

Learning Disability – Section 75 Agreement



Agenda Item 6

Learning Disability – Section 75 Agreement

The Learning Disability (LD) Section 75 (S75) is a commissioning agreement which creates

- a pooled budget,
- a lead commissioner, and
- provides an integrated assessment and care management function for Adult Social Care and Continuing Health Care.

LCC are the current and proposed host for the pooled budget and lead commissioner

What is commissioned

2021/22 LD Section 75 Gross Budget	%
Supported Living Expenditure	38.3%
Residential & Nursing	38.2%
Direct Payments	15.7%
Staffing Expenditure	3.7%
Day Care Expenditure	2.8%
Transport Expenditure	1.1%
Misc Expenditure	0.1%
Total	100.0%

Value of Pooled Budget for 2022-23

The table below shows the expected annual cost of the forecast 2,506 packages of care by both service type and commissioner

Page 4

	No. of People	Residential	Community Supported Living	Direct Payment	Day Care	Respite	Total	CCG Cost per year	LCC Cost per year
NHS Fully Funded	121	6,575,677	3,897,610	1,415,418	419,465	127,659	12,435,829	12,435,829	
S117	18	1,165,543	920,797				2,086,340	1,043,170	1,043,170
Joint Funded Packages	176	6,270,364	4,902,933	1,268,020	174,302	80,075	12,695,694	4,443,493	8,252,201
Social Care Funded	2191	17,328,969	25,549,038	9,637,163	1,793,271	1,331,020	55,639,461		55,639,461
Staffing							3,246,726	1,623,363	1,623,363
Total	2,506	31,340,553	35,270,378	12,320,601	2,387,038	1,538,754	86,104,050	19,545,855	66,558,195

Section 75 Agreement – Individual Benefits

- A more joined up experience of care for Adults with a Learning Disability.
- Identified Key Worker.
- Single Care and Support Plan.
- Integrated approach to quality assurance of care.
- Strong Assessment and Review performance.
- Promoting and support integrated working and involve key stakeholders in service development.

Section 75 Agreement – Other Benefits

- Sharing the cost of the assessment and care management functions 50/50.
- Agreed formula for sharing the cost of packages of care – therefore reduced need to negotiate funding of individual cases FFCHC = 100% JF = 65/35 FFASC= 100%
- Ensuring a stable market that meets local needs exists.
- Ongoing good working relationships with Lincolnshire Clinical Commissioning Group, within a legally described and formalised framework.
- Ahead of the game in terms of wider Integrated Care System Working.

Section 75 Agreement – Details

- Partners: Lincolnshire County Council & Lincolnshire Clinical Commissioning Group.
- LCC acts as Lead commissioner and host for pooled budget – this includes provision of integrated assessment and care management functions.
- Proposed new Section 75 same as existing but revised share of S117 Costs and with flexibility to develop a Complex Case Section 75 in future 35/65.
- Endorsed by Learning Disability Partnership Board.
- CCG taking through parallel governance process.

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Residential & Nursing Care



Service Overview

- Annual total spend of approx. £125m
- In excess of 2,500 placements at any one time
- One of the council's highest spend and risk areas
- Typically, 3-year contract length
- Single year in 2021/22 due to Covid
- Programme of review work undertaken to determine new arrangements from 1st April 2022

Programme of Review

- Independent review of the market by Care Analytics
- Review of the Usual Cost model
- Review of contract and specification
- Consideration of the move to Gross payments during 2022/23
- Development of a proposal for new Usual Cost(s)
- Engagement with the market

Findings from Independent Review

- Existing basis for rate construction remains feasible
- Growth in the Older People sector coming exclusively from larger organisations who focus on the self-funder market
- Mental Health and Physical Disability markets are too small for generalised analysis, recommended a further programme of work to review these rates
- Recommendation to give consideration to additional or distinct purchasing models for highly used strategic Learning Disability providers

Other Determining Factors

- Covid-19
- Volatility in the utilities and insurance markets
- Therefore, recommendation is to:
 - Establish Usual Costs for next 12 months
 - 3-year contract term with an annual rate review for years two and three

Cost Modelling

- Output from Care Analytics has enabled further development of the cost model
- Wage rates increased to reflect the 6.6% increase in National Living Wage
- Rates includes impact of National Insurance increase
- Non-pay costs increased by 4%
- Proposal to be shared with the Market

Market Engagement

- November 2021: Care Analytics Reports shared
- December 2021: Details of the proposed rates shared
- Comments were received from:
 - 23 individual provider organisations
 - Representing 14.5% of existing contracted provider market and 34% of Care Homes
 - LinCA

Market Engagement - Main Themes

- Rising cost of utilities presenting a significant risk
- Rising cost of insurance
- National Insurance increase from 1st April
- Workforce challenges

Outcome

- Publication of Market Sustainability and Fair Cost of Care Fund
- Increase to rates proposed in consideration of responses received
- Establishment of Hardship Fund to address volatile aspects – utilities and insurance
- Establishment of a programme of work to consider
 - Block purchasing
 - Review of specialist sectors

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