

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

Report to:	<b>Adults and Community Wellbeing Scrutiny Committee</b>
Date:	<b>04 July 2018</b>
Subject:	<b>Adult Care and Community Wellbeing 2017/18 Final Outturn</b>

**Summary:**

The Adult Care outturn is £206.960m, an under-spend of £1.483m against a budget of £208.443m.

**Actions Required:**

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

## 1. Background

An analysis of the Adult Care and Community Wellbeing budget and final outturn for 2017/18 is illustrated below and includes the impact of the Better Care Fund costs being included in the budget for the first time.

	<u>Net</u>	<u>Budget</u>	<u>Variance</u>
	<u>Expenditure</u>		
	£m	£m	£m
<i>Older People/Physical Disability</i>	102.686	102.971	-0.285
<i>Infrastructure</i>	8.875	10.189	-1.314
<b>Total for Adult Frailties &amp; Long Term Conditions</b>	<b>111.561</b>	<b>113.160</b>	<b>-1.599</b>
Learning Disabilities	55.795	55.815	-0.020
Mental Health	6.648	6.648	0.000
<b>Total for Specialist Adult Services</b>	<b>62.443</b>	<b>62.463</b>	<b>-0.020</b>
Carers	2.003	2.327	-0.324
Safeguarding Adults	4.092	3.656	0.436
Community Wellbeing	26.862	26.838	0.024
<b>Total</b>	<b>206.960</b>	<b>208.443</b>	<b>-1.483</b>

The increasing strategic importance of the Better Care Fund (BCF) has meant that the impact to Adult Care & Community Wellbeing 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 Adult Care & Community Wellbeing budget in 2017/18 onwards.

This reflects the fact that the BCF has a growing influence on how Adult Care & Community Wellbeing 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&LTC)**

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

The 2017/18 outturn for the Older Persons/Physical Disabilities part of the Adult Frailty and Long Term Conditions service was £102.686m against a budget of £102.971 representing a £0.285m underspend.

### *Physical Disabilities*

The Physical Disabilities (PD) service over the previous two financial years has started to see growing pressures and each year has overspent with the actual outturn in 2017/18 overspending by £0.979m against a budget of £13.184m.

Direct Payments expenditure did not grow as expected in the last three months, projected overspend at the end of January was £0.700m but actual outturn was £0.482m overspent.

Home Support projected outturn was £0.386m overspent, however this reduced to £0.233m by the end of the financial year because of service users transferring to Older Persons. Supported Living was £248k overspent by the financial year end.

Residential/Nursing placements, long and short term total overspend was £0.037m this was due to year end accruals for paperwork that had been unable to be processed for the final pay run.

Income for the Physical Disabilities service is often volatile and the service appears to have more issues with non-payment, however the outturn for 2017/18 PD income was £0.060m over target due to additional income in Direct Payments refunds and Adult Charging income.

## Older People

The Older Person's service actual outturn was £1.265m underspent against a budget of £89.787m.

Direct Payments expenditure including the Penderels management fee was £0.208m underspent at the end of 2017/18. Home Support activity has seen some growth in 2017/18 but not grown as expected because demand for Direct Payments has continued. The home support underspend at financial year end was £1.945m.

Residential/Nursing – long term care numbers had been projected to be similar to 2016/17, approximately 1,109 new long term placements and in 2017/18 it was 1,101. There was an overspend of £5.505m for long term care largely due to a high number of accruals for former self-funding cases where funding needed to be backdated.

Short Term care underspent by £3.050m and this helped offset some of the long term care overspend. A realignment of the budgets has been made for 2018/19 to take account that service users are staying in short term care for much shorter periods than in 2016/17.

Block Beds had been projected as on target but the new beds that were being considered did not get commissioned and so the budget line underspent by £0.287m.

Training was overspent by £0.068m but this was offset by the Telecare underspend of £0.107m.

Direct Payment service user income was £0.174m below target, however Direct Payment Audit income continued to exceed targets and was over target by the end of the financial year by £0.557m.

Fairer charging income had a considerable shortfall of £1.149m, largely due to the demand not being in the service, which is reflected by the underspend in the expenditure budget of Home Support, but also there are some backlogs of financial assessments that may also be affecting income collection.

Residential/Nursing income is on target as the income was £0.265m over target due to long term care accruals. Debtor income relating to income from property being included within the financial assessment exceeded projections and was £1.015m over target, this was partially because of a correction to write off where it was found that income had been received and so the write off was reversed.

However a significant amount of the debt is now unsecured because of changes in the Care Act. The bad debt provision was reviewed in detail in March 2018, the bad debt provision remains at £2.700m for Adult Care.

This is due to the decision by the Government to revoke the Health and Social Services and Social Security Adjudications Act 1983 (HASSASSA) where a charge could be secured on a property where there was non-cooperation or legal authority to manage finances was in progress.

As a result it is no longer possible to do this, and as a result the Council increased its bad debt provision in 2016/17 to compensate for the additional increase in bad debts.

The staffing budget for 2017/18 is £13.136m this includes £2.2million of BCF funding primarily for integrated community reablement, increased qualified staff and seven day working at the hospitals.

Recruitment has been ongoing over the past few months since the additional staff were agreed but at year end a number of vacancies remained and were backfilled by agency staff. The final outturn for assessment staffing was £0.057m underspent.

### Infrastructure

The infrastructure budget currently includes expenditure in relation to the Executive Director, along with individual Heads of Service covering Operational Services for OP/PD, Learning Disability, Policy and Service Development, Performance, Workforce Development and Quality, Carers and Safeguarding.

Infrastructure finished the year at £1.314m underspent against a budget of £10.189m.

The total underspend included a large proportion of funding that was allocated to Adult Care & Community Wellbeing from the previous year's carry forward figure. However, there were still a number of lines of additional expenditure incurred during the year including consultancy costs for the recent Residential Rate review, Mental Health resilience training and additional funding for business support.

There was also some small savings within the Quality, Carers and Performance Intelligence team costs as they all had staff vacancies during the year. There was a small overspend of £0.052m for additional staff costs within the Brokerage team for the year.

In addition to this 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. This was not spent and so included within the total underspent. This amount also makes up some of the 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 budget for this commissioning strategy is £62.463m, with the service producing a small underspend of £0.020m.

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 budget which also includes costs for the Council's in-house day care service for 2017/18 is £55.815m. Specialist Adult Services finished 2017/18 with a small underspend of £0.020m.

Direct Payments overspend for this financial year finished at £0.745m. This was due to a number of new cases coming through and also increases to packages that were back dated to earlier in the year. As reported previously, there has been pressure on this budget from the second quarter of the year due to the higher than anticipated cost of the large number of new packages agreed during the summer months relating to school and college leavers, plus the additional cost of the night rate payments for clients who have Personal Assistants introduced this year.

Supported Living costs were overspent in year by £2.200m which is due to the number of changes to packages coming through the practice enablement group who agree changes to service plans. This has been the case in the last few months that have seen some large increases in the number of hours required that were over and above amounts that were built into the budget. The increase in cost was also due to backdated rate increases that were with four of the major service providers during the year.

The final outturn for Long Term Residential Care resulted in a £0.371m overspend. This was due to a number of high cost placements placed earlier in the year. Short Term Residential Care also produced an overspend totalling £0.566m due to the increased costs of providing additional 1:1 support within a short term care setting.

Total income received exceeded budgeted expectations throughout the year with an additional £1.996m raised, offsetting the majority of overspends within the service. The Council received an additional £0.542m of other Local Authority payments, an additional £0.500m from Lincolnshire CCGs for costs attributed to Continuing Health Care (CHC) over and above the initial £11.4m due.

There have also been further increases in Direct Payment refunds, and a £0.499m increase in Supported Living income partly due to a number of financial assessments that have finally come through the system and have been back dated to the early part of this financial year.

## b) Mental Health Services

The Mental Health service is run on behalf of the Council by the Lincolnshire Partnership Foundation Trust by way of a Section 75 agreement.

The budget for the Mental Health service totals £6.648m and produced a balanced budget in 2017/18.

The Mental Health services are reporting a balanced budget this year, however we have had to increase the budget in year by £0.405m. This was to ensure that the provider of the service, Lincolnshire Partnership NHS Foundation Trust (LPFT), were able to meet all obligations around demographic growth and inflationary increases.

A considerable amount of partnership work has been done this year between Lincolnshire County Council and LPFT to ensure that any higher than average cost placements were challenged and endorsed before they were agreed. This will continue into the new financial year.

## **4. Community Wellbeing**

The current budget for Community Wellbeing is £27.838m and the service produced a small underspend totalling £0.024m.

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.

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

Health Improvement delivered an underspend of £0.593m. The main area of underspend was around the Smoking Cessation contract as a result of falling service demand, Water Fluoridation as a result of lower than anticipated costs and a £45k saving on the Healthy Living Pharmacy project which started later than anticipated in the year and will now roll into 2018/19.

Public Health Statutory Services was also underspent by £0.334m, this is due to Public Health consultancy and general staffing vacancies, a reduction in overheads spend, and the identification of a number of uncommitted budgets.

These large underspends were largely offset by an overspend in the Wellbeing service which included additional costs in the implementation cost of the Telecare service (£0.210m) and a £0.405m overspend within the Integrated Community Equipment Service due to increasing demand.

Within the Sexual Health service there was an underspend of £0.243m. The main areas of underspend related to the Sexual Health prescribing for Long Acting Reversible Contraception (LARC), GP LES IUD and Implants and out of county Genito Urinary Medicine.

Housing Related Support did overspend its original budget by £329k this financial year, this was covered by the additional IBCF income we received in 2017/18. Hence we are reporting this in this report as break even. This additional pressure in 2017/18 on the Housing Related Support Service is due to the fact that this contract (Domestic Abuse Floating Support Service) was due to be decommissioned in this financial year. However, a decision was taken after the budgets were set to continue the contract for the duration of 2017/18.

Prevention and Treatment of Substance Misuse costs were £0.105m underspent due to delays in two planned tender programmes.

## **5. Carers**

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 service ended 2017/18 with an underspend of £0.324m against a budget of £2.327m.

The number of Direct Payments to carers continues to be below historic levels due to changes in the eligibility criteria set out in the Care Act 2014. However following the implementation of the new carers contract there has been an increased uptake of personal budgets over the financial year.

During this year our provider, 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. This has been achieved despite a substantial growth in the number of carers supported in this way.

## **6. Safeguarding Adults**

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 final outturn for Safeguarding Adults was £4.92m, an overspend of £0.435m on a budget of £3.656m.

The service continues to see significant pressures due to the 2013 Cheshire West ruling regarding Deprivation of Liberty Safeguards (DOLs).

Whilst considerable work has been done to reduce the backlog this financial year, assessment activity in this area continues to increase, with an additional 800 assessments being received in the year than was originally budgeted for. However despite this, the backlog of assessments and reviews carried forward from last year have been significantly reduced by over 50% in the year – this is very welcome progress given the statutory nature of the activity and its impact on individuals. This was largely the cause of the planned overspend.

## **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.

The total pooled amount in 2017/18 was £221.857m which included £54.817m that was allocated to the Lincolnshire BCF from the Department of Health and Social Care. This has increased to £230.391m in 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 £2.105m in 2017/18, increasing to £14.249m in 2018/19
- The announcement of iBCF Supplementary funding in the Chancellor's March 2017 budget. This provides an additional £15.265m in 2017/18, this fund will reduce to £9.609m in 2018/19

Overall BCF funding from central government is expected to increase 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.

## **8. Capital**

Capital investment within Adult Care & Community Wellbeing is mostly delivered via a capital reserve. Adult Care & Community Wellbeing spent a total of £0.967m on capital expenditure in 2017/18. The majority of spend (£0.426m) was against the ongoing modernisation programme taking place across the remaining in house day care centres that the Council operate, with £0.180m used to purchase Telecare equipment and £0.169m on further development of the Mosaic IT System.

Within Wellbeing £0.178m was utilised as part of a Government initiative to install efficient heating systems in the homes of vulnerable people, funding for which was provided via a grant.

## **9. Conclusion**

The Adult Care and Community Wellbeing final outturn for 2017/18 is £206.960m, an under-spend of £1.483m against a budget of £208.443m. This is the sixth year in succession that Adult Care & Community Wellbeing has been able to live within its budgeted 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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