

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

Report to:	<b>Adults and Community Wellbeing Scrutiny Committee</b>
Date:	<b>10 October 2018</b>
Subject:	<b>Adult Care &amp; Community Wellbeing 2018/19 Outturn Projection</b>

**Summary:**

The Adult Care & Community Wellbeing (AC&CW) net budget is £221.288m. The Gross figure for Adult Care for 18/19 is £281.804m. Based on current information available to 31 August 2018 it is estimated that AC&CW will produce a breakeven budget for the financial year 2018/19. The increasing strategic importance of the Better Care Fund (BCF) has also meant that the impact to AC&CW now has to be reflected in service budgets.

**Actions Required:**

Adults and Community Wellbeing Scrutiny Committee is asked to note the budget outturn projection for 2018/19.

## 1. Background

Adult Care & Community Wellbeing (AC&CW) is organised into five commissioning strategies, these being:

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

An analysis of the AC&CW budget and projected outturn for 2018/19 is illustrated below and includes the impact of the Better Care Fund (BCF). Based on current information available to 31 August 2018 it is estimated that AC&CW will produce a breakeven budget for the financial year 2018/19.

	Revised Net Revenue Budget	Expenditure to 31 Aug 18	Year End Forecast to 31 Mar 19	Year End Forecast Variance
	£	£	£	£
Adult Frailty and Long term Conditions	120,705,199	21,293,487	120,455,199	-250,000
Adult Specialties	65,807,815	36,528,232	66,057,815	250,000
Adult Safeguarding	4,936,772	1,581,285	4,936,772	0
Adult Care Carers	2,464,492	1,164,068	2,464,492	0
Public Health	27,374,026	9,470,831	27,374,026	0
<b>Adult Care &amp; Community Wellbeing</b>	<b>221,288,304</b>	<b>70,037,904</b>	<b>221,288,304</b>	<b>0</b>

A more detailed version of the analysis can be found in Appendix A.

As with the arrangements described in the 2017/18 papers the Better Care Fund budgets are now incorporated into the base budget.

The report will look at each area in turn.

## 2. Adult Frailty & Long Term Conditions (AF&LTC)

The Adult Frailty & Long Term Conditions Strategy brings together Older People and Physical Disability services as well as hosting the budgets for back office functions in Infrastructure budgets. 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
- Domiciliary Care (Home Support)
- Direct Payments
- Community Support
- Extra Care Housing
- Residential Care including Block Beds
- Dementia Support Services
- Assessment & Care Management and Social Work Service
- Adult Care Infrastructure

The current budget for this Commissioning Strategy is £120.705m

### Older People Services

Direct Payments budget is £9.2m for Older Persons and current activity is showing a reduction from the end of 2017/18, it is projected the budget line will underspend by £0.794m as at end of 2018/19. The client numbers were 1,147 as at the end of March, as at the end of August 2018 there are 884, but there are further annual payments to be made along with some new cases so this figure will increase. The current average cost per case is £7,651 per annum.

Home Support budget for 2018/19 is £19.2m, the average weekly hours as at August 2018 are 2,373 (2,349 at the end of March), this budget line also includes all expenditure for Extra Care Housing. The current projection is that this budget line will be on target as at the end of 2018/19.

Long term & short term care budget for 2018/19 is £75.4m and expenditure remains stable with a forward focus on reduction of LTC placements. It is projected that the budget will be on target as at the end of 2018/19.

### Physical Disability Services

The PD Direct Payments budget of £8.9m was increased in 2018/19 to allow for the pressures from an increase in service needs for those working age Adults with a Physical Disability. The number of direct payments clients is 676 as at the end of August 2018, this was 668 at the end of 2017/18 so there has only been minimal growth. Therefore, currently projecting a £0.500m underspend.

Home Support/Supported Living have both seen growth in hours, the combined budget is £2.696m and the projected overspend is £0.9m, but this is offset in some part by the projected underspend in Direct Payments.

Residential/Nursing budget for PD is £4.6m, there is reduced activity on short term placements. Overall on Residential/Nursing placements it is expected to be on target by year end 2018/19.

### Other Budgets

Other budgets totalling £16.171m with AF&LTC (Service) include Care Beds which are purchased via a block contract, Workforce Development (Training) budget of £0.309m as well as the Reablement service and costs relating to the remaining in-house Day Care Service in Stamford which has a budget £0.113m. Also the Assessment & Care Management staffing budget is included in Older Persons area which is £13.269m.

Analysis to the end of August 2018 suggests that the above mentioned areas will balance their budgets at the end of the financial year.

### Infrastructure

The infrastructure budget currently includes expenditure in relation to the Executive Director for AC&CW, along with individual Heads of Service costs as well as budgets for Policy and Service Development, Performance and Brokerage Teams.

The current budget for this element of the AF&LTC for 2018/19 is £10.231m, at this time it is considered that it will produce an underspend of £0.250m of the total budget.

As Adult Care continues to incur a number of both one off and new continuing pressures each year, we also hold an unallocated expenditure budget within the Directors area to ensure these pressures can be met wherever possible.

Whilst there are a number of lines of expenditure already earmarked to be supported, it is anticipated at this stage of the year that approximately £0.250m of this budget will be unspent this financial year.

Agreed areas of additional spend for 2018/19 as at August 2018 include additional cost for additional Advocacy support, support to Corporate services and further Commercial Team support.

### 3. Specialist Adult 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
- Transport
- Assessment and Care Management and Social Work Service
- Section 75 Agreement with Lincolnshire Partnership Foundation Trust for Mental Health Services

#### Learning Disability Services

The Adult Learning Disabilities service is administered via a Section 75 Agreement between the Council and NHS Commissioners in Lincolnshire. This is funded via a combination of Council funding, CCG contributions and BCF income.

The total budget which also includes costs for the Council's in-house Day Care service for 2018/19 is £65.808m, which includes an additional £2.2m into base budget from BCF. Current estimates suggest that the budget will breakeven for the year. However, we are seeing a number of high cost placements being made in both Learning Disabilities and Mental Health that may have an effect on the budget during the year, but as we have also had a number of attritions to date, and an increase in income, we are at present projecting a balanced budget for the year.

Part of the LD Section 75 is with Health and the four Lincolnshire Clinical Commissioning Groups (CCGs) amounting to £11.9m relating to all service users with continuing Health Care that are either Joint funded with Social Care, or fully funded through Health. Whilst we currently have an overspend of over £1m within this area, this will be dealt with via the risk share arrangements within the S75 Agreement. Hence this overspend is currently not being reported as a pressure against the LCC budget.

The budget for in house day services excluding Stamford Day Centre is £2.3m. Direct payments within the Learning Disabilities budget are currently under pressure due to higher than anticipated increases in new packages. We have also built in an estimate for the additional cost of night rate payments that will affect clients who employ personal assistants using their direct payment.

Whilst growth in service users and costs has been built into the budget for Supported Living for 2018/19, we are seeing a higher than expected increase in care packages being approved so far to date, which again may result in a pressure on this budget for the year.

Residential activity has seen an increase in new placement costs compared to those leaving the service this year. To date we have had eight new placements, all of which have higher needs than the four lower cost de-commitments in year. If this trend continues then again we will see pressures mounting in the later part of the year.

The current projection for income is to receive £1.013m more income than budget for 2018/19. Some of this is made up from the additional Supported Living client's contributions and additional direct payment refund.

### Mental Health

The current budget for Mental Health is £6.1m for 2018/19. LCC have a S75 Partnership Agreement set up with Lincolnshire Partnership Foundation Trust (LPFT) to provide this service on behalf of LCC.

Demographic growth and inflationary increases around all of the Community Care packages in year has created further pressures on this budget this year. LCC are currently working very closely alongside LPFT to ensure any higher than average cost placements are being challenged and that these packages are being checked for any Continuous Health Care element, to ensure this is reclaimed from Health and reduce costs to Social Care. However, due to this years rate increases from Providers, the increase in the National Living Wage and the number of high cost packages that have entered the service this year, Mental Health Community Care budget is currently projecting an overspend of £0.250m for 18/19. There may be further pressures on this budget during the second half of the year if we continue to see the rise in high cost packages.

There is also an ongoing stringent review of the LPFT staffing structure in year. The current structure was set up in 2012 when the S75 was first signed. This now needs to be restructured to be able to meet and cope with the increasing demand and complex nature of this service. It is not yet known whether this change will cause any further pressure on this budget for 2018/19.

### **4. Safeguarding**

The current budget for Safeguarding for 2018/19 is £4.936m, which has been increased in year by £700k which came from a successful bid from the Adult Care 1% carry forward from 2017/18. It is now envisaged that this budget will cover all of the additional costs for the increased Best Interest Assessments still coming through each month.

Whilst work was carried out last year to significantly reduce the backlog of Deprivation of Liberty Safeguarding (DoLS) Assessments and Reviews in the system, the volume of new Assessments we are receiving each month is still very high. It is expected that this volume will continue whilst the Cheshire West Judgement is still in place.

This high volume continues to put pressure on the Mental Health Capacity Team to ensure that all Best Interest Assessments and Reviews are completed on time so that backlogs are monitored and kept to a minimum.

## **5. Community Wellbeing**

The current budget for Community Wellbeing is £27.374m.

Services are delivered as part of the Council's statutory obligation to improve the public health of local populations as per the Health and Social Care Act, in addition there also a number of non-statutory services which the Council deliver.

Community Wellbeing services include:

- Health Improvement Prevention & Self-Management
- Public Health Statutory Services
- Wellbeing Service
- Sexual Health
- Housing Related Service
- Prevention & Treatment of Substance Misuse

Based on information received to the end of August 2018/19, it is projected that this area will be within budget and breakeven for the year. Whilst there are overspends within the Wellbeing Services relating to the Integrated Community Equipment of £0.428m, it has been offset by underspends within the Sexual Health area (£0.110m). Domestic Abuse supported Housing (£0.115m), and the support to Vulnerable People services (£0.200m).

## **6. Carers**

The current budget for Carers for 2018/19 is £2.464m.

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.

Carers FIRST contract (£1.059m) continues to promote a focus on early identification and support of carers providing a wide range of services, including carers universal support services, community networks, information and advice as well as statutory assessments. This increase has been delivered within the allocated budget.

There is also a budget of £0.750m relating to Personal Budgets through Direct Payments to Carers which is also within budget for the year.

## **7. Better Care Fund**

The Lincolnshire Better Care Fund (BCF) is a framework agreement between Lincolnshire County Council and the Lincolnshire Clinical Commissioning Groups (CCGs) and looks to pool funds from those organisations to help support the national and local objective of closer integration between the Council and the CCGs.

The total pooled amount in 2018/19 is £232.123m which includes £56.164m that was allocated to the Lincolnshire BCF from the Department of Health and Social Care. The BCF has recently been reviewed which has resulted in minor changes to BCF expenditure plans. These have been agreed by the Lincolnshire Joint Executive Team, with confirmation issued to the regional Better Care Support Team confirming the changes. The nationally directed changes to Non-Elective Admissions and Delayed Transfers of Care metrics have also been noted and included within the local performance monitoring for 2018/19.

Lincolnshire's fund is one of the largest in the country and includes pooled budgets for Learning Disabilities, Children and Adolescence Mental Health Services (CAMHS) and Community Equipment plus 'aligned' Mental Health funds from the County Council and the four CCGs.

In addition to the continuation of existing pooled funds, there are a number of other funding streams, these increases result from:

- Inflationary increases in CCG funding, and as a result in the CCG funding for the Protection of Adult Care Services
- The addition of the iBCF funding that was announced in the Chancellor's November 2015 budget totalling £14.249m in 2018/19
- The announcement of iBCF Supplementary funding in the Chancellor's March 2017 budget totalling £9.609m in 2018/19

Overall BCF funding from central government has increased by £6.772m in 2018/19

There is a requirement to ensure that the funding has a positive impact on performance in the areas of Delayed Transfers of Care, Non-Elective Admissions, Residential Admissions and positive outcomes following Reablement, these have been reflected in our plans.

## **8. Income**

The income target for Adult Frailty & Long Term Conditions for 2018/19 is £37.710m. For Residential/Nursing placements the income target is £26.2m which represents 69% of the total income expected to be received, current projections indicate that income will be on target as at financial year end.

£4.2m of the residential/nursing income is property debtor income. There are currently 107 service users with an active Deferred Payment Agreement which represents £2.5m of the property debtor figure. There have been 16 deferred payment cases repaid totalling £0.371m and 39 other property cases totalling £0.467 have been repaid in 2018/19 to date.

Non Residential income target is £11.5m. £1.8m of this income is expected to be received through the audit of Direct Payments recovering surplus on accounts, the other income will be for service user contribution for Direct Payments and Home Support. Current projections indicate that the income will be on target as at financial year end.

In 2017/18 there was £0.903m which is 2.4% written off from £37.2m income outturn, once debts are outstanding for 365 days a bad debt provision is put in place to mitigate the risk to future years income should it proceed to write off.

Specialist Adult Services income target for 2018/19 is £16.15m of this £11.9m is S75 income received from Health. Service user income and income from other local authorities equates to £4.25m. Residential Income represents £2.3m which is 54% of the service user income target; current projection is for a small shortfall of £0.014m.

Non Residential and Other LA income target is £1.9m and the projection figure for year end is £2.8m, the additional income is largely down to additional service user contribution for Direct Payments, Supported Living and recovering surplus funds through Direct Payment Audits.

Income collection rates for Adult Care in Lincolnshire are reported at 79% collected within 30 days and 16% collected in 31-60 days for 2017/18. Year to date 2018/19 show position continues to be stable at 76% for 1-30 days and 19% for 31-60 days, 95% of debt is collected within 60 days.

## **9. Capital**

Adult Care and Community Wellbeing currently have a capital reserve of £12.653m of which the majority will be used to fund options around the development of the Council's Extra Care Housing Strategy, and the potential development for additional building base capacity within Learning Disabilities services.

## **10. Conclusion**

The Adult Care and Community Wellbeing outturn is projected to be £221.280m, producing a break even budget for the year. This being the case it would be the seventh year in succession that Adult Care & Community Wellbeing has been able to live within its budget allocation.

## **11. Consultation**

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

n/a

## **12. 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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