 years. A 1% increase is worth an additional £2.5m. .

### 3. Budget Proposals

3.1 Taking into account the issues identified above the proposed budgets for 2017/18 are set out below.

17/18 Budget Analysis	Adult Frailty	Infrastructure	Specialist Adults	Safeguarding	Carers	Total
	£'000					
16/17 Original Budget	£92,274	£6,934	£51,189	£1,795	£2,044	£154,237
Budget Changes	-£325	£182	-£281		-£155	-£579
16/17 Revised Budget	£91,949	£7,116	£50,908	£1,795	£1,889	£153,658
Inflation	£106	£20	£49	£12		£187
Pressures	£4,100		£2,570			£6,669
BCF Adjustment		-£900				-£900
Savings	-£1,663	-£1,985	-£436			-£4,084
<b>17/18 Budget</b>	<b>£94,492</b>	<b>£4,251</b>	<b>£53,091</b>	<b>£1,807</b>	<b>£1,889</b>	<b>£155,530</b>

### 4. Capital Expenditure

4.1 Adult Care continues to revise its Capital Strategy and Investment Plan for the period 2016/17 to 2018/19 as part of a renewal of its commitments to infrastructure developments. The plan is designed to meet the changing needs of Adult Care over time, but must also recognise that plan has specific benefits for other directorates (e.g. Public Health) and partners outside of the authority.

4.2 These initial plans detailed £12.350m of commitments and potential commitments over 6 areas of investment for the remaining life of the strategy.

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

### Extra Care Housing

- 4.3 Research evidence identifies the need for an expansion in Extra Care for older people to promote greater choice and the opportunity to avoid choosing a place in a residential home. Adult Care have been seeking to do this through further development of Extra Care Housing, and a Business Case was produced in 2013/14 to increase the allocation of capital towards Extra Care by up to 600 units subject to the potential to attract inward investment.
- 4.4 Responsibility for delivering this scheme was transferred to Corporate Property in 2014/15. A Governing Body chaired by the DASS with two Executive Members and the Executive Director for Finance oversees the programme. A significant amount of work has already been undertaken to determine the best model of investment via a detailed market analysis and ongoing financial analysis by Grant Thornton.
- 4.5 The project is currently undertaking a tender process to identify a number of partners to help deliver additional Extra Care facilities in Lincolnshire. It is anticipated that the Council will be in a position to choose those partners at the end of the current financial year.

### Telecare/Telehealth

- 4.6 Lincolnshire Telecare was re-launched in 2007 with £1.1m funding initially from the Preventative Technology Grant. The service has since been funded by Adult Care and is a low cost service to support large numbers of people to remain in their own home.
- 4.7 The Telecare service is providing support for an increasing number of service users, who are able to access it via a number of trusted assessors from a range of organisations. The introduction of the Wellbeing Service in 2014/15 has also resulted in an increase in referrals for service users who would normally not qualify for local authority support but are provided equipment in order to prevent and delay service users from presenting themselves in the future.
- 4.8 Promoting Telecare to support people rather than more expensive solutions will require continued investment in equipment over the life of the current capital scheme with approximately £0.250m allocated for equipment in 2016/17 onwards.

### Disabled Facilities Grant

- 4.9 Funding for local housing authorities to meet the costs of providing disabled facilities grants is currently paid by Department of Communities and Local Government as a capital grant. As of 2015/16 all of the central government funding is being provided by the Department of Health and included in the Better Care Fund although still delivered by district authorities. Historically

districts have topped up the central government allocation in order to better support the delivery of facilities for those who qualify for support. However as a consequence of changes to the funding routes the amount of additional funding provided by districts has reduced over time resulting in a risk of people presenting themselves to Adult Care sooner than would otherwise be the case.

- 4.10 Disabled Facilities Grants provide an important mechanism for supporting young and older people and people with disabilities to live independently. When delivered early, alongside other preventative measures, they may contribute to prevent admissions to hospital and residential care. With an increasingly elderly population, and more disabled children surviving their early years through to adulthood, the need for adapted housing is projected to continue to increase.
- 4.11 It is therefore essential that the capital plan continues to include a realistic budget for home adaptations. Failure to include adaptations in the plan could result in a lack of funding for DFG's which in turn will impact on the ability of older and disabled people being able to live safely and independently at home.

#### Care Act Infrastructure

- 4.12 The Care Act 2014 was implemented in April 2015 and is legislation that seeks to deliver the commitments made in the White Paper 'Caring for our future: reforming care and support' (July 2012).
- 4.13 The Care Act has been designed to reform the law relating to care and support for adults and for carers, updating and bringing together all relevant legislation into a single statute in order to better offer improved support and wellbeing with dignity, respect, independence and choice.
- 4.14 As a result of the Act the government will be providing additional capital funds to ensure that systems – primarily ICT systems - are able to accommodate all the required changes to ensure that as an authority we are compliant with all aspects of the Act. For the most part the work to ensure system compliance is already at an advanced stage with the development of Mosaic; however it is likely that additional costs of ensuring compliance over and above the initial scope of mosaic implementation will need to be met.

#### Day Care Modernisation

- 4.15 An additional sum of £0.500m was allocated in 2016/17 to fund ongoing modernisation of the in-house day care service. This allocation will be used to fund dilapidation and remedial works in respect of proposed consolidation of day care centres in Boston and Skegness along with a new programme of modernisation within the remaining building stock in future years.

## Health & Care Integration

- 4.16 The Autumn Statement and Provisional Local Government Settlement has provided local authorities with some flexibility around the use of capital receipts. Under previous regulations these were required to be utilised to fund capital expenditure or pay down debt. Under these new flexibilities the Council will be able to use capital receipts to fund the cost of Health and Adult Care Integration and transformation of which the key criteria is that the expenditure will generate ongoing revenue savings to the authority.

## Capital Funding

- 4.17 Funding for the current Adult Care Capital Programme is via capital reserves made up of Social Care Capital Grant allocations from previous years. The Adult Care capital reserve is currently valued at £12.669m
- 4.18 The budget proposals are being publicised in their entirety on the Council's website together with the opportunity for the public to comment
- 4.19 Consultation comments and responses will be available to be considered when the Executive makes its final budget proposals in February 2017.

## **2. Consultation**

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

Not applicable

## **3. Appendices**

Not applicable

## **4. Background Papers**

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

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