

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

Report to:	Adults and Community Wellbeing Scrutiny Committee
Date:	10 January 2018
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 two year financial plan for revenue budgets to take the Council to the end of the four year funding deal from government. This is the first time in four years the Council has been able to develop budget plans for more than the next financial year.

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.

Uncertainty around government funding beyond the four year funding deal (which runs from 2016/17 to 2019/20) means the Council does not consider it practicable, at present, to develop sustainable long term financial plans into the next decade.

In developing its two 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 Council is currently in the process of reviewing fees which will have an impact for the next three years with the challenge of ensuring that the financial impact of any increases are set within the available budget and remove the risk of the Council having to use its own budget.

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 recently undertaken 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 2018/19 and 2019/20 are shown in TABLE 1 below together with the actual comparison for 2017/18.

TABLE 1: Adult Care & Community Wellbeing Revenue Budget

Commissioning Strategy Revenue Budgets	2017/18 £m	2018/19 £m	2019/20 £m
Adult Frailty & Long Term Conditions	120.296	120.598	122.123
Adult Specialties	62.114	65.510	68.259
Community Wellbeing	27.131	27.152	29.992
Adult Safeguarding	4.146	4.167	4.189
Carers	2.304	2.464	2.389
Total Net Budget	215.991	219.891	226.952

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

a) Adult Frailty & Long Term Conditions

The proposed budget for this commissioning strategy is £120.598m in 2018/19 and £122.123m 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 £6.471m in 2018/19 and £5.007m in 2019/20. Within this strategy there are also proposed cost pressures of £6.639m in 2018/19 and £6.397m in 2019/20.

Of the total savings identified in 2018/19 £5.398m reflect the removal of non-recurrent schemes funded via the BCF in 2017/18 and to reflect a reduction in the minimum expected CCG BCF contribution. The remaining £1.073m is a result of increased income derived from increases in service user contributions (£0.853m) and the removal of unallocated budgets (£0.220m).

2019/20 savings also relate to the removal of non-recurrent schemes funded via the BCF in 2018/19 (£4.635m) and increases in income derived from increases in service user contributions (£0.372m).

Cost pressures funded in 2018/19 and 2019/20 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.

b) Adult Specialties

The proposed budget for this commissioning strategy is £65.510m in 2018/19 and £68.259m 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 Foundation Trusts (LPFT) respectively.

The Adult Specialities strategy is proposing to make savings of £0.647m in 2018/19 and £2.656m in 2019/20. Within this strategy there are also proposed cost pressures of £3.994m in 2018/19 and £5.354m in 2019/20.

Of the total savings identified in 2018/19 £0.547m is a result of increased income derived from increases in service user contributions (£0.227m) and the removal of one off BCF funds (£0.320m). £0.100m relates to reduction in waking nights and

sleep in costs via the increased use of assistive technology in service users homes.

Pressures funded in 2018/19 and 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.

An element of the cost pressures for the Adult Frailties and Adult Specialities strategies relates to an increase in contract costs for Social Care Transport services, which have a direct relationship to national living wage levels. There are proposed cost pressures of £0.075m in both financial years to meet the Council's obligation to pay staff and some contractors the central government set national living wage.

c) Community Wellbeing

The proposed budget for this commissioning strategy is £27.152m in 2018/19 and £29.992m 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 are 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 (there are no savings proposed for 2018/19). Savings identified in 2019/20 are based on assumed savings following a proposed redesign and procurement of housing related support services.

d) Safeguarding Adults

The proposed budget for this commissioning strategy is £4.167m in 2018/19 and £4.189m 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 in 2019/20 (there are no savings proposed for 2018/19). Within this strategy there are also proposed cost pressures of £0.006m in 2018/19 and £1.006m in 2019/20.

The recent increase in investment within this strategy is as a direct result of the Cheshire West ruling in March 2014 with regards to Deprivation of Liberty Safeguards (DoLs). The assumption has always been that legislation would be passed that would significantly mitigate the impact of the ruling from 2019/20 onwards, however the impact of the recent General Election has meant that such legislation is now less likely to be implemented quickly and as such it is prudent to assume that current levels of activity will now continue beyond 2019/20.

e) **Carers**

The proposed budget for this commissioning strategy is £2.464m in 2018/19 and £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 of £0.415m in 2018/19 and £0.075m in 2019/20. Within this strategy there are also proposed cost pressures of £0.575m in 2018/19. Both result from additional non recurrent BCF funding and then the subsequent withdrawal of those funds in the following year.

f) **Better Care Fund**

The Lincolnshire Better Care Fund (BCF) is a framework agreement between Lincolnshire County Council and the four 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 2017/18 was £226m which includes £54.817m that was allocated to the Lincolnshire BCF from the Department of Health. In 2018/19 the total pooled fund will be in the region of £235m with £56.165m being the national allocation to the Lincolnshire BCF. Allocations for 2019/20 are still to be determined although it is anticipated they will be of a similar value to 2018/19.

Lincolnshire's fund is one of the largest in the country and includes pooled budgets for Learning Disabilities, Children and Adolescent 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 £42.126m over three years (£14.249m in 2018/19 and £25.771m in 2019/20); and
- The announcement of iBCF supplementary funding in the Chancellor's March 2017 budget. This provides an additional £28.985m in three years (£9.607m in 2018/19 and £4.111m in 2019/20)

There is a requirement to ensure that the funding has a positive impact on performance in the areas of Delayed Transfers of Care and Non-Elective

Admissions. This has been reflected in our plans with NHS colleagues and thus in the two year BCF Plan.

The resulting Narrative Plan and the related Planning Templates for the two years 2017- 2019 were submitted to NHS England on in September 2017 and approved without conditions on 30 October 2017.

The BCF is governed via a framework agreement between the Council and the Lincolnshire CCGs ('The Partners'). This agreement, delivered via a Section 75 agreement sets out the terms on which the Partners have agreed to collaborate in order that they can secure the future position of health and social care services over the two years that the plan is in place.

g) Capital

Adult Care continues to revise its Capital Strategy and Investment Plan for 2018/19 as part of a renewal of its commitments to infrastructure developments.

AC&CW is able to call significant Capital reserves (£13.410m as at 1 April 2017) 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.

2. 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.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. 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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