



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

Report to:	Adults and Community Wellbeing Scrutiny Committee
Date:	13 January 2021
Subject:	Adult Care and Community Wellbeing Budget Proposals 2021/22

Summary:

This report details the Council's budget proposals for Adult Care and Community Wellbeing (ACCW) for the financial year 1 April 2021 – 31 March 2022 and the assumptions made given the national context.

Current indications highlight the potential for ACCW to deliver services within its financial allocation for 2021-22. However we await the Local Government Settlement and we continue to feel the financial impact of the Covid-19 pandemic.

Recommendation(s):

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

1. Spending Review

The spending review announced 25 November 2020 covers the period 1 April 2021 to 31 March 2022. Due to the unprecedented financial impact on the economy and future uncertainty caused by the pandemic, the review covers a single year.

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

- Councils will have access to an additional £1bn for social care next year, made up of a £300m social care grant and access to up to 3% adult social care (ASC) precept. The latter can be deferred to 2022-23.
- The additional £1bn of grant funding announced in the spending review 2019 for Adult and Children's Social Care will continue.

- National living wage rate for 2021-22 is expected to be £8.91 as opposed to the originally planned (pre Covid19) £9.21.
- No increase in the public health grant to local councils.
- The improved Better Care Fund grant will continue in 2021-22, maintained at its current level.
- The Disabled Facilities Grant will be worth £573 million.
- The Clinical Commissioning Group (CCG) contribution will again increase by 5.3% in line with the NHS Long Term Plan settlement.
- The coronavirus pandemic has impacted significantly on the 2020/21 financial year, and central Government has provided grant funding to cover our costs and losses arising directly from the pandemic. It is assumed that where direct impacts carry on into 2021/22 these will continue to be funded by Government grant.

All areas within the Council undertook a budget setting process throughout the summer. In view of the continuing financial uncertainties about our future levels of funding, a one year budget is proposed for 2021/22.

The next steps are to receive the Provisional Local Government Finance Settlement on or around the 17 December 2020, followed by the Final Local Government Finance Settlement in February 2021. The final budget proposals will be presented to Council in February 2021.

2. 2021-22 Adult Care and Community Wellbeing Budget

Underpinning the Council's Medium Term Financial Plan (MTFP), ACCW introduced its MTFP in February 2020. The MTFP builds the financial position from the bottom up incorporating the potential impact of cost drivers and assumed income changes to forecast the financial position through to 2023-24.

Following the detailed work undertaken during 2020, ACCW MTFP indicates the potential to deliver services within the financial allocation for 2021-22 however, without additional government support beyond 2021-22, there is a potential for material financial pressure from 1 April 2022.

ACCW continues to be organised into the following three delivery strategies for 2021-22

- Adult Frailty & Long Term Conditions
This strategy brings together older people and physical disability services as well as hosting the budgets for back office functions in infrastructure budgets.

- Specialist Services & Safeguarding
The financial allocation of this strategy supports delivery of services for eligible adults with learning disabilities, autism and/or mental health needs.
- Public Health & Community Wellbeing
This strategy encompasses adult public health services funded through the dedicated public health grant and wellbeing services.

The table below shows the gross budget position for 2021-22 compared to the 2020-21 budget model and the grant position.

Strategy	2020-21 Budget Model £m	2021-22 Proposed Budget £m
Adult Frailty and Long Term Conditions	118.876	120.025
Specialist Services & Safeguarding	81.007	86.335
Public Health & Community Wellbeing (see note)	28.468	28.622
ACCW Budget	228.351	234.982
Better Care/Improved Better Care Funding	(47.023)	(52.234)
Public Health Grant	(32.340)	(33.546)
Budget Model	148.988	149.202

Note: This figure does not represent the full Public Health Grant received, eg it excludes Children's

The increases in cost are predominantly driven by:

- £5.950m forecast financial rates increase. This is the increase in rates paid to providers for the provision of residential and non-residential adult social care. The rate is increased each year to reflect changes in inflation, national living wage etc. The rate is encompassed in the three year residential contracts and/or the homecare prime provider contracts and published in the annual statement attached to the Adult Care Charging Policy.
- £2.691m forecast growth in demand for adult social care, especially within services provided for working age adults. Growth in demand ranges from 1.2% to 2.9% depending upon the service.

An ACCW programme of service improvement aims to broaden the offer available to service users, improving the services received by the people of Lincolnshire by supporting more people to remain independent within their own homes / communities and improve the efficiency of how those services are delivered.

Delivery of the programme has the potential to see a material shift in the cost structure of adult care underpinning the potential to deliver within financial allocation in 2021-22 and reducing the scale of potential pressures 2022 onwards.

The key improvements underway and/or due to commence in 2021-22 are:

- Investments in front line services including re-ablement, occupational therapy and direct payment services. These investments mobilise pilots to trial different ways of working which have the potential to deliver the aims above.
- Financial Assessment Improvement Programme aims to make the process easier to navigate for the individual and provide clarity on the charges through its charging policy. The programme has/will deliver
 - i. a financial assessment process which, for the majority of people, will take 28days to complete
 - ii. an efficient and effective process by introducing an on line option and streamlining documentation
 - iii. aligned systems enabling interaction and reduced duplication
 - iv. a consistent and efficient payment basis moving residential care on to a 'gross' payment basis.
 - v. an efficient income collection process
- Continue to utilise the Better Care Fund (BCF)/Improved Better Care Fund(iBCF) as the vehicle which brings NHS and local government together and deliver the core conditions of the grant which for the iBCF include:
 - i. to meet adult social care needs;
 - ii. to support reducing pressures on the NHS, including supporting more people to be discharged from hospital
 - iii. to ensure the local social care provider market is supported.

The budget increase between 2020-21 and 2021-22 reflects the winter pressures funding now forming iBCF core funding to support the above.

- 2021-22 will see completion of the first extra care housing development in Lincoln. The scheme is a partnership between the City of Lincoln Council and the County Council to provide Extra Care Housing (ECH). Housing which promotes wellbeing and independence through its design. Working with partners, ACCW is planning a further £9.69m capital investment over the next 4years in ECH and housing for working age adults.

3. 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 Lincolnshire CCG, 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 2020-21 is £257.162m, made up of the minimum CCG contribution and additional iBCF monies received directly from the government.

The government announced the BCF policy statement 3 December 2020 which confirmed

- i. a reduced approach to monitoring and reporting of the 2020-21 BCF as a result of the pandemic
- ii. a continuation of the iBCF funding in 2021-22 at 2020-21 levels. This is £33.279m into ACCW to deliver the grant criteria.
- iii. A 5.3% increase to the CCG contribution was confirmed. Whilst the framework and planning requirements underpinning the policy are not expected until early 2021, this increase may result in further investment in social care of up to £0.9m thus achieving the minimum social care maintenance figure.

4. Conclusion

The Adult Care and Community Wellbeing budget proposal reflects the funding available to deliver services during 2021-22.

Following a comprehensive budget programme, the proposal reflects the priorities whilst operating within the resources available. These figures may be subject to change once we receive the Local Government Finance Settlement. 2021-22 will continue to be a year of uncertainty as we tackle the second wave of the Covid19 pandemic. As stated above, the assumption is for any costs resulting from Covid19 in 2021-22 to be support by further Government grants however at the time of writing, confirmation of the size of grant is not known.

5. Background Papers

Council Budget 2020/21	Executive Director of Resources
Adult Care & Community Wellbeing Budget Proposals 2020-2021	Head of Finance, ACCW

This report was written by Pam Clipson, Head of Finance Adult Care and Community Wellbeing, who can be contacted at pam.clipson@lincolnshire.gov.uk

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