

**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>15 January 2020</b>
Subject:	<b>Adult Care and Community Wellbeing Budget Proposals 2020-2021</b>

**Summary:**

This report details the Council's budget proposals for Adult Care and Community Wellbeing (ACCW) for the financial year 1 April 2020 – 31 March 2021.

This report details the ACCW position within the wider Council position and the assumptions made given the national context.

**Actions Required:**

Adult Care and Community Wellbeing Scrutiny Committee is asked to provide comments upon the proposal and note the actions and risks contained within this report.

## **1. 2020-21 Budget**

September 2019 saw the outcome of the spending round which sets out the government's spending plans for 2020-21. This round is one year only with an expected comprehensive multi-year spending review to follow in 2020.

The spending review encompassed the following key aspects relating to social care and public health:

- an additional £1 billion for Adults' and Children's Social Care. Indicative individual authority allocations suggest a potential £14.7m for Lincolnshire County Council. This is proposed for one year only, i.e. 2020-21.
- a real terms increase of 1% to the Public Health Grant budget, which will ensure local authorities can continue to provide prevention and public health interventions.
- funding to continue at 2019-20 levels (with individual authority allocations unchanged) for the Social Care Support Grant and the Winter Pressures Grant.
- improved Better Care Fund funding will continue at 2019-20 levels and use the same methodology to allocate the funding with the Winter Pressures Grant rolled in.

All areas within the Council undertook a comprehensive budget setting process throughout the summer, culminating in a budget presentation to the Overview and Scrutiny Management Board in September 2019 and the final budget proposals will be presented to the Council in February 2020. All aspects of current spending, levels of income, council tax and use of reserves have been considered and enabled the Council to set a balanced budget for 2020-21.

The financial years 2021-22 to 2022-23 are indicating potential financial pressure as a result of growing demand across the majority of services and specific to Adult Care, a number of significant services are under contract with a renewal due.

The Council has been prudent in its income assumptions given the uncertainty of the national picture. For example the £14.7m Social Care Grant is only assumed to be received for one year, 2020-21. The pressures supported by this funding are however recurrent.

ACCW is organised into the following three delivery strategies for 2020-21 onwards:

- Adult Frailty & Long Term Conditions
- Specialist Services & Safeguarding
- Public Health & Community Wellbeing

During 2019-20 the Carer Services transferred into the Public Health division.

The table below shows the budget position for 2020-21 and compares to the 2019-20 projected outturn.

Strategy	2019-20 Projected Outturn £m	2020-21 Budget £m
Adult Frailty and Long Term Conditions	120.37	120.12
Specialist Services & Safeguarding	76.96	82.15
Public Health & Community Wellbeing ( <i>see note</i> )	29.67	28.79
Better Care Funding	-46.34	-48.18
Public Health Grant	-31.80	-32.34
<b>Adult Care and Community Wellbeing Budget</b>	<b>148.86</b>	<b>150.54</b>

*Note: This figure does not represent the full Public Health Grant received, for example it excludes Children's Public Health.*

## **2. Adult Frailty & Long Term Conditions (AF&LTC)**

The Adult Frailty and Long Term Conditions strategy brings together older people and physical disability services as well as hosting the budgets for back office functions in infrastructure budgets. The financial allocation of this delivery strategy aims to support eligible individuals to receive appropriate care and support in the most appropriate setting including community based care (including home support), re-ablement, day care and direct payments.

This strategy has managed its financial allocation effectively to enable it to report a balanced financial position over the last seven years and expects to do so again within 2019-20.

Following the detailed Budget 2020 programme, the proposed 2020-21 budget for Frailty & Long Term Conditions (excluding infrastructure) strategy is £113.05m.

AF&LTC identified £5.67m of pressures predominantly relating to demographic growth and the re-procurement of homecare services due in September 2020. In recognition of these pressures, AF&LTC identified £5.27m of efficiencies and increased income.

The proposed budget for infrastructure is £7.07m; this represents a 3.55% decrease on the 2019-20 outturn. This budget encompasses the Director's Budget, Brokerage, Business Improvement, Quality Assurance, Service Development, and the Mosaic & Performance Teams. The budget also covers contracts including Sensory Impairment & Advocacy.

The financial structure for this delivery strategy in 2020-21 is detailed below;

	2019-20 Projected Outturn £m	2020-21 Budget £m
Adult Frailty & Long Term Conditions	113.05	113.05
Infrastructure	7.32	7.07
<b>Total Adult Frailty &amp; Long Term Conditions</b>	<b>120.37</b>	<b>120.12</b>

### 3. Adult Specialties and Safeguarding

The financial allocation of this strategy supports delivery of services for eligible adults with learning disabilities, autism and/or mental health needs.

The delivery mechanism for this strategy is primarily through partnership working predominantly with local community and residential care providers for learning disabilities and autism and Lincolnshire Partnership NHS Foundation Trust (LPFT) for community mental health care.

This strategy has managed its financial allocation effectively to enable it to report a good financial position of balanced/within <1% overspend over the last 3 years and expects to do so again within 2019-20.

Following the detailed Budget 2020 programme, the proposed 2020-21 budget for the Adult Specialties strategy is £82.15m, this represents a 6.7% increase on 2019-20 outturn.

This budget includes £6.0m of pressures relating to demographic growth and the need to invest in infrastructure to maintain the current service models. In recognition of these pressures, adult specialties were able to identify £2.05m of efficiencies and income increases.

The financial structure for this delivery strategy is detailed below:

	2019-20 Projected Outturn £m	2020-21 Budget £m
Learning Disabilities	64.19	68.32
Mental Health	8.28	9.60
Safeguarding	4.49	4.23
<b>Total Adult Specialties</b>	<b>76.96</b>	<b>82.15</b>

### *Care Delivery*

The pressures reflect the annual increases we are experiencing as a result of a combination of demographic growth and eligible needs with £1.6m gross forecast for residential care and £3.0m gross forecast for home-based care.

### *Mental Health Community Care Services*

Community mental health services are delivered by LPFT through a section 75 agreement (S75). With the S75 due for renewal in April 2020, a review of needs and delivery outcomes has been completed in preparation. It is clear that this is an area of continued growth and whilst relatively small in terms of the number of people supported the care costs are high. Delivery of the same model within 2020-21 building in the forecast demand and the staffing implications to meet national expectations will result in a financial pressure. Should Council agree with the proposal in February 2020, the financial implications are provided for within the budget.

### *Safeguarding*

Currently LPFT deliver the Deprivation of Liberty Standard assessments with trained medical staff under contract to deliver the clinical elements. The standards are to be replaced with Liberty Protection Safeguards in October 2020. The budget for 2019-20 included £1.8m from ACCW reserves to ensure demand for assessments was met in year. The current spend is forecasting £1.5m for 2019-20. Given current demand and the likely delay to implement Liberty Protection Safeguards, £1.7m is allocated within ACCW reserves to meet 2020-21 demand.

## **4. Community Wellbeing**

Historically this commissioning strategy has delivered services within its financial allocation and this is forecast to continue with support from the Public Health reserve.

Following the detailed Budget 2020 programme, the proposed 2020-21 budget for the Public Health & Wellbeing strategy is £28.79m, this represents a 2.9% decrease on the 2019-20 outturn.

The budget process identified a pressure of £0.5m. However this is set against the potential to generate efficiencies of £1.4m by delivering existing services in a different way predominantly through the use of technology.

The financial structure for Community Wellbeing is shown in the table below:

	2019-20 Projected Outturn £m	2020-21 Budget £m
Community Wellbeing *	29.67	28.79
<b>Total Community Wellbeing</b>	<b>29.67</b>	<b>28.79</b>

\* Grant awaiting confirmation of 2020-21 spending review. The table excludes Children's Public Health

The majority of services delivered within this strategy are contracted out, 81% of funding (£24m) delivers services through awarded contracts which have varying renewal dates.

The key actions to deliver a balanced strategy whilst maintaining or improving the services offered are:-

#### *Integrated Lifestyle Service (ILS)*

This contract was awarded in July 2019 and brought together several individual services into one integrated service. The contract is for three years with the option of a two year extension to 30 June 2024.

The annual cost is £2.7m with a contribution from health of £0.5m. A section 256 agreement is in place with the Clinical Commissioning Groups (CCGs) to ensure the £0.5m annual contribution is received throughout the life of the contract. To support the cost of the contract whilst existing contracts come to an end and the new one begins, £0.58m is allocated within the Public Health 2020-21 reserve to ensure delivery of a balanced financial position.

#### *Integrated Community Equipment Service*

An additional £0.4m has been allocated to this service to enable the growth in demand for equipment to be met in 2020-21. A joint (County Council/NHS) review of the recurrent demand for this service will be undertaken given the continued forecast growth in demand and in readiness for the current contract expiry on the 31 March 2021. The service does have the option to continue the current contract through to the 31 March 2023.

#### *Sexual Health Service*

The contract for this service currently runs to the 31 March 2021. Through the Budget 2020 planning process, £0.5m efficiencies have been identified by adopting different ways of delivering the service. The service model will be worked through during 2020-21 in readiness for the re-procurement.

## 5. Identified Efficiencies

Each of the three strategies has plans in place to successfully deliver the efficiencies identified as part of the Budget 2020 programme. Each of the responsible lead senior officers has confirmed that the principle of identifying efficiencies without detrimental impact on service users can be achieved.

## 6. The Better Care Fund (BCF)

Launched through the spending review in June 2013, the BCF was highlighted as a key element of public service reform with the primary aim to drive closer integration between the NHS and Adult Social Care and improve outcomes for patients, service users and carers.

The Lincolnshire Better Care Fund is an agreement between the Council and the four Lincolnshire CCGs, overseen by the Health and Wellbeing Board. The BCF pools funds from the organisations to aid the objective of integrated service provision.

The total pooled amount in 2019-20 is £254.282m which includes £58.682m allocated to the Lincolnshire BCF from the Department of Health and Social Care. The pooled budget is made up of the minimum CCG contribution and additional improved Better Care Fund (iBCF) monies received directly from the government. All the required regional support has been given to the 2019-20 BCF Narrative Plan and the budgets have been allocated accordingly. The BCF funding is subsumed within each delivery strategy and is integral to the financial viability of both adult frailty and adult specialties.

The following table details the Lincolnshire wide Better Care Funding structure.

	2018-19	2019-20	2020-21 Assumption*
	£m	£m	£m
Minimum CCG Contribution	50.47	52.53	53.21
Additional CCG Contribution	74.23	79.40	79.40
Additional Local Authority Contribution	77.87	82.95	82.95
District Councils Disabled Facilities Grants	5.70	6.15	6.15
iBCF 2015 Spending Review	14.25	25.77	33.25
iBCF 2017 Chancellor Announcement	9.61	4.11	
iBCF Winter Pressures	3.37	3.37	
<b>Total</b>	<b>235.49</b>	<b>254.28</b>	<b>254.96</b>

*\*Assumed value awaiting confirmation of September 2019 spending review*

We are expecting to see a roll-over into 2020-21 of the BCF funding for a further year. The national direction would seem to indicate that 2020-21 will be used to review the components of the fund, ensure outcomes are maximised and potentially agree a three year BCF programme 2021-2024 to coincide with an anticipated Comprehensive Spending Review later in 2020.

## 7. Charging Policy

Section 14 of the Care Act 2014 gives Councils the power to charge adults for care and support. This applies where adults are being provided with care and support to meet eligible needs identified under Sections 18, 19 or 20 of the Care Act 2014. Councils must follow the regulations and guidance issued under the Care Act 2014.

April 2020 will see an updated Charging Policy for Lincolnshire County Council come into force. This policy will continue the journey of improving the financial assessment process and ensure that all charges and disregards are made in accordance with the Care Act.

The changes will result in a £0.5m adverse impact for Lincolnshire County Council in 2020-21, which have been built into the budget in 2020 and the Medium Term Financial Plan.

## 8. ACCW Capital Programme Budget

The table below details the commitments against the £12.74m ACCW Capital Programme Budget.

The budget will predominantly be spent on supporting the Extra Care Housing Programme which commenced in December 2019 with the DeWint build in Lincoln. The right type of housing in the right location enables people to maintain their independence for as long as is appropriate for the individual and provides lower cost provision than residential care.

Capital Project	County Council Total	2019/20	2020/21	2021/22	2022/23	2023/24
Homes for Independence, De Wint	2.80	1.40	1.40			
Homes for Independence, Nettleham	2.60		2.60			
Homes for Independence, Horncastle	2.60		1.30	1.30		
Homes for Independence, Pipeline	3.39				1.60	1.79
Disabled Facilities Grant	0.15					
Daycare Modernisation	0.30					
Learning Disabilities Building Maintenance	0.05	0.05				
Disabled Facilities Grant Central Heating Fund	0.11					
<i>Total to be allocated</i>	<i>0.74</i>					
<b>Total ACCW Capital Reserve</b>	<b>12.74</b>	<b>1.45</b>	<b>5.30</b>	<b>1.30</b>	<b>1.60</b>	<b>1.79</b>

*Note: Those in italics are awaiting a confirmed business case / spending plan.*

## 9. Conclusion

The Adult Care and Community Wellbeing budget proposal reflects the funding available to deliver services during 2020-21. Following a comprehensive Budget 2020 programme, the proposal reflects the priorities whilst operating within the resources available. These figures may be subject to change once we receive confirmation of the autumn 2019 Spending Review.

## **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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