

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

Report to:	Adults & Community Wellbeing Scrutiny Committee
Date:	27 February 2019
Subject:	Adult Care & Community Wellbeing 2018/19 Budget Monitoring Report

Summary:

The Adult Care & Community Wellbeing (AC&CW) net budget is £221.006m. Based on current information available to 31 December 2018 it is estimated that AC&CW will produce an underspend of £0.642m for the financial year 2018/19.

Actions Required:

The Adult Care and Community Wellbeing Scrutiny Committee is asked to review the budget outturn projection for 2018/19.

1. Background

AC&CW is organised into five commissioning strategies, these being:

- Adult Frailty & Long Term Conditions
- Specialist Adult 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. Based on current information available to 31 December 2018 it is estimated that AC&CW will produce an underspend of £0.642m for the financial year 2018/19.

Adult Care & Community Wellbeing Budget Monitoring Report	Annual Budget (£m)	Projected Outturn (£m)	Over/(Under) Spend (£m)	%
Adult Frailty & Long Term Conditions (Service)	112.616	111.241	- 1.375	-1.22%
Adult Frailty & Long Term Conditions (Infrastructure)	7.788	7.183	- 0.605	-7.77%
Specialist Adult Services	65.808	67.036	1.228	1.87%
Safeguarding Adults	4.485	4.650	0.165	3.68%
Carers	2.464	2.438	- 0.026	-1.06%
Community Wellbeing	27.845	27.816	- 0.029	-0.10%
Total Adult Care & Community Wellbeing	£ 221.006	£ 220.364	- 0.642	-0.29%
PH Grant - Children's Services (info only)	9.698	9.198	- 0.500	-5.16%

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

The report will look at each area in turn.

1.1 Adult Frailty & Long Term Conditions (AF<C)

The Adult Frailty & Long Term Conditions Strategy brings together Older People (OP) and Physical Disability (PD) 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
- Infrastructure

The current budget for this Commissioning Strategy is £120.604m

a) AF<C Services

AF<C services budget currently totals £112.616m and the projected outturn based on current information is estimated at £111.241m an underspend of £1.375m or 1.23%.

The staffing budget for 2018/19 is £14.694 million. OP/PD is carrying a number of vacancies but recruitment is on-going and agency staffing is being used for backfill in certain areas, given the continued level of vacancies the staffing budget is projected to produce an underspend of £1.000m at year end.

The service is taking and applying learning from Children's Services successful recruitment campaign and has a more cohesive approach to recruitment with a rolling advert. This is starting to demonstrate growth and improvement in recruiting experienced registered staff where the greatest challenges are.

The Direct Payments budget is £18.188m across OP and PD services for Older Persons and it is projected that the budget will underspend by £0.542m.

Current activity is showing a reduction from the end of 2017/18. The client numbers were 1,866 across both areas as at the end of March last year, as at the end of December 2018 there are 1,593, but there are further annual payments to be made along with some new cases so this figure will increase.

Home Support budget for 2018/19 is £23.661m; this budget line includes all expenditure for Extra Care Housing and supported living. Current projection is that this budget will produce an overspend of £0.803m. The main areas of pressure are for PD services where the projected underspend is £0.695m and £0.324m for supported living cases. OP spend is expected to be slightly under budget.

The Long term & Short term Residential care budget for 2018/19 is £83.456m and placement activity remain stable. At this point it is projected that the budget will balance at the end of 2018/19.

Other budgets totalling £5.012m with AF<C (Service) include Care Beds which are purchased via a block contract, Workforce Development (Training) budget of £0.309m as well as the Reablement service, a number of BCF funded projects and costs relating to the remaining in-house Day Care Service in Stamford which has a budget £0.113m. Analysis to the end of December 2018 suggests that the above mentioned areas will produce a balanced budget at the end of the financial year.

b) AF<C 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<C for 2018/19 is £7.788m, at this time it is considered that it will produce an underspend of £0.605m of the total budget.

Areas of underspend include the Sensory Impairment contract this year due to re-charges totalling £0.169m, in the Business Improvement team (£0.050m), a reduction of £0.041m in staffing costs in the Quality Assurance team and a £0.220m underspend is projected within the Operations Adult Services and Specialist Adult services staffing teams.

The final underspend is due to a number of long running staffing vacancies and as a result a restructure of those two teams is expected in the coming months.

1.2 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

The total budget which also includes costs for the Council's in-house Day Care service (£2.580m) for 2018/19 is £65.808m, which includes an additional £2.2m into base budget from the Better Care Fund (BCF).

Current projections indicate that the budget will overspend this year by a total of £1.228m. Given the complexity and individual costs associated with service users supported within these budget areas, projections can be volatile given that a relatively small increase or decrease in service user activity can have a significant impact on the overall out-turn position. However, allowing for further new service starts, further attrition and a further increase in expected income we would not expect the overspend position to increase further.

As a result of the projected overspend within Learning Disability and Mental Health services a review of these service areas will be undertaken.

a) 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 net budget for the S75 is £57.128m.

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 £2.000m within this area, this will be dealt with via the risk share arrangements within the S75 Agreement. Hence this overspend that will be funded by the CCGs is currently not being reported as a pressure against the LCC budget.

As part of a review to consider the way in which cases supported via S117 of the Mental Health Act 1983 are managed and funded between the Council and the NHS there is a potential effect on the Adult Care and Community Wellbeing budget both in 2018-19 and, for future years. At this time it is not possible to estimate the financial impact of this change; however a provision for any potential costs will be added to the outturn once an indication of the cost is known.

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 increased costs have been built into the budget for supported living for 2018-19, the planned activity levels were set at the same level as 2017-18, however activity levels have surpassed the planning targets with more people meeting eligibility thresholds than anticipated. As with Direct Payments this is a budget pressure.

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 £1.899m 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 refunds.

b) Mental Health

The current budget for Mental Health is £6.100m 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 year's 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, the Mental Health Community Care budget is currently projecting an overspend of £0.699m for 2018/19.

There is also an on-going 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.

1.3 Safeguarding

The current budget for Safeguarding for 2018/19 is £4.485m, 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.

On that basis we expect the budget to overspend by £0.165m.

1.4 Community Wellbeing

The current budget for Community Wellbeing is £27.845m.

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 are 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 December 2018/19, it is projected that this area will have a small underspend of £0.029m for the year.

The majority of costs within the Wellbeing Strategy are funded via the Public Health Grant following the transfer of NHS Public Health duties to Local Authorities in April 2013; however the grant also funds a number of children's services most notably 0-5 and 5-19 services. The total budget assigned to these services is £9.698m and is illustrated in Appendix B for information only. It is expected that this element of the service will underspend by £0.500m.

1.5 Carers

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

The Carers Strategy aims to prevent or delay on-going 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 contact (£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.

As a result it is expected that the Carers budget will produce a small underspend of £0.026m.

1.6 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.

For members if it important to note that the BCF is subsumed into the Council's base budget, it is intended to support pressures within AC&CW and deliver on expected areas of performance.

This funding continues to support AC&CW pressures, most notably in 2019/20, although confusingly it may appear not to be the case.

1.7 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 £0.467m have been repaid in 2018/19 to date.

The 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 contributions 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 £16.151m, of this £11.9m is S75 income received from Health. Service user income and income from other local authorities equates to £4.251m. Residential income represents £2.3m which is 54% of the service user income target; the current projection is for a small shortfall of £0.014m.

The 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 contributions for Direct Payments, Supported Living and recovering surplus funds through Direct Payment Audits.

Overall income collection is expected to exceed targets by £5.528m of which £2.000m will come via CCGs to cover additional CHC costs described above, £1.415m above target for direct payment audit refunds and the remainder related to growth in service user contributions.

1.8 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.

1.9 Winter Pressures

Funding totalling £3.368m was allocated to the Council in 2018/19 following the Chancellor's October Budget Statement with a further allocation of £3.368m also allocated in 2019/20, although funding in that year will be distributed via iBCF.

Funding has to be used to "*alleviate winter pressures on the NHS, getting patients home quicker and freeing up hospital beds across England*". The funding is subject to regular government scrutiny regarding its use over the winter period with a condition that the fund must be fully utilised by 31 March 2019.

Funding is provided to 16 schemes in total including:

- One off schemes
- Proof of concept schemes
- Funding to offset budget pressures
- Funding to enhance existing services
- Already some interest from NHS colleagues on how funding is used which will increase when funding is delivered via iBCF
- Details of funding in the enclosed spreadsheet

A total of £1.160m has already been allocated over recent weeks and the Council is expected to fully utilise the funding by the end of the financial year.

A copy of the scheme list can be found in Appendix B.

2. Conclusion

The AC&CW outturn is projected to be £220.364m producing an underspend of £0.642m (0.29%) for the year ending 31 March 2019. This being the case it would be the seventh year in succession that AC&CW has been able to live within its budgeted allocation.

3. Consultation

a) Have Risks and Impact Analysis been carried out??

No

b) Risks and Impact Analysis

N/A

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	AC&CW Budget Monitoring Analysis December 2018
Appendix B	Winter Pressures Scheme List 2018/19

5. 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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