

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

Report to:	Adults and Community Wellbeing Scrutiny Committee
Date:	20 October 2021
Subject:	Adult Care and Community Wellbeing Financial Position 2021-22

Summary:

The Adult Care and Community Wellbeing (ACCW) budget for 2021-22 is £234.982m net. As at 31 August 2021 ACCW is forecasting a year end spend of £233.878m, a forecast under spend of £1.104m.

Actions Required:

The Adults and Community Wellbeing Scrutiny Committee is asked to note financial performance and the drivers.

1. Financial Position

ACCW has developed its Medium Term Financial Plan (MTFP) which underpins the wider Council's. It provides forecast usage of ACCW financial resources through to 31 March 2026. The MTFP brings together the forecast day to day running costs, income received, reserves held and the longer term capital investment plan. Through its MTFP, ACCW is able to prioritise its resources. The aim is to enable the teams to take action as early as possible to build upon financial opportunities and minimise the risk of financial overspend.

The table below highlights the forecast position for 2021-22 for each of the five areas within ACCW based on the financial performance through to 31 August 2021.

Delivery Strategy	Annual Budget (£m)	Projected Outturn (£m)	Over/(Under) Spend (£m)
Adult Frailty & Long Term Conditions	120.026	120.483	0.457
Specialist Adult Services & Safeguarding	86.335	86.057	(0.278)
Public Health & Community Wellbeing	28.621	27.338	(1.283)
Sub Total	234.982	233.878	(1.104)
Better Care Fund Grant	(52.233)	(52.233)	0.000
Public Health Grant	(33.546)	(33.546)	0.000
Total	149.203	148.099	(1.104)

1.1 Adult Frailty and Long Term Conditions (AF<C)

Adult Frailty and Long Term Conditions delivers services to both older people and adults with physical disabilities as well as hosting the Directorate budgets for back office functions. The Division is facing two key financial challenges:

- Insufficient capacity to meet increasing demand for older peoples' home care services. This is resulting in the need for higher cost placements in interim beds. Based on spend to date, AF<C is forecasting a £1.625m cost increase in interim beds including the loss of service user contribution whilst in these beds. This increase in cost is supported by a £1.518m forecast underspend driven by vacancies and lower payments for homecare due to lack of capacity.
- A debt review programme commenced in 2020-21 which focusses on the age of debt held by ACCW. The programme has identified alternative ways of working which will deliver a more efficient debt recovery process as we move to a gross payment basis in 2022-23. The programme is on track to review the majority of debts greater than £25,000 by 31 March 2022.

1.2 Specialist Adult Services & Safeguarding

Specialist Adult Services & Safeguarding budgets support delivery of services for adults with learning disabilities, autism and/or mental health needs. The team are facing significant financial challenges resulting from growing demand. Demand for mental health care in particular is highlighting a £1.620m potential pressure. 2020-21 saw the implementation of new monitoring processes and strengthened governance which brings partners together and provides visibility of each package of care as it is agreed. Non recurrent resources are allocated to support this growth in demand for 2021-22. To minimise future financial impact of demand growth and better share risk, the exploration of a pooled budget across organisations is a focus for the Joint Commissioning and Oversight Group.

1.3 Public Health & Community Wellbeing

The financial allocation of this delivery strategy supports delivery of Adults Public Health services funded by the Public Health Grant and Adult Wellbeing Services. Wellbeing includes community equipment, the wellbeing service and housing related support. Children's public health expenditure is reported within the Children's Directorate.

Public Health and Wellbeing has prioritised its financial resources to meet the needs of the population across Lincolnshire as we recover from the pandemic. This includes the redeployment of workforce and commissioned services. Utilising grant funding to support this redeployment, coupled with activity-based services not yet fully returned to pre pandemic levels, is resulting in the forecast underspend position

1.4 Better Care Fund

The Lincolnshire Better Care Fund (BCF) is an agreement between the Council and Lincolnshire Clinical Commissioning Group (CCG) and is overseen by the Health and Wellbeing Board. The BCF pools funds from the organisations to aid the objective of integrated service provision.

The 2021-22 Better Care Fund Policy Framework was published in August 2021. The Policy Framework confirms the continuation of the four National Conditions;-

- i. NHS contribution to adult social care to be maintained in line with the uplift to CCG minimum contribution
- ii. Invest in NHS commissioned out-of-hospital services
- iii. Plan for improving outcomes for people being discharged from hospital
- iv. National Condition four: Managing transfers of care.

Based upon the headlines in the Policy Framework we are expecting a Better Care Fund value for Lincolnshire of approx. £267.4m for 2021-22. The fund value will be confirmed following the publication of the BCF Planning Requirements.

2. Covid-19

2.1 The Council continues to receive financial support from the government as a result of the Covid-19 pandemic. ACCW is forecasting full utilisation of the £29.100m Covid-19 grant funding which comprises of £10.550m carried forward from 2020-21 and a further £18.550m forecast for 2021-22.

2.2 The main areas of spend include

- £11.112m of Outbreak Management Funding to support test, track and trace and contain activity across the county. This includes costs incurred by District Councils as well. Where this grant is supporting other cohorts, e.g. targeted support for schools, these costs are recorded within the relevant Directorate.
- £9.839m received and passported through to adult social care providers to support them to reduce the rate of Covid-19 transmission within and between care settings through effective infection prevention and control practices and increase uptake of staff vaccination and to conduct additional rapid testing of staff and visitors in care homes, high-risk supported living and extra care settings, to enable close contact visiting where possible. This funding is expected to cease on 30 September 2021.
- At least £2.000m forecast costs in support the increased demand resulting from the National Discharge model.

- £1.400m forecast cost associated with delivering Lincolnshire's community testing infrastructure.

3. Capital

Included within ACCW transformation programme is the extra care housing (ECH) agenda. ACCW are investing the majority of its £12.7m capital programme into extra care and maximising independence housing which includes specialist housing for working age adults.

ACCW has spent £1.4m on the start of the DeWint development and are forecast to pay a further £1.4m on completion on the development expected in the latter half of 2021-22. The February 2021 meeting of the Executive agreed to the Hoplands development, Sleaford which is due to commence in 2022-23 at a cost of £2.56m. This investment forms part of ACCW ambition to enable people to maximise their independence through offering appropriate housing choices to the traditional residential care.

4. Conclusion

Adult Care and Community Wellbeing has delivered within the financial allocation for nine consecutive years. Introducing the MTFP in 2019-20 provided ACCW with the opportunity to introduce new and strengthen existing processes where needed. Actions are in place to deliver within financial resources for 2021-22.

The medium term financial plan indicates potential pressures greater than ACCW base budget for 2022-23 onwards. This is driven by growing demand in working age adult social care services and the need to reflect the market conditions within the rates paid to commissioned providers.

The MTFP will be refreshed towards the end of quarter 3 to incorporate:

- a view of the recovery from Covid-19 and potential financial impact from 2022 onwards;
- the potential financial impact of the recently announced reforms to adult social care with further detail expected to be published in the Autumn Statement due 27 October 2021.

5. 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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