LD S75 VFM Presentation

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COUNTY COUNCIL
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Contents

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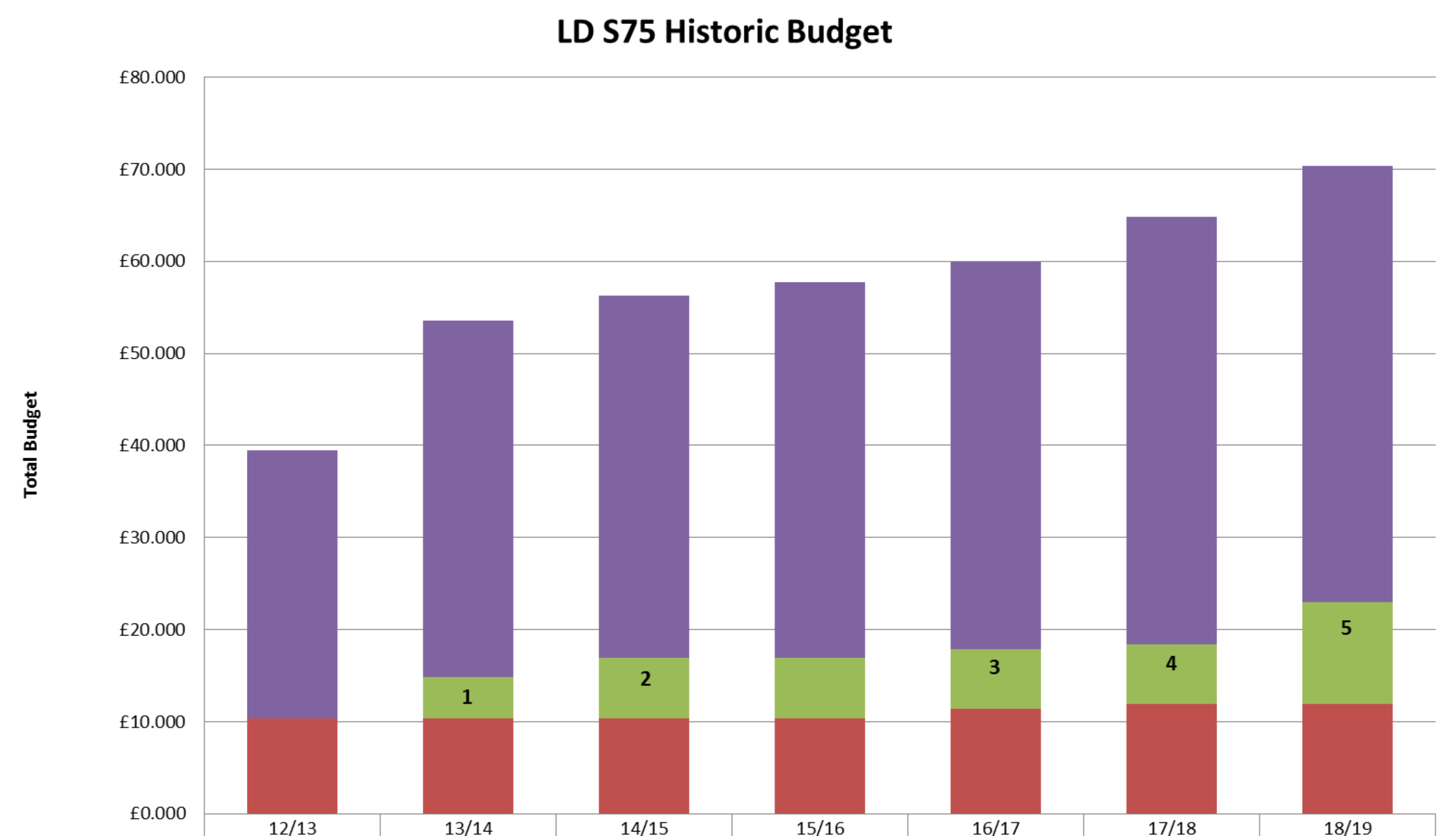
Background & Budget History

Background

- Original Agreement in place since 31st March 2015
- Annual Change to Finance Schedule
- Agreement due to expire 31st March 2020
- Value of the agreement has risen by 22% since implementation
- Some changes to agreement
  - CHC cost split
  - Review of S117 cases and cost split
- Agreement is governed by Joint Delivery Board which meets monthly
- Represents 30% of the total value of Lincolnshire BCF

Background & Budget History



	12/13	13/14	14/15	15/16	16/17	17/18	18/19
LCC Contribution	£29.104	£38.719	£39.333	£40.766	£42.021	£46.429	£47.376
ITF/BCF/iBCF	£0.000	£4.400	£6.525	£6.525	£6.525	£6.525	£11.053
CCG Contributions	£10.400	£10.400	£10.400	£10.400	£11.400	£11.900	£11.900

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Background & Budget History

Budget History

- Funding originally split between LCC and CCG inputs
- BCF is now intrinsically linked within financial the financial structure of the agreement

1. Original ITF funding of £4.400m in 2013/14
2. Addition of BCF funding of £2.125m in 2014/15
3. Increase in CCG CHC contributions of £1.000m in 2016/17
4. Increase in CCG CHC contribution £0.500m in 2017/18 (via risk agreement)
5. Addition of iBCF funding of £4.411m in 2018/19 (plus inflation on the first two allocations)

- All BCF Funding (£11.053m) is allocated to the base budget
- Reporting is therefore based on the total fund, it is not possible to report against specific lines of funding except CHC & LCC spend
- LCC base Funding has increased by 16% (£6.610m)
- CCG base funding by 15%

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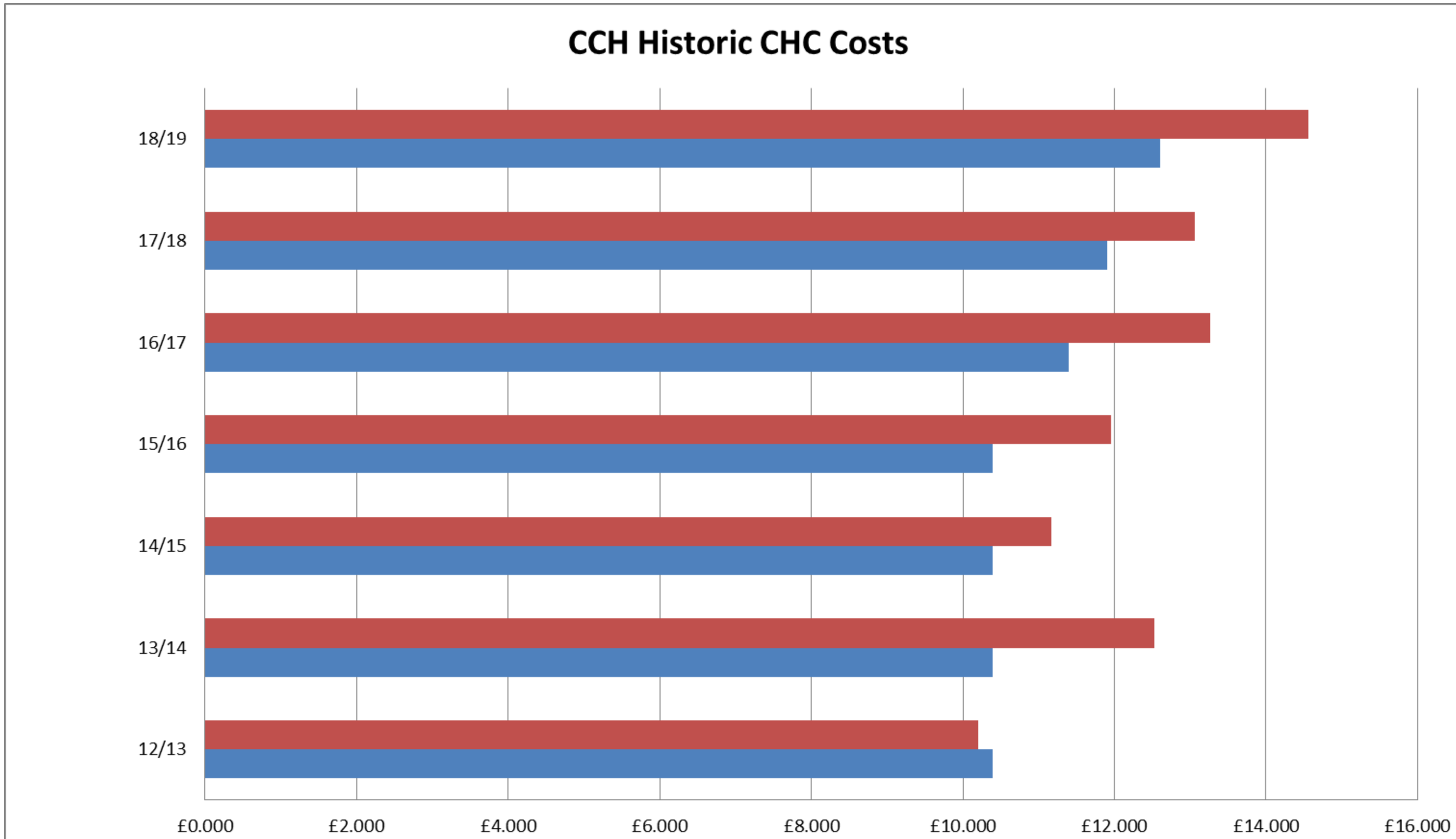
Background & Budget History



	12/13	13/14	14/15	15/16	16/17	17/18	18/19
CCG Costs	£10.197	£12.525	£11.175	£11.954	£13.269	£13.061	£14.558
CCG Contributions	£10.400	£10.400	£10.400	£10.400	£11.400	£11.900	£12.600

Background & Budget History

Budget History

- CHC costs have mostly outstripped CCG investment
- LCC has underwritten the shortfall, effectively operating ultra vires for a number of years
- New finance schedule removes this anomaly with agreement to fund any costs over and above £12.6m (includes additional £0.700m via iBCF)
- It is important therefore that CHC costs represent value for money for the additional investment.

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Current Analysis

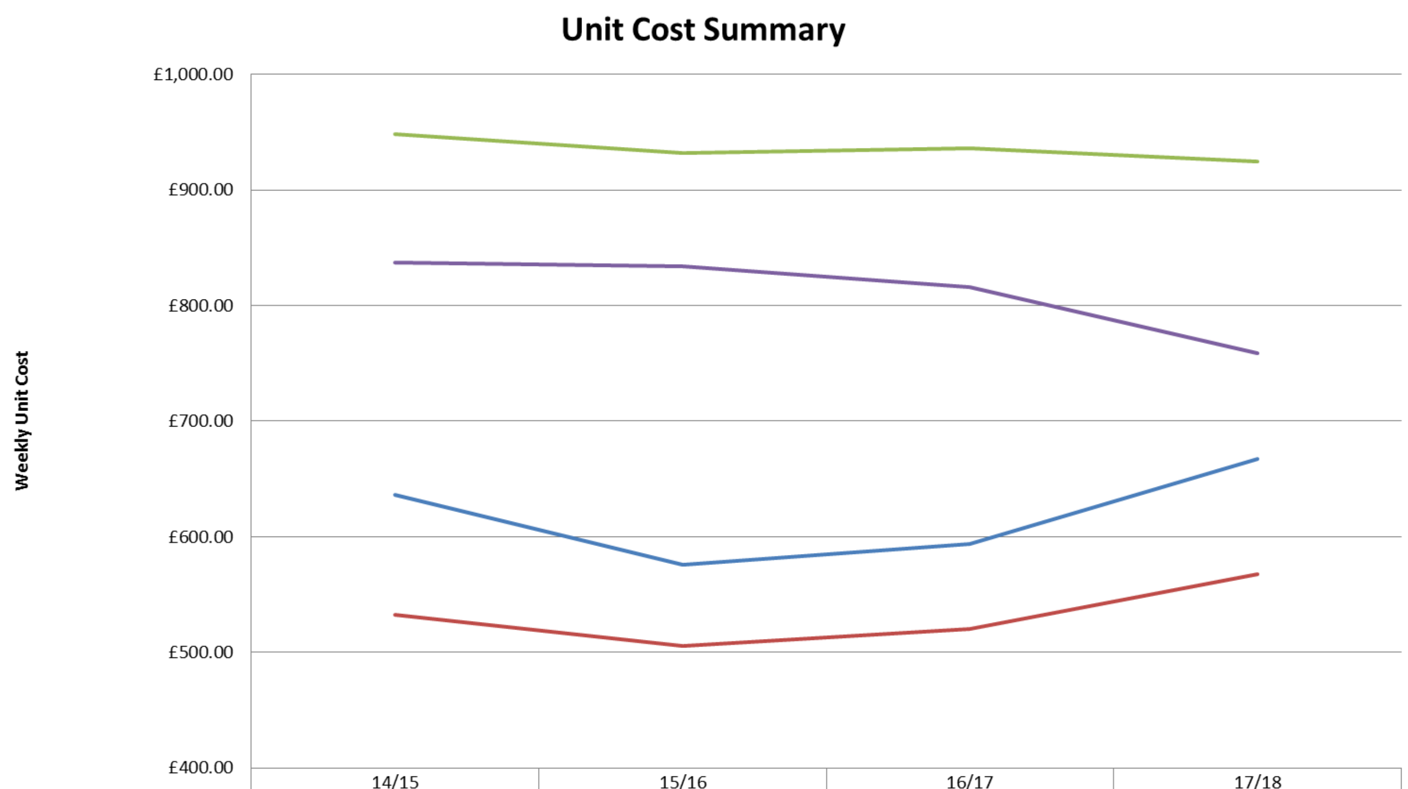
- Analysis presented last year has been revisited
- Apply the full year effect of 17/18 to get a four year assessment of costs
- Includes an analysis of 18/19 activity and costs to date
- 18/19 does not include future attrition, analysis is therefore a worse case scenario
- Data cleansing exercise to ensure all recharge lines have been removed and multiple packages of care and mid year changes in care packages does not skew the analysis
- Base data will be shared after this session

Current Analysis

- Overall LD S75 SU number has grown by 22% in 4 years to end of 2017/18
- Overall activity (packages of care) have grown by 27%
- Overall gross costs have increased 33%
- Overall average SU unit costs have only increased by 5% since 2014/15 and packages of care by 7%

- CHC activity increased by 20% overall
- CHC Packages of care have increased by 29%
- CHC gross costs have increased 17%
- However SU unit costs have fallen by 3% and package of care by 9%.

Current Analysis



	14/15	15/16	16/17	17/18
Total SU Unit Cost	£636.04	£575.44	£593.50	£667.55
Total Service Unit Cost	£532.83	£505.91	£520.46	£567.80
CCG SU Unit Cost	£948.33	£931.97	£935.64	£924.32
CCG Service Unit Cost	£837.20	£833.69	£815.68	£759.07

- This hides some interesting variation:-

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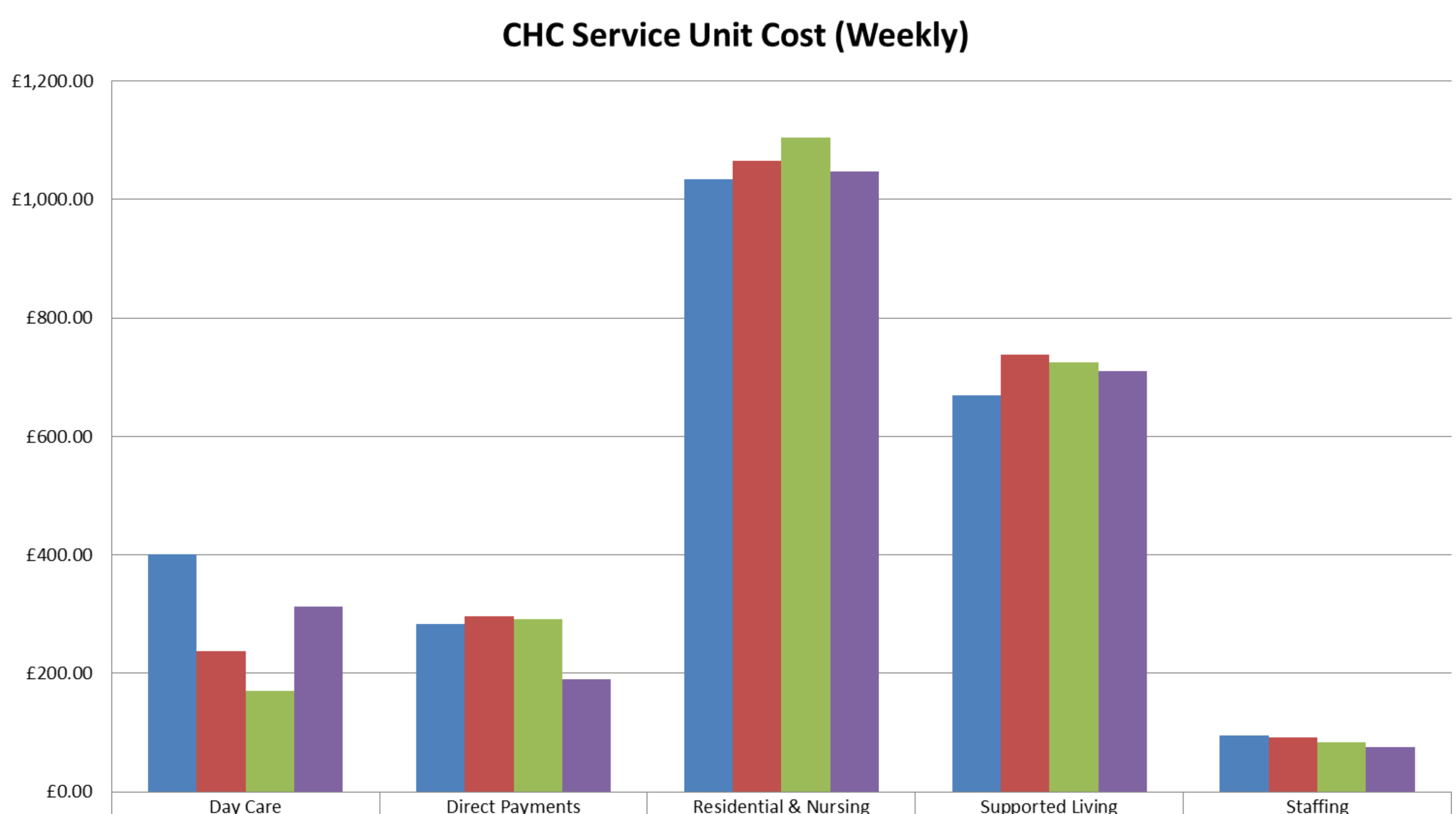
Current Analysis



	Day Care	Direct Payments	Residential & Nursing	Supported Living	Staffing
14/15	£401.07	£283.04	£1,034.89	£669.05	£95.53
15/16	£238.30	£295.64	£1,065.88	£738.04	£91.54
16/17	£170.62	£291.26	£1,105.10	£724.98	£83.09
17/18	£313.05	£189.88	£1,047.94	£709.81	£75.91

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Current Analysis

CHC Service Analysis

- 17/18 Unit cost reduces as a result of change in treatment of Joint Funded cases
- The impact of this is most marked with Direct Payments where the vast majority of CHC cases are joint funded
- Day care cost seem to fluctuate. A lot of these costs relate to package delivered in care home settings so those costs have been moved to residential in 18/19 along with the activity
- Residential and CSL unit prices have been less affected which suggests an underlying pressure in these areas.
- Staffing number have remained static therefore unit costs have reduced over time

Current Analysis

<u>18/19 Activity</u>

Despite these excellent results we cant afford to rest:-

- Significant increase in activity over the first six months of the year:-
  - 113 new packages of care in CSL and DP (6% of 17/18 total)
  - 58% were previously unknown to the service
- New packages are presenting with greater levels of complexity
- 93 packages have been increased on review
- Therefore packages are care are increasing

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Current Analysis

Total projected weekly unit costs for 18/19:

- Residential & Nursing - £932 (17/18 = £833)
- Community Supported Living - £721 (17/18 = £663)
- Direct Payments - £267 (17/18 = £255)
- Day Care - £279 (17/18 £200)

CHC projected weekly unit costs for 18/19:

- Residential & Nursing - £1034 (17/18 = £1045)
- Community Supported Living - £750 (17/18 = £710)
- Direct Payments - £247 (17/18 = £190)
- Day Care - £422 (17/18 £313)

Again worst case scenario

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Current Analysis

Even on in this basis:-

- Total unit cost increase over 5 years is 12%
- CHC unit cost increase over 5 years is -2%

- General inflation has increased by 9% over same period
- NMW/NLW has increased by 20.46%
- LCC LD Residential Rate staffing costs represent 60% of total cost on average

However we will still need to look at future trends

- CSL
- DP
- Day Care

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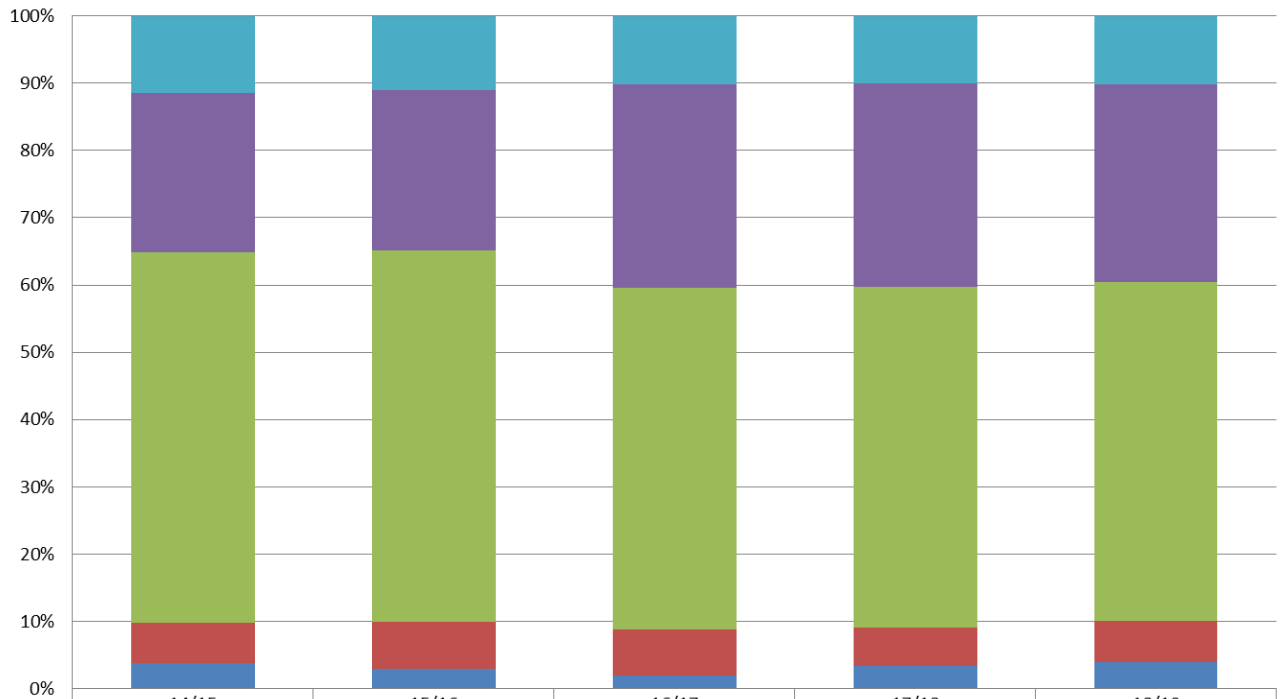
Current Analysis

S75 Gross Cost %



	14/15	15/16	16/17	17/18	18/19
Staffing	11%	11%	10%	10%	10%
Supported Living	24%	24%	30%	30%	29%
Residential & Nursing	55%	55%	51%	51%	50%
Direct Payments	6%	7%	7%	6%	6%
Day Care	4%	3%	2%	3%	4%

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Current Analysis

- Residential & Nursing cost represented 51% of totals costs in 2017/18, a reduction of 4% over four years.
- 18/19 Projection is 50%
- Anecdotal evidence suggests that LA's should spend no more than 40% of total cost on Residential & Nursing Care

- Focus on ensuring that SU are placed in the community rather than in residential units
- Direct Payments even better

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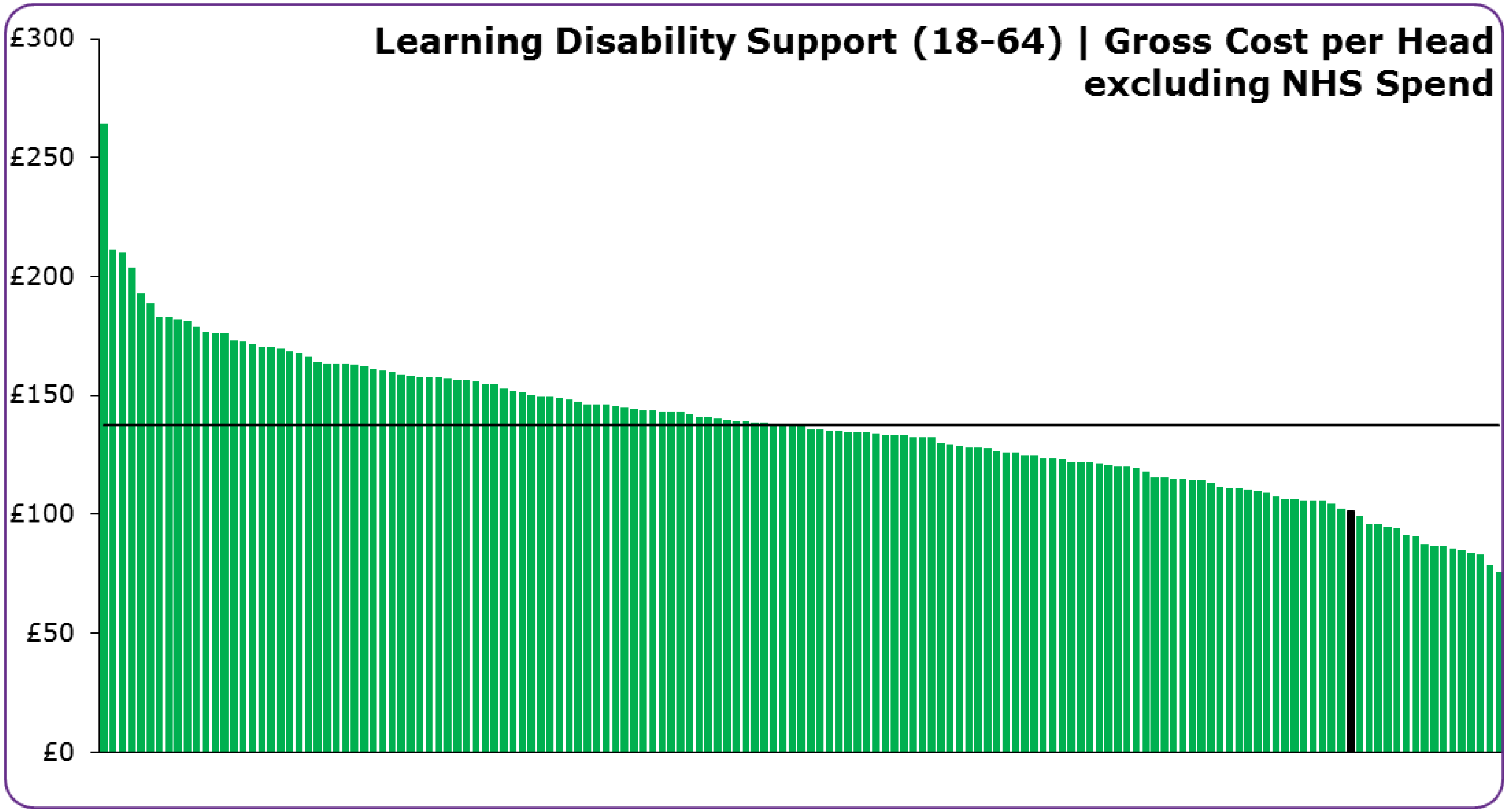
Benchmarking

- Lincolnshire LD costs have been consistently one of the lowest regionally and nationally
- Data is based in ASC-FR Statutory report from CIPFA Benchmarking club
- Data analysed by
  - All members
  - Nearest Statistical Neighbour
  - Counties

Benchmarking (All 151 Councils)



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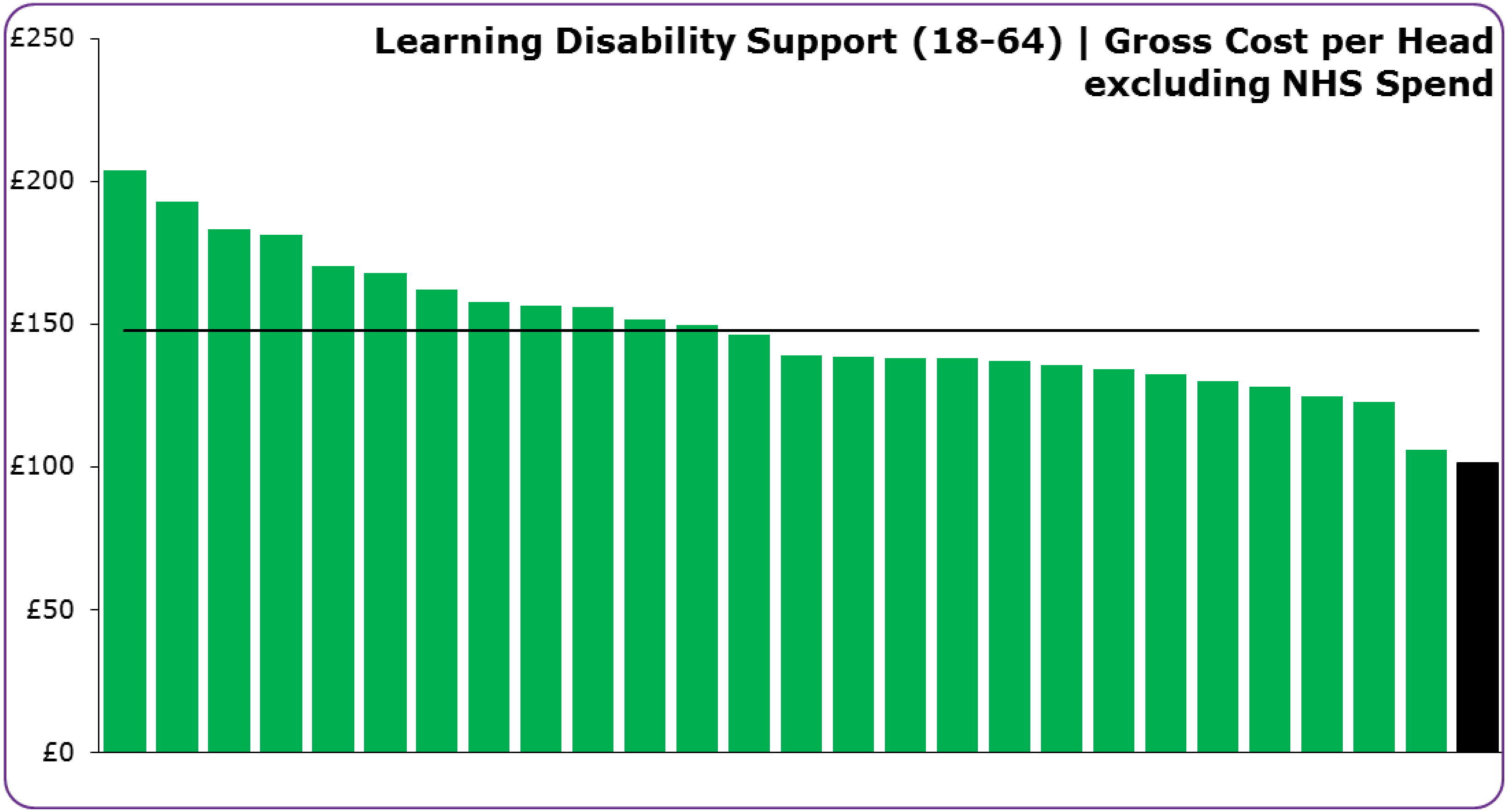
Benchmarking (By County)



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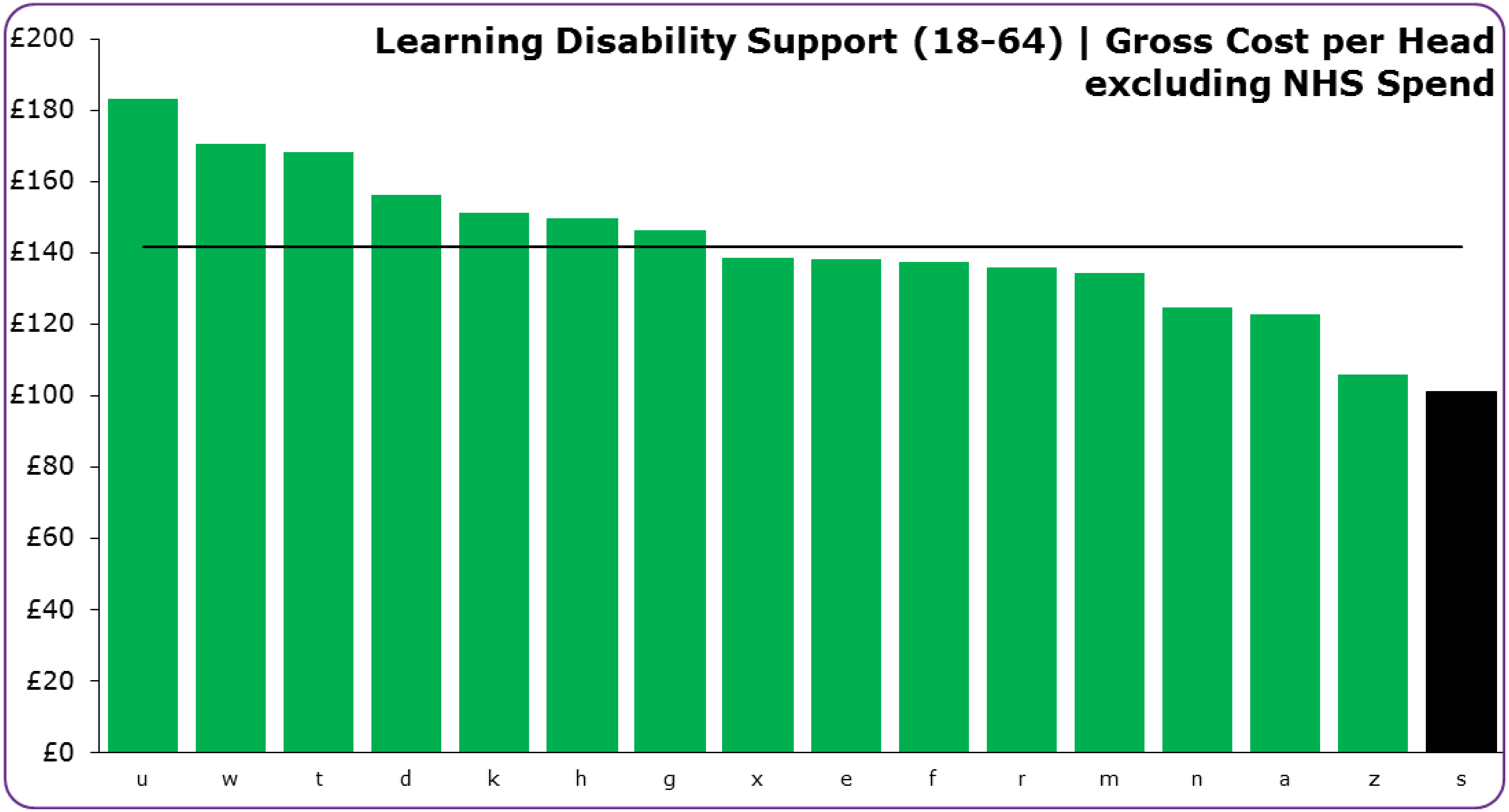
Benchmarking (By Statistical Neighbour)



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Comments?

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