

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 2017/18 Outturn Projection

Summary:

The Adult Care & Community Wellbeing (AC&CW) net budget is £216.229m. Based on current information available to 31 October 2017 it is estimated that AC&CW will produce an underspend of £0.221m or 0.10% of the overall budget.

The increasing strategic importance of the Better Care Fund (BCF) has also meant that the impact to AC&CW now has to be reflected in service budgets.

Actions Required:

Adults and Community Wellbeing Scrutiny Committee is asked to note the budget outturn projection for 2017/18.

1. Background

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

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

An analysis of the AC&CW budget and projected outturn for 2017/18 is illustrated below and includes the impact of the BCF. Based on current information available to 31 October 2017 it is estimated that AC&CW will produce an underspend of £0.221m or 0.10% of the overall budget of £219.789m

Adult Care & Community Wellbeing Total	Annual Budget	Spend to Date	Projected Outturn	Over/(Under) Spend	% Over/(Under) Spend
Adult Frailty & Long Terms Conditions (Service)	£ 106.359	£ 48.490	£ 106.180	-£ 0.179	0%
Adult Frailty & Long Terms Conditions (Infrastructure)	£ 14.676	£ 2.490	£ 14.103	-£ 0.573	-4%
Specialist Adult Services	£ 62.114	£ 37.526	£ 62.256	£ 0.142	0%
Carers	£ 2.304	£ 0.792	£ 2.305	£ 0.001	0%
Safeguarding Adults	£ 3.656	£ 1.968	£ 3.825	£ 0.169	5%
Public Health	£ 27.121	£ 14.181	£ 27.340	£ 0.219	1%
Total	£ 216.229	£ 105.448	£ 216.008	-£ 0.221	-0.10%

In addition to this Adult Care also has a capital budget in 2017/18 of £3.66m.

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 budgets, with a detailed exercise undertaken over the summer and autumn months to incorporate all schemes funded via the BCF into the AC&CW budget in 2017/18 onwards.

This reflects the fact that the 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 the next two years.

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

2. Adult Frailty & Long Term Conditions (AF<C)

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. Activities within this area include:

- Reablement and Intermediate Care
- Domiciliary Care
- Direct Payments
- Community Support
- Extra Care Housing
- Residential Care
- Dementia Support Services
- Assessment & Care Management and Social Work Service
- Adult Care Infrastructure

The current budget for this commissioning strategy is £121.034m.

a) Adult Frailty & Long Term Conditions - Service

The current budget for this element of the AF<C for 2017/18 is £106.359m, at this time it is considered that it will produce a small underspend of £0.179m or 0.17% of the total budget. For the purposes of this report the outturn is analysed separately between Older People Services and Physical Disability Services.

BCF funding totalling £12.750m has been allocated to AF<C (Service) funding a wide number of schemes including an element of the Lincolnshire Assessment and Reablement Service (LARS), market stabilisation schemes, trusted assessors and dementia family support services.

i. Older People Services

Direct Payments continues to see growth from 841 clients at the end of March to 1,147 clients by the end of October 2017 with the average cost per case totalling £6,924 per annum. The overspend for direct payments is projected to be in the region of £0.312m.

Home Support activity remains lower following the transition to Prime Provider Contracts, though there has been some growth. The underspend of £1.924m offsets overspends in Day Care and Direct Payments. There have been capacity payments agreed to assist providers and these are paid quarterly but this is funded from the BCF.

Long term residential care numbers are projected to be similar to 2016/17, approximately 1,300 new long term placements. Short Term Care for the second consecutive year is underspending, the new practices introduced in 2016/17 to ensure service users are not in STC in most cases over eight weeks is now fully embedded into the service and partially off sets the overspend in LTC. It is projected that there will be an overspend of £1.702m in residential budgets.

ii. Physical Disability Services

Budget pressures continue to grow especially in services delivered via Direct Payments. The budget was increased to allow for the pressures brought by Independent Living Fund (ILF) funding transferring and the grant that received enables this increase. 2017/18 has seen an 8.6% growth in numbers and the projected overspend is £1.300m. The average package is now costing £11,514 per annum.

Home Support has started to see some growth in hours and this is likely to show an overspend of £0.236m by the end of the financial year and Supported Living continues to grow and will be £0.230m overspent.

Residential/Nursing placements, the long term care placements are currently projected on target and an underspend of £0.044m on Short Term Care (STC).

iii. Other Budgets

Other budgets with AF<C (Service) include Intermediate Care Beds which are purchased via a block contract, Workforce Development and Training teams as well as the reablement service provided by Allied Healthcare and costs relating to the remaining in-house day care service in Stamford.

Analysis to end of October suggests that these areas will balance their budgets at the end of the financial year.

iv. Income

Direct Payment service user income is below target, currently only half of service users receiving a Direct Payment pay a service user contribution. The average contribution being £1,640 per year, the current shortfall is projected at £0.137m.

Direct Payment Audit income continues to exceed targets and it is projected to be £0.436m over target by the end of the financial year and this is with an allowance for bad debts.

Fairer Charging income is showing a considerable shortfall of £0.605m, this is largely due to a combination of financial assessment delays and reduced service demand which is reflected by the underspend in the expenditure budget of Home Support.

Residential and Nursing income is £0.480m over target and this reflects the activity in long term care. Debtor income which is largely related to income where property can be assessed on is currently on target. Quarter one debtor review was only partially completed at end of August with a priority given to deferred payments cases. Quarter two will combine any other debtor review cases that were not addressed in Quarter one due to resourcing issues in Serco.

Overall income for Older People is projected to be £0.611m over target.

b) Adult Frailty & Long Term Conditions (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 2017/18 is £14.676m, at this time it is considered that it will produce an underspend of £0.573m or 3.90% of the total budget. The budget has increased by £8.799m due to the transfer BCF funds into base budgets.

The current budget also includes an additional £0.646m which represents the 2016/17 1% carry forward that was approved by members earlier this year. As Adult Care continues to incur a number of both one off and new continuing pressures each year we also hold an unallocated expenditure budget within the Director's area to ensure these pressures can be met wherever possible. The 1% carry forward has been added to this budget.

Whilst there are a number of lines of expenditure already earmarked to be supported, it is anticipated at this stage of the year that approximately £0.430m of this budget will be unspent this financial year.

Agreed areas of additional spend for 2017/18 as at October 2017 include additional cost for business support, Children's carers, Mental Health resilience training and further commercial team support.

There are also small savings within the Quality Assurance team as staff vacancies are yet to be filled, but this has been taken up by the additional staff costs within the Brokerage team for the year.

There was also a transfer of £0.180m to Infrastructure from Business Support in the last year that related to CSC staff costs that have now been transferred to Serco. It is envisaged that the majority of this budget will be unspent this year and will form part of the Adult Care savings for the 2018/19 budget.

3. 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
- Adult Supporting Adults
- Transport
- Assessment and Care Management and Social Work Service
- Section 75 agreement with Lincolnshire Partnership Foundation Trust for Mental Health Services

The current budget for this commissioning strategy is £62.114m, and at this time it is considered that it will produce a small overspend of £0.142m or 0.22% of the total budget. The budget includes a £9.395m allocation of BCF funds included in its base budget.

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, Clinical Commissioning Group (CCG) contributions and BCF income.

The total budget which also includes costs for the Council's in-house day care service for 2017/18 is £53.240m. Current estimates suggest that the budget will overspend by £0.142m.

Direct Payments are now projecting an overspend of £0.242m for the year. This increase is down to two reasons. Firstly, there was a higher than anticipated cost due to a large influx of new packages agreed during the summer months relating to

school and college leavers. Whilst we do build growth into the budget each year the new packages coming through this summer were more than in previous years.

We have also built in an estimate for the additional cost of the night rate payments that will affect clients who have direct payments who have Personal Assistants. However this has been partially offset by a number of de-commitments in this area.

Supported Living budgets are currently projected to overspend by £0.529m this year. There have been a number of changes to packages coming through panel in the last few weeks that have seen some large increases in the number of hours required. These have been over and above the growth already built into the budget so has caused a real pressure in this area.

Two new schemes are set to start later this year, once the financial impact of this is known it will be added into the projections. However, as we have already witnessed activity increased substantially more than anticipated in both 2015/16 and 2016/17, further work is ongoing to try to understand any potential budget pressure in this area for 2017/18.

Residential activity has seen an increase in new placements compared to the same time last year but with no service de-commitments. In addition to this the service has also incurred a further £0.150m of costs as a result of weekly fee increases. The outcome of these changes is a current projected overspend of £1.167m for Residential Care for this financial year.

Short Term Care is currently showing on target but this may increase for the cases that require services where Community Supported Living is not available.

Continuing Health Care (CHC) cases made on behalf of Lincolnshire Clinical Commissioning Groups (CCGs) are also expected to grow this year. CCGs contribute £11.400m to the Council as part of the S75 agreement. However CHC costs for 2017/18 are expected to be in the region of £12.543m. As a result the CCGs will commit an additional £0.500m as per the S75 risk share agreement to offset some of this additional cost.

Income is projected to outperform budgeted expectations by £1.400m, with increases in all areas with the exception of short term care income. The largest areas of growth are in non-residential income linked to the growth in Community Supported Living (CSL) costs.

Another significant area of growth is the increase in income from Lincolnshire CCGs (£0.500m) which occurs as a result of increases in NHS continuing healthcare costs that are described above.

b) Mental Health Services

The current budget for 2017/18 for Mental Health is £6.000m.

The Mental Health service is run on behalf of the Council by the Lincolnshire Partnership Foundation NHS Trust (LPFT) by way of a Section 75 agreement. Current reports from LPFT suggest an increase in services activity, however there is an expectation that LPFT budgets will remain on target in 2017/18.

4. Community Wellbeing

The current budget for Community Wellbeing is £27.121m.

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.

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 up to 31 October 2017 it is projected that this area will overspend by £0.219m this financial year with overspends in Wellbeing, Sexual Health services which have been partially offset by underspends in costs related to Public Health Statutory services.

The projected overspend in relation to Sexual Health Services (£0.113m) is due to an expected increase in out of county activity. However, there is currently an in-depth analysis taking place by the Public Health and Commercial team to compare the costs within all areas to ensure that these are consistent, as a result this the projection may change.

The Wellbeing Service overspend (£0.279m) is due to implementation of the Telecare services with a new provider; NRS and due in particular to additional work undertaken to ensure that phone line capacity required to deliver the service is sufficient to meet expected demand. There are also additional costs being paid to NRS for well-being call monitoring services compared to what is actually being charged to the service user.

These areas of overspend have been partially offset by an underspend in costs related to Public Health Statutory services, most notably from property savings following the vacation of The Avenue, along with savings made in relation to staffing vacancies for public health consultants and in the Health Protection Team.

5. Safeguarding Adults

The current budget for Safeguarding for 2017/18 is £3.656m, at this time it is considered that the Safeguarding budget will overspend by £0.169m.

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.

Work is currently ongoing to reduce the backlog of Deprivation of Liberty Safeguarding (DoLS) assessments and reviews that have built up over the last two years due to a sudden increase in demand following the 'Cheshire West' Judgement.

The staffing budget is currently projecting an overspend of £0.058m across the four areas of the Safeguarding budget. Whilst the main Safeguarding team are currently looking to underspend their budget by £0.031m, Mental Health Capacity team costs are currently showing a pressure of £0.030k against the £0.310m budget and the Emergency Duty Team (EDT) are also projected to overspend by £0.059m.

Other areas of overspend include budgets for agency and temporary workers across three areas of the Safeguarding budget. This is due to continuing pressures in the Mental Health Capacity team to ensure that all Best Interest Assessments and Reviews are completed on time and all backlogs are reduced significantly.

The Council also has a contract with Lincolnshire Partnership Foundation Trust (LPFT) for 'Best Interest Reviews' for our Mental Health clients. Due to budget and staffing pressures in the early part of the last financial year there was a backlog of assessments still to be completed at the end of the year.

As a result of a plan agreed between the Council and LPFT additional budget was allocated to ensure LPFT had sufficient funds to clear as many assessments and reviews as they could. Unfortunately LPFT are currently behind schedule in their assessments and review targets and are therefore underspending against the budget.

This shortfall has been discussed at the Mental Health Governance Board and we have had assurances from LPFT that this will be caught up in the second half of the financial year.

6. Carers

The current budget for Carers for 2017/18 is £2.304m.

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.

There was an 11% increase in the number of carers receiving services from the Lincolnshire Carers Service during 2016/17. During the first year Carers FIRST has promoted 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 has been delivered within the allocated budget.

7. 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 is £226m and 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 Clinical Commissioning Groups (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 £2.105m in 2017/18.
- The announcement of iBCF Supplementary funding in the Chancellor's March 2017 budget. This provides an additional £15.265m in 2017/18.

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.

Work has recently been completed between the Council and the Lincolnshire CCGs to agree the overarching Framework Agreement within a mandated deadline of 30 November. The agreements were signed by all partners on 29 November 2017.

8. Capital

AC&CW revised its Capital Strategy and Investment Plan in 2016/17 as part of a renewal of its commitments to infrastructure developments. The plan (shown below) is designed to meet the changing needs of AC&CW over time, but must also recognise that the plan has specific benefits for other commissioning strategies and partners outside of the authority.

Current Capital Projects	2017/18	2018/19	Total
Extra Care Housing	£ 2,500,000	£ -	£ 2,500,000
Telecare	£ 250,000	£ 250,000	£ 500,000
DFG's	£ 500,000	£ 500,000	£ 1,000,000
Day Care Modernisation	£ 200,000	£ -	£ 200,000
EMAS Vehicle	£ 16,000	£ -	£ 16,000
Total	£ 3,466,000	£ 750,000	£ 4,216,000

Information received to date suggests that the full allocation of funding for Telecare will be utilised this year. Capital allocations in respect of Day Care Modernisation will also be utilised.

Colleagues from the Corporate Property Team are continuing to scope options for the development of the Extra Care Housing Strategy with funding being used as a means to encourage development of new schemes in the county.

Funding for Disabled Facilities Grant (DFG) is an annual allocation that is provided for business cases asking to fund large scale adaptations to homes in order to ensure individuals are able to maintain their independence in the long term delaying the need for additional placements into Residential and Nursing homes. As such business cases are assessed on a case by case basis and to date none have been received this year.

In addition to this £0.016m has also been allocated in 2017/18 towards purchasing an additional East Midlands Ambulance Service vehicle in partnership with the CCGs and LPFT.

9. Conclusion

The Adult Care and Community Wellbeing outturn is projected to be £216.008m, producing an underspend of £0.211m. This being the case it would be the sixth year in succession that Adult Care & Community Wellbeing has been able to live within its budget allocation.

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.

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