

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

Report to:	Adults and Community Wellbeing Scrutiny Committee
Date:	16 January 2019
Subject:	Adult Care & Community Wellbeing Budget 2018/19

Summary:

This report describes the Council's budget proposals for Adult Care & Community Wellbeing (AC&CW).

This report describes the basis on which proposals have been developed and their impact on services.

Actions Required:

Adults and Community Wellbeing Scrutiny Committee is asked to note and provide comments in relation to the proposed AC&CW budget set out in this paper.

1. Background

This report sets out a one year financial plan for revenue budgets to take the Council to the end of the four year funding deal from government.

The Council continues to face 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 some contractors the National Living Wage.

The budget process carried out a year ago considered budgets for both 2018/19 and 2019/20. This year, the 2019/20 budgets have been reviewed in the light of the latest available information to arrive at the proposals set out in this report. In developing its financial plan the Council has considered all areas of current spending, levels of income and council tax plus use of one-off funding (including use of reserves and capital receipts) to set a balanced budget.

In developing a single year financial plan the Council has considered all areas of current spending, levels of income and council tax plus use of one-off funding (including use of reserves) to set a balanced budget.

All areas of service expenditure have been reviewed to identify cost pressures which must be funded and savings which can be made, through efficiencies and by reducing the level of service provided. The Council remains aware of its high priority areas, but no service has been exempted from helping the Council to deliver its savings target. These high priority areas are:

- Safeguarding children and adults;
- Maintaining and developing highways and infrastructure;
- Managing flood risks;
- Supporting communities to support themselves; and
- Fire and rescue services.

Adult Care & Community Wellbeing (AC&CW)

Adult Care & Community Wellbeing is organised into five commissioning strategies, these being:

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

The Adult Care budget is set in the context of increasing demographic 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 and 'sleep-in' rates.

The increasing strategic importance of the Better Care Fund (BCF) has meant that the impact to AC&CW now has to be reflected in service finances, with a detailed exercise undertaken in 2017/18 to incorporate all schemes funded via the BCF into the AC&CW budget. This reflects the fact that BCF has a growing influence on how AC&CW pressures are funded in the Council with it being the only means in which the vast majority of pressures identified below will be funded over this budgeting period.

Revenue budgets for AC&CW in 2019/20 are shown in TABLE 1 below together with the actual comparison for 2018/19.

TABLE 1: Adult Care & Community Wellbeing Revenue Budget

Commissioning Strategy Revenue Budgets	2018/19 £m	2019/20 £m
Adult Safeguarding	4.187	4.229
Adult Frailty, Long Term Conditions & Physical Disability	120.733	120.804
Carers	2.464	2.389
Adult Specialities	65.594	71.637
Wellbeing	27.174	27.279
Budget Requirement	220.152	226.338

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

2. Adult Frailty & Long Term Conditions

The proposed budget for this commissioning strategy is £120.804m in 2019/20.

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. This commissioning strategy aims to ensure that eligible individuals receive appropriate care and support that enables them to feel safe and live independently.

The Adult Frailty and Long Term Conditions strategy is proposing to make savings of £6.015m in 2019/20.

Of the total savings identified in 2019/20, £4.635m reflect the removal of non-recurrent schemes funded via the BCF in 2018/19. The remaining £1.380m is a result of increased income derived from increases in service user contributions.

Pressures funded in 2019/20 (£5.768m) relate to increased demographic growth and additional pressure on provider unit costs brought about by increases in the National Living Wage, largely impacting upon residential and community based services.

3. Adult Specialities

The proposed budget for this commissioning strategy is £71.637m in 2019/20.

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.

Services delivering support for those with a learning disability and those with a mental health condition are done so via separate Section 75 agreements between the Lincolnshire Clinical Commissioning Groups (CCGs) and Lincolnshire Partnership NHS Foundation Trust (LPFT) respectively.

Adult Specialities strategy is proposing to make savings of £2.891m in 2019/20. Within this strategy there are also proposed cost pressures of £8.833m in 2019/20.

Of the total savings identified in 2019/20, £0.669m is a result of increases in service user contributions and £2.222m due to the removal of one-off BCF funds.

Pressures funded in 2019/20 relate to increased demographic growth and additional pressure on provider unit costs brought about by raises in the National Living Wage for residential and community based services for those with a learning disability (£6.471m). £1.000m replaces the additional cost of increases to "Sleep-in" and "Waking Night" costs that have increased as a result of a HRMC ruling; these were previously funded via the BCF. £0.600m is to fund the additional cost borne by LPFT for the delivery of community mental health services on behalf of the Council.

4. Community Wellbeing

The proposed budget for this commissioning strategy is £27.279m in 2019/20.

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

The Wellbeing strategy is proposing to make savings of £0.181m in 2019/20, with a cost pressure of £0.242m.

Savings identified in 2019/20 are based on assumed savings following a proposed redesign and procurement of Housing related support services, with the cost pressures relating to a gap in the budget for the delivery of community equipment services against the contract value.

5. Safeguarding Adults

The proposed budget for this commissioning strategy is £4.229m in 2019/20.

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.

The Adult Safeguarding strategy is proposing to make savings of £1.000m related to Deprivation of Liberty Safeguards (DoLs). Within this strategy there are also proposed cost pressures of £1.006m in 2019/20 the majority also linked to DoLs.

The recent increase in investment within this strategy is as a direct result of the Cheshire West ruling in March 2014 with regards to DoLs. The assumption has always been that secondary legislation that is currently going through parliament will be passed at the end of this financial year and will mitigate the increase in demand brought about by the ruling. However current indications suggest that the revised legislation will not have the desired impact on current levels of activity and as such that funding is still required.

6. Carers

The proposed budget for this commissioning strategy is £2.389m in 2019/20.

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 Carers strategy is proposing to make savings £0.075m in 2019/20. Within this strategy there are no proposed cost pressures 2019/20.

Savings occur as a result of the withdrawal of non-recurrent BCF funds.

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.

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, the 2019/20 value is £25.771m;
- The announcement of iBCF supplementary funding in the Chancellor's March 2017 budget, the 2019/20 value is £4.111m;
- Winter pressure funding which was announced in the Chancellors 2018 budget will result in a further one- off payment of £3.368m. This will also be applied via the BCF rather than a Section 31 Grant.

On this basis the Lincolnshire BCF planning total in 2019/20 will total £242.284m. This is based on a number of assumptions based on the existing operating guidance in the absence of a national confirmation of BCF planning in 2019/20.

The most recent update by the regional Better Care Support Team in respect of the any new planning guidance stated that:

- The process for the 2019/20 BCF will be broadly the same as the 2017-19 planning guidance which suggests that 2019/20 will simply be a roll-forward of existing plans.
- There are still on-going debates at a national level regarding the value of minimum contributions via CCGs for 2019/20. Discussions are centred on a choice between an increase in funding linked to inflation or a link to the level of increase in NHS revenue. This will have an impact on the final value of the BCF in Lincolnshire.
- NHS Long Term Plan due mid-November, with BCF requirements and policy framework together with the NHS Operating Plan in early December. The Green Paper looking at the future funding of Adult Social Care is now likely to be published early next year.

- Departments are currently working on a review of the BCF; this is likely to influence how BCF funding will be delivered after 31 March 2020. The review will look into:
 - The purpose and role of the fund.
 - How funding flows can be managed in a way that is clearer and allows more focus on improving outcomes.
 - How the fund can be administered with fewer burdens to local systems.

There is still uncertainty about how local engagement will happen and plans are unlikely to be finalised until well into 2019.

8. Capital

Adult Care continues to revise its Capital Strategy and Investment Plan for 2019/20 as part of a renewal of its commitments to infrastructure developments.

AC&CW is able to call significant Capital reserves (£12.653m as at 1 April 2018) from social care capital grant allocated in previous years to invest in areas which it sees as having the maximum effect in meeting the changing needs of services over time.

Areas of investment over the next three years will include up to £10.3m in the delivery of new Extra Facilities across the County along with ongoing investment in areas such as a continuation of the day care modernisation programme and the developing countywide housing strategy.

9. Conclusion

The Adult Care and Community Wellbeing budget proposals reflect the level of government funding available to the Council. They are based on a thorough and comprehensive review of the services delivered. The budget proposals therefore aim to reflect the Council's priorities whilst operating with the resources available to it.

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