



Meeting: **Adults and Communities Overview and Scrutiny Committee**

Date/Time: **Tuesday, 20 January 2015 at 2.00 pm**

Location: **Sparkenhoe Committee Room, County Hall, Glenfield**

Contact: **Mr. S. Marra (Tel. 0116 3053407)**

Email: **stuart.marra@leics.gov.uk**

Membership

Mrs. R. Camamile CC (Chairman)

Mr. M. H. Charlesworth CC Mr. P. G. Lewis CC
Mr. S. J. Hampson CC Ms. Betty Newton CC
Mr. D. Jennings CC Mr. A. E. Pearson CC
Mr. J. Kaufman CC Mr. R. Sharp CC

**Please note: this meeting will be filmed for live or subsequent broadcast via the Council's web site at <http://www.leics.gov.uk/webcast>
– Notices will be on display at the meeting explaining the arrangements.**

AGENDA

<u>Item</u>	<u>Report by</u>
1. Question Time.	
2. Questions asked by members under Standing Order 7(3) and 7(5).	
3. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.	
4. Declarations of interest in respect of items on the agenda.	
5. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.	



6. Presentation of Petitions under Standing Order 36.

7. Medium Term Financial Strategy 2015/16 - 2018/19

Director of Adults and Communities and Director of Corporate Resources.

(Pages 5 - 24)

8. Date of next meeting.

The next meeting of the Committee is scheduled to take place on Tuesday, 3 March at 2.00pm.

9. Any other items which the Chairman has decided to take as urgent.

QUESTIONING BY MEMBERS OF OVERVIEW AND SCRUTINY

Members serving on Overview and Scrutiny have a key role in providing constructive yet robust challenge to proposals put forward by the Cabinet and Officers. One of the most important skills is the ability to extract information by means of questions so that it can help inform comments and recommendations from Overview and Scrutiny bodies.

Members clearly cannot be expected to be experts in every topic under scrutiny and nor is there an expectation that they so be. Asking questions of 'experts' can be difficult and intimidating but often posing questions from a lay perspective would allow members to obtain a better perspective and understanding of the issue at hand.

Set out below are some key questions members may consider asking when considering reports on particular issues. The list of questions is not intended as a comprehensive list but as a general guide. Depending on the issue under consideration there may be specific questions members may wish to ask.

Key Questions:

- Why are we doing this?
- Why do we have to offer this service?
- How does this fit in with the Council's priorities?
- Which of our key partners are involved? Do they share the objectives and is the service to be joined up?
- Who is providing this service and why have we chosen this approach? What other options were considered and why were these discarded?
- Who has been consulted and what has the response been? How, if at all, have their views been taken into account in this proposal?

If it is a new service:

- Who are the main beneficiaries of the service? (could be a particular group or an area)
- What difference will providing this service make to them – What will be different and how will we know if we have succeeded?
- How much will it cost and how is it to be funded?
- What are the risks to the successful delivery of the service?

If it is a reduction in an existing service:

- Which groups are affected? Is the impact greater on any particular group and, if so, which group and what plans do you have to help mitigate the impact?
- When are the proposals to be implemented and do you have any transitional arrangements for those who will no longer receive the service?
- What savings do you expect to generate and what was expected in the budget? Are there any redundancies?
- What are the risks of not delivering as intended? If this happens, what contingency measures have you in place?

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ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
20 JANUARY 2015

JOINT REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES AND
THE DIRECTOR OF CORPORATE RESOURCES

MEDIUM TERM FINANCIAL STRATEGY 2015/16 – 2018/19

Purpose

1. The purpose of this report is to:
 - a) Provide information on the proposed 2015/16 to 2018/19 Medium Term Financial Strategy (MTFS) as it relates to the Adults and Communities Department;
 - b) Ask members of the Committee to consider any issues as part of the consultation process, and make any recommendations to the Scrutiny Commission and Cabinet accordingly.

Policy Framework and Previous Decisions

2. The County Council agreed the current MTFS in February 2014. This was the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS for 2015/16 – 2018/19 was considered by the Cabinet on 11 December 2014.

Background

3. Reports such as this one are being presented to the relevant Overview and Scrutiny Committees. The views of this Committee will be reported to the Scrutiny Commission on 28 January 2015. The Cabinet will consider the results of the scrutiny process before recommending a MTFS, including a budget and capital programme for 2015/16 to the County Council on the 18 February 2015.

Financial Strategy

4. The MTFS is set out in the report to Cabinet on 11 December 2014, a copy of which has been circulated to all members of the County Council. This report highlights the implications for the Adults and Communities Department.

Service Transformation

5. It is essential that transformation of services underpins the MTFS proposals to ensure that key outcomes are delivered and services are sustainable in the future. The departmental approach is consistent with the themes in council wide transformation.

6. The protection of the most vulnerable people is a key priority. The demands of an ageing population and increasing numbers of people with learning disabilities must be adequately funded. A greater focus on managing demand through prevention and early intervention is a key theme with the development of a new model designed to make a bigger impact at a reduced cost to the Council. Making the service offer more sustainable will be achieved by continuing to reduce the subsidy on all services and ensuring that care and support is provided in the most cost effective way, focusing more on individual and community assets in resource allocation to service users.
7. Partnerships will become even more important with the development of more integrated services with NHS organisations through the Better Care Fund, to deliver more effective community based services, thereby reducing pressure on hospital services and using resources more effectively across the whole health and social care economy.
8. The Department has been and is continuing to prepare for additional demands and duties arising from the Care Act 2014, and transforming service user interactions through updating systems and streamlining processes. As well as ensuring staff are in place to handle additional assessments and reviews and record service user costs and contributions in a care account.
9. Communities and Wellbeing Services will increasingly be provided in partnership with communities, with specialist resources in the Council being reconfigured to support the core offer and new models of delivering services devolved from the Council.

Proposed Revenue Budget

10. The table below summarises the proposed 2015/16 revenue budget and provisional budgets for the next three years. The proposed 2015/16 revenue budget is shown in detail in Appendix A.

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Updated original budget	133,523	132,774	131,060	129,970
Budget Transfers and Adjustments	3,576	-1,344	0	0
Sub Total	137,099	131,430	131,060	129,970
Add proposed growth (Appendix B)	6,980	5,290	5,060	5,060
Less proposed savings (Appendix C)	-11,305	-5,660	-6,150	-2,500
Proposed/Provisional budget	132,774	131,060	129,970	132,530

11. Detailed budgets for 2015/16 have been compiled on the basis of no pay or price inflation, a central contingency will be held which will be allocated to services as necessary. The Department undertakes a robust fee setting review process annually in relation to its statutory duty to set residential and nursing fees based on the “usual costs of care” and contractual duties to review other provider fees.
12. The central contingency also includes provision for an increase in the employers’ contribution to the Local Government Pension Scheme in 2015/16 and the following three years based upon the triennial actuarial revaluation of the pension fund.
13. The total gross proposed budget for 2015/16 is £233.7m with contributions from grants, health transfers and service user contributions projected of £100.9m. The proposed net budget for 2015/16 totals £132.8m and is set out below:

	£000
Employees	48,275
Running Costs	185,394
Gross Costs	233,669
Income	-100,895
Net Budget	132,774

Other Changes and Transfers

14. A number of budget transfers (totalling a net increase of £2.1m) were enacted through the 2014/15 financial year and are now adjusted for in the updated original budget. These transfers are :
- £3.0m of funding for fee increases for care providers transferred from the central inflation contingency held
 - (£0.5m) transferred corporately for Transformational resources
 - (£0.15m) transferred for the centralisation of Insurance budgets
 - (£0.2m) smaller transfers to other departments including transport escorts and work choice
15. Growth and savings have been categorised in the appendices under the following classification:
- * item unchanged from previous MTFS;
 ** item included in the previous MTFS, but amendments have been made;
 No stars New item.
16. This star rating is included in the descriptions set out for growth and savings below.
17. Savings have also been classified as Transformation, Departmental or an Emerging saving and highlighted as “Eff” or “SR” dependent on whether the saving is seen as an efficiency or a service reduction or a mixture of both. “Inc” denotes those savings that are funding related or to generate more income.

Growth

18. As in previous years, demographic growth, increasing needs and dependencies are the main drivers of the need for growth budgets within Adult Social Care coupled with specific growth requests following judicial changes to Deprivation of Liberty Standards (DOLS) and system changes.
19. The total growth required is £7m for 2015/16 and £22.4m over the next four years in total. The budget increases are outlined below and summarised in Appendix B.
20. ** G5 Older People demand – (£1.2m in 2015/16 rising to £5.4m in 2018/19) – This is required to meet the increasing numbers of new older people with substantial and critical needs as well as the increasing fragility of existing service users. Future demands are projected from a number of sources primarily the Joint Strategic Needs Assessment (JSNA); Projecting Older People Population Information (POPPI) and recent historic trends for services. The number of people over 65 in Leicestershire with a limiting illness, dementia or limited mobility is expected to increase by c3% over the next year with the number of people over 85 projected to increase at a faster rate of

4.1%.The majority of growth will be in community based services commissioned as homecare or via direct cash payments.

21. ** G6 Learning Disability demand – (£2.16m in 2015/16 rising to £7.6m in 2018/19) – Growth is needed to support increases in demand for services for people with learning disabilities. This reflects the increasing numbers of people identified as needing services (including those children becoming adults through the Transitions Team) and generally increasingly complex needs of both existing and new service users. Approximately half of new service users are currently known within the Transitions Service and the other half are estimates of new service users not currently receiving services from the Local Authority who will require a new ongoing care package. This growth requirement has increased by £0.5m for 2015/16 since the last MTFs as more service users are presenting and with increasing needs.
22. ** G7 Adult Mental Health demand – (£0.69m in 2015/16 rising to £3.2m in 2018/19) – This growth is needed to meet the projected annual increase in demand for services for people with mental health needs and is at a similar level to that projected in the last MTFs. Growth of £250k relates to the full year effect of new service users receiving services in 2015/16 with the £440k balance required for an average increase of three new service users per month. It is expected to be spent mainly on direct payments.
23. ** G8 Physical Disability demand – (£1.1m in 2015/16 rising to £4.1m in 2018/19) - This is to meet the needs of projected demographic growth for new service users. This service user group is most likely to choose cash direct payments, which is where the majority of cost pressure has been experienced for this group in recent years.
24. G9 Deprivation of Liberty Safeguards (DOLS) – (£0.43m in 2015/16 rising to £0.56m in 2016/17 and ongoing) - This growth is for additional assessors and the associated legal costs arising from an expected increase in caseload (expected to double) following a Supreme Court judgement extending Deprivation of Liberty Safeguards to other settings including residential and supported living arrangements.
25. G10 Integrated Adults System (IAS) post support model – (£0.3m) – Resources are needed to maintain the system and ensure ongoing training and support (e.g. implementing, testing and training of new software releases). This funding provides for an IAS Business Development Officer, Information Quality Officer and a small number of trainers.
26. G11 IAS ongoing system software and maintenance costs – (£0.2m) – This investment provides for the implementation and ongoing software costs for phase 2 of the IAS project seeking to maximise efficiencies and enable readiness for the Care Act through tools including a replacement E-marketplace; a Provider and Customer Portal and online financial assessment tool.
27. G12 Ordinary Residence – change in funding – (£0.9m) - Under Ordinary Residence rules and the normal place of residence, a number of service users are expected to transfer to the responsibility of Leicestershire County Council. These service users will have a review before responsibility is transferred to ensure their package and costs are in line with their needs.

Savings

28. Details of proposed savings are set out in Appendix C and total £11.3m in 2015/16 and £25.6m over the next four years in total. This includes a net increase of health funding to protect social care services of £8.75m annually and “emerging” savings of £7.2m in later years (£6.2m in Adult Social Care and £1m in Communities and Wellbeing). These are detailed in the following paragraphs.

Adult Social Care Savings

Transformation Savings

29. * T1 Eff - Shared Lives alternative to residential and day care (Net savings of £155k from 2015/16 in addition to £225k in 2014/15) - The Shared Lives Service has high levels of satisfaction for delivering an alternative to residential care (and in some cases day services) at a lower cost. Over the last year more carers have been recruited to expand the service both to more service users and to all user groups. The actual savings achieved depends on the service users’ level of need and the alternative costs of packages that would have been commissioned. Average savings for shared lives schemes are estimated at £2-3k per older person per annum and up to £50k per person with learning disabilities per annum. The service is expected to be at full capacity from 2015/16 achieving full year net savings of £380k.
30. ** T1 Eff - Review of In-House services (£150k from 2016/17 rising to £250k from 2017/18 in addition to £250k in 2014/15) – This entails a review of the productivity of all in-house services with an intention to merge or close any that are not considered viable and transferring viable services to the independent sector, where it is more cost effective to do so, aligned to the increased use of personal budgets. The in-house services to be reviewed include the only remaining Older Persons Residential Home; the Short Breaks service (where current under-utilised capacity can be realigned or utilised by partners); Supported Living services and Community Life Choice day centres. In total the savings delivered will be £0.5m representing 3.2% of the original gross spend on these services (4% of net).
31. ** T2 Eff Outcome Based Commissioning – Help to Live At Home Project (£0.25m from 2016/17 increasing to £1m from 2017/18) – Delivery of improved outcomes for service users whilst maximising savings by commissioning “outcome based services” rather than the traditional time and task based services. There may be scope for further savings but £1m represents a conservative 4% of the total direct spend on domiciliary care within the scope of this project. This model of commissioning is being implemented in other local authorities around the country with Wiltshire seen as a successful early implementer. Ernst & Young have recently been supporting the development of this project.
32. ** T7 Eff Customer Journey Simplification including the use of Payment Cards (£250k from 2015/16 rising to £0.75m from 2016/17 in addition to £250k in 2014/15) – Productivity improvements enabling fewer staff to deliver a more efficient service through a simplified approach to care and financial assessments aligned to cash personal budgets being the default position. The introduction of Payment Cards is planned for Summer 2015 enabling easier management of direct cash payments for service users as well as more accessibility for the Council regarding spend analysis, reduced fraud and easier claw-back of unused budgets.

33. * T12 SR - New Model of Early Intervention and Prevention Support - (£0.5m from 2015/16 to adjust budgets for the over achievement of 2014/15 £1m savings target. A further £2m saving from 2016/17) - The ongoing review of non- statutory Housing Related Support and Voluntary sector contracts, leading to a more targeted approach with reduced level of investment from the Council. This will be delivered by investing in alternative models such as Local Area Co-ordinators to support vulnerable people in the community and developing solutions which build on individual and community assets.
34. ** T14 Eff - Integrated health and social care solutions – Crisis Response Service (£370k saved in total with a budget reduction adjustment needed of £195k in 2015/16) – These annual savings have already been achieved in 2014/15 through the implementation of an integrated Crisis Response Service materialising in reduced residential admissions. The Crisis Response Service provides effective short term support at the point of crisis that will help to maintain someone in their own home and avoiding a hospital admission or a residential/nursing home placement. Initially starting as a social care response, a night nursing service has recently been introduced. The service is available for a maximum of 72 hours while the crisis is resolved, or a longer term care plan can be arranged.

Departmental Savings

35. ** D21 Eff - Reduced residential, nursing and home care as a result of developing Extra Care alternatives (£250k from 2015/16) - Extra Care services can offer a flexible and more cost effective alternative to residential care for many people. There are 10 priority localities identified in the Extra Care Strategy with potential opportunities identified to date in Blaby, Harborough and Loughborough. The 50 unit scheme in Blaby is on track for completion by 01 May 2015.
36. ** D22 Eff - Review of terms and conditions including business mileage (£45k full year effect of previous change) - Ongoing impact of previous corporate reviews of staff terms and conditions of employment, already implemented.
37. ** D23 Other service reviews and infrastructure alignment (£0.4m from 2016/17 in addition to £0.5m target in 2014/15) – A review and rationalisation of staffing structures outside the care pathway following simplification of processes and increases to productivity.
38. ** D24 Inc - Increased income from fairer charging and removal of subsidy/aligning increases (£0.3m pa) - Increased income flows from national pension and benefit increases projected as per previous years plus an ongoing review of all charges to ensure that the contribution service users make to their costs of care reflect actual costs/overheads ensuring equality for all service users, irrespective of how their care is commissioned.
39. * D25 Eff - Shared provider approach to quality and efficiencies (£1.2m from 2016/17) – Engagement with residential care providers to deliver joint efficiencies whilst maintaining quality. This will involve seeking joint efficiency opportunities as well as reviewing fees and the Quality Assessment Framework (QAF) from 2016/17. £1.2m represents 1.5% of the gross residential spend. More detailed planning and proposals will be developed during the next year.

40. * D26 SR - Remove subsidy for Community and Day Centre Meals (£150k from 2015/16 in addition to £150k from 2014/15) Currently service users receiving a community meal as a “managed service” (i.e. organised by the Council on their behalf) are subsidised by approximately 43% of the cost by paying a contribution of £3.25 compared to the current actual cost that the Council pays to the provider of £5.71. Following consultation, the subsidy will reduce to nil over time for existing service users and to apply the unsubsidised rate to all new users. All service users will still have the option to take a cash personal budget and commission or organise their own meals either directly or through a Provider Managed Account, with the provider who organises all the care required on behalf of a service user. In order to be consistent and equitable, the same approach would be applied to people attending day centres.

Emerging Savings

41. E21 Eff / SR - Supported Living (£1m from 2017/18) - reduced individual package costs through negotiation with providers and more vigorous use of Assistive Technology. This saving represents an 8% reduction on the budget.
42. E22 SR – Re-ablement review (£1m from 2017/18) – a review of the existing re-ablement in-house service to consider externalising and / or providing re-ablement in a more targeted way. This saving represents an 18.5% reduction on the budget.
43. E23 SR - Fieldwork infrastructure – align with new model and planned demand reductions (£0.5m from 2017/18) – reduced locality social care teams in line with streamlined processes; different approaches to assessment and reviews based on risk levels; planned demand reductions and more integrated working with NHS partners. This saving represents a 7% reduction on the budget.
44. E24 SR - Equipment and adaptations – reduced provision (£0.3m from 2017/18) – a 10% reduction on the existing budget which will result in less provision for service users or a longer waiting list for funded equipment and adaptations. Efficiencies have already been maximised from a contract re-tender and recycling as much equipment as possible.
45. E25 SR - Support Services (£0.5m in 2017/18 rising to £1m in 2018/19) – further reductions in support in line with reduced funding. Support Services includes Strategy and Commissioning, Office Bases, Business Support, Community Care Finance, Compliance and Market Development). The opportunity for savings will reduce as some budgets and responsibilities are centralised and transferred to other departments.
46. E26 SR - Restricting Community Life Choices (CLC) to a core service offer (£1.2m in 2017/18 rising to £2.4m in 2018/19) – This involves promoting independence for people with Learning Disabilities through education and learning rather than funding ongoing day service placements, where appropriate. Overall day service provision will reduce by up to 30% meaning that some reduction in the amount of day service placements will also be necessary for all ages and disabilities resulting in a reduction of users or amounts of days to attend a day service or access other community life choices.

Health Funding / Better Care Fund

47. * I21 Inc - Removal of time limited saving– (savings mitigation from additional health transfer funding of £1.25m 2014/15 one year only) - Additional health transfer funding for 2014/15 only to mitigate savings as agreed with NHS partners. A total of £2m one off funding was available and the balance was utilised to facilitate change for integration in preparation for the Better Care Fund.
48. * I22 Inc - Better Care Fund – Social Care Protection (£10m from 2015/16) – The Leicestershire Better Care Fund is £38.3m from 2015/16. £10m of this has been agreed as investment in social care protection to mitigate the need for further savings from 2015/16 subject to meeting performance targets. The Better Care Fund is explained further in the section below entitled Health and Social Care Integration.

Communities and Wellbeing Savings

Transformation

49. ** T21 SR - Reduction in funding for community libraries and review of other library services (£195k in 2015/16 rising to £340k from 2016/17 and in addition to £170k in 2014/15) – Following consultation, a 20% reduction in opening hours across 16 major libraries and shopping centre libraries was agreed by Cabinet in September 2014 for implementation from April 2015. The final model for the rest of the library service was presented to Cabinet in November 2014 with a formal invitation to encourage delivery by local communities and groups with infrastructure support from the County Council. A report summarising registrations of interest will be presented to Cabinet in April 2015 with further consultation and options including closure presented to Cabinet later in the summer of 2015.

Departmental Savings

50. * D27 SR - Redevelop Snibston with a new offer focusing on mining and the scheduled ancient monument (£180k from 2015/16 in addition to 2014/15 budget reduction savings target of £60k outstanding) – Options have been considered to redefine Snibston around a new offer focusing on mining and the scheduled ancient monument with reduced ongoing funding. This will build on the investment made in the scheduled ancient monument and reduce the ongoing subsidy. The Friends of Snibston have put forward an alternative option and business case to take over the future running of Snibston. Further work has taken place to evaluate the options. A decision on the proposed way forward will be taken by Cabinet on 14 January 2015.
51. ** D28 SR - Reduction in funding for community museums (£50k in 2016/17 rising to £135k in 2017/18 in addition to £30k in 2014/15) - Development of community partnerships for running community museums in Charnwood, Melton, Harborough and Donington Le Heath reducing the resources allocated by the Council. Closure is an alternative option where community partnerships are not viable. All options are currently being considered and consultation will commence as necessary in 2015/16 with the relevant reports and proposals being presented back to Cabinet.
52. ** D29 SR - Reduction in infrastructure costs for libraries, museums and heritage (£335k in 2015/16 rising to £1,015k in 2016/17 in addition to £65k in 2014/15) - Reduced infrastructure to support service areas in addition to infrastructure savings embedded in the other Communities & Wellbeing savings. Savings will depend on and

be informed by the timing and nature of decisions taken in respect of Snibston and Community Museums as well as reflecting the implementation of Community Partnership libraries.

Emerging

53. E27 SR Further reconfiguration of the Communities & Wellbeing service aligned to reduced funding (£0.5m in 2017/18 rising to £1m in 2018/19) – It is proposed that Communities & Wellbeing start working towards a re-organisation of the service aligned to a significantly reduced budget, allowing the next 3-4 years to undertake the necessary work to realise such a major change. It is anticipated that the service will become more mobile, operating out of significantly fewer council owned and operated facilities and making greater use of web-based and outreach provision. The service would be built around: statutory services, a free book lending service whilst targeting services to the most vulnerable people, providing quality educational and heritage resources, and access to professional advice around this offer.

Care Act 2014

54. The Care Act 2014 introduces significant changes to social care legislation over the next two years widening the duties of Local Authorities and transforming the funding of social care.
55. The immediate changes for 2015/16 are primarily around eligibility, assessment and support for carers. Funding of £5.63m in total has been allocated for implementing the Care Act in 2015/16 comprising of £5.1m revenue and £0.5m capital. It is anticipated that this funding should be sufficient to cover the estimated increase in costs arising from carers and self-funders presenting for assessment in 2015/16. Extensive modelling has been undertaken to project the estimates for carers and self-funders, however significant uncertainties remain. It has therefore been agreed that the any increase in budgetary requirements arising from the Care Act implementation will be funded from the County Fund.
56. In summary the 2015/16 total funding has been allocated as follows :

	£m
Carers Assessments	0.43
Carers Support Fund	0.77
Infrastructure & Other Carers Provision	0.30
Advocacy	0.48
Safeguarding	0.14
Prisons	0.15
Self-funder Assessments	1.23
Social Care Protection	0.61
Care Act Implementation	1.52
	5.63

57. More significant changes are due to take effect from April 2016 with the introduction of a cap on charges payable by service users and a higher threshold before service users start paying. Anyone entering adulthood with a disability will also receive free

social care in future reducing current income levels for service user groups such as people with learning disabilities who currently contribute to their social care.

58. Additional pressures are expected through increased staffing required to undertake assessments and reviews and track care costs for “self-funders” who under current funding arrangements can afford their own care and may not contact the Council at all. An estimate suggests that the amount of assessments could double from existing levels.
59. Whilst the Government has indicated that the cost of implementing the funding reforms would be funded, the exact detail has yet to be published. Modelling the implications of the various changes arising from the Care Act is complex and being undertaken in conjunction with other regional and national authorities. To date estimates vary but the additional funding requirement is expected to be significant.

Health and Social Care Integration

60. Health and Social Care Integration is a priority for both the County Council and the NHS. Developing effective ways to co-ordinate care and integrate services around the person is seen nationally and locally as key to improving outcomes and ensuring high quality and sustainable services for the future.
61. The Better Care Fund (BCF) is a pooling of health and social care resources to support the provision of integrated services. Joint discussions between key partners across Leicestershire have taken place and the resulting BCF plan was approved by the Health and Wellbeing Board and submitted to NHS England in September 2014. The Leicestershire BCF Plan has successfully progressed through a national assurance process and the focus now turns to delivery.
62. Delivery of the BCF plan is based on 4 themes:
- i) Unified prevention offer – bringing together preventative services across Leicestershire into one consistent offer, including housing expertise and carer support. A new service, Local Area Co-ordination is being developed and will be operational in the new financial year and the Light Bulb integrated housing offer is due to go live in 2016/17.
 - ii) Integrated, proactive care for those with long term conditions – to consolidate health and care teams in each locality, offer proactive case management to those people with complex conditions and/or over 75s and integrate care records, using the NHS number as the identifier.
 - iii) Integrated urgent response – the introduction of rapid response community services to avoid unnecessary hospital admissions. This includes an integrated crisis response service which offers 72 hours of support in the community in a care crisis, the rapid assessment service for older people that is based at Loughborough Hospital, training paramedics to treat and/or transfer people to local community services for further support at home after a fall, and piloting 7 day services for primary care.
 - iv) Hospital discharge and re-ablement – improving the timeliness and effectiveness of discharge pathways to reduce length of stay, consolidation and integration of

community services across health and social care with a single point of access and a new approach to outcome based re-ablement and domiciliary care.

63. The BCF Plan outlines ambitions for improvement in Leicestershire against a set of performance metrics:
 - Reduced emergency admissions to hospital
 - Reduced admissions to residential and nursing homes
 - Improved effectiveness of reablement
 - Reduction in delayed transfers of care from hospital
 - Improved patient / service user experience
 - Reduction in injuries due to falls
64. Part of the BCF is linked to 'Pay for Performance'. £2.8m of Clinical Commissioning Group (CCG) funding is only payable into the BCF if schemes included in the plan deliver a reduction of 1,911 (3.5%) emergency admissions to hospital. If the target is not met, then CCGs will allocate this funding to acute hospitals instead to manage increased activity in the NHS.
65. A contingency has been earmarked from the Health and Social Care Integration reserve to mitigate against the potential loss of income to the County Council for any underperformance linked to the 1,911 reduction. Further details around the Pay for Performance scheme are expected to be published by NHS England in early 2015.
66. Leicestershire's BCF totals £38.3m and includes £16m of protected social care services (£10m new in 2015/16) to ensure that the needs of the most vulnerable residents are met and outcomes achieved. The BCF also identifies £1.9m (£1.4m revenue and £0.5m capital) for costs associated with the implementation of the Care Act.
67. Disabled Facilities Grants (DFGs) which until now have been paid to District Councils also form part of the BCF. In 2015/16 funds will be passported to district councils who continue to maintain statutory responsibility for DFG provision. This position will be reviewed for 2016/17 when Light Bulb, the integrated housing offer for Leicestershire, becomes operational.
68. The whole BCF will be managed under a section 75 pooled budget agreement. Work has already started on writing this and will be in place for the start of the new financial year.

Better Care Together

69. A funding gap of £398m in the local health economy has been identified by 2018/19 if no action is taken. In addition to this, local authorities will require even more significant savings and the details of these are still being worked through.
70. Better Care Together is an unprecedented transformational programme to reform health and social care across Leicester, Leicestershire and Rutland (LLR). The programme is a partnership of local NHS organisations and Councils and is driven by a shared recognition that major changes are needed to ensure services can continue to meet the needs of local people.

71. The Better Care Together five year plan has now been published and sets out the future shape of services across LLR. The plan addresses demand issues in the system as the population is ageing (12% increase in 65+ population by 2019) and living longer with more complex, long term needs. Health and social care services need to be of a good quality, while being sustainable at a time when major financial challenges are being faced.
72. The five year plan does present significant financial risks to the County Council. As interventions are focussed towards prevention, avoided hospital admissions and reduced length of hospital stay it is inevitable that this will impact on demand for social care support. The 'left shift' on the bed reconfiguration work-stream alone is estimated to cost about £5m pa to LLR Councils. This is only one element of the impact of the changes taking place however it highlights the need for careful planning and coordination between the different services. The full implications of the strategy for social care need to be identified and addressed in order to manage the increased pressure on resources and to allow for planning to meet this additional demand. To date there are no funds identified to resource this so further funding transfers from the NHS to LAs will be required.

Grants and Transfers

73. For 2015/16, the following grants and transfers will be received
- Better Care Fund - £38.3m (of which £1.3m relates to social care capital grant) to deliver the objectives as detailed in the BCF Plan. This includes £1.4m revenue and £0.5m capital funding for the Care Act.
 - Local Reform and Community Voices Grant - £49k (continuing from 2014/15) for Deprivation of Liberty Safeguards (DOLS) in Hospitals
 - Social Care in Prisons Grant - £150k for assessment and meeting the support needs of offenders in prison, approved premises or bail accommodation.
 - Learning Disabilities Pooled Budget - £12.1m contribution from the Clinical Commissioning Groups to support the needs of service users that have been awarded continuing healthcare
74. Care Act Funding – Additional funding has been provided to implement the changes for 2015/16 arising from the Care Act including :
- £1.97m – Early Assessments Grant
 - £1.06m – Deferred Payment Agreement Grant
 - £0.56m – Carers and Care Act Implementation Grant

Capital Programme

75. The draft Capital Programme is summarised below and in Appendix D. The programme is funded by a combination of Government grant, external grants, capital receipts, prudential (unsupported by Government) borrowing, external contributions and earmarked funds.
76. The Adults and Communities capital programme budget totals £5.1m over the next four years including £3.3m in 2015/16 and £1.7m Disabled Facilities Grant.

77. Disabled Facilities Grant (DFG) – Disabled Facilities Grants (DFGs) are used to fund major housing adaptations to vulnerable people allowing them to remain safely in their own home, rather than being admitted to a residential care setting. Up to and including 2014/15, this funding was allocated to District Councils, however from 2015/16 DFGs will form part of the BCF and will be paid to the County Council. It has been agreed for 2015/16 that this funding will be passported to District Councils.
78. The balance of the capital programme is based on the following priorities:
79. Replacement of mobile libraries (£200k p.a.)– This is an ongoing programme to replace the ageing fleet of mobile library vehicles required to maintain service provision. This assumes one new mobile library per annum and is dependent on service review,
80. Libraries - reconfiguration of space (Oadby £60k, Blaby and Glenfield £160k over 2015/16 and 2016/17) – Investment in improved major library room hire facilities to provide day time learning spaces for adult learning and to generate additional annual income for the department.
81. Changing Places / Toilets (facilities for people who need personal assistance) (£215k over 2015/16 and 2016/17) – Changing Places provide facilities for people who need personal assistance to use the toilets. The project aims to install 10 Changing Places/ Toilets in a range of venues over three years. The venues will include local authority owned and privately owned facilities which are most used by the general public.
82. Hinckley, The Trees (£250k) - refurbishment/extension to accommodate the Millfield Community Life Choices (CLC) service following the sale of the Millfield site. The use of the Short Breaks property will be shared with the current users making more efficient use of a County Council property.
83. Melton LD Respite Service (£150k) - refurbishment/extension to accommodate The Mount Community Life Choices (CLC) service following the sale of The Mount site. The use of the Short Breaks property will be shared with the current users making more efficient use of a County Council property.
84. Wigston, Carlton Drive Respite Service (£150k) - refurbishment/extension to the Short Breaks site to provide a Community Life Choices (CLC) service from it. This will enable the rationalisation of CLC provision within South Leicestershire making efficient use of a County Council property and reducing payments to leased CLC premises.
85. Extra Care Provision (£1.56m over 4 years including New Homes Bonus) - Loughborough (Derby Road). Capital contribution to East Midlands Housing for the Loughborough Extra Care scheme comprising 60 units.

Equality and Human Rights Implications

86. Public authorities are required by law to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation;
 - Advance equality of opportunity between people who share protected characteristics and those who do not; and
 - Foster good relations between people who share protected characteristics and those who do not.

87. Many aspects of the County Council's MTFs may impact upon service users who have a protected characteristic under equalities legislation. An assessment of the impact of the proposals on the protected groups must be undertaken at a formative stage prior to any final decisions being made. Assessments are being undertaken in light of the potential impact of proposals and the timing of the proposed changes. Those assessments will be revised as the proposals are developed.
88. Proposals in relation to savings arising out of a reduction in posts will be subject to the County Council Organisational Change policy which requires an Equality Impact Assessment to be undertaken as part of the action plan.

Recommendation

89. The Committee is asked to consider the report and any views it may wish to make to report to the Scrutiny Commission and the Cabinet accordingly.

Background Papers

- Cabinet : 11 December 2014 – Medium Term Financial Strategy 2015/16 to 2018/19

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4331&Ver=4>

- Better Care Fund Plan Submitted to NHSE

http://www.leics.gov.uk/index/your_council/local_democracy/overviewandscrutiny/healthwellbeingboard/bcfsubmission.htm

- Better Care Together 5 Year Strategy

<http://www.bettercareleicester.nhs.uk/information-library/better-care-together-plan-2014/>

Circulation under local issues alert procedure

None.

Appendices

Appendix A – Revenue Budget 2015/16

Appendix B – Growth

Appendix C – Savings

Appendix D – Capital Programme 2015/16 – 2018/19

Officers to Contact

Mick Connell, Director of Adults and Communities

Tel: 0116 305 57454

E-mail: mick.connell@leics.gov.uk

Chris Tambini, Assistant Director, Strategic Finance, Property and Procurement, Corporate Resources

Tel: 0116 305 6199

E-mail: chris.tambini@leics.gov.uk

Sara Smith, Finance Business Partner – Adults and Communities

Tel: 0116 305 7869

E-mail: sara.smith@leics.gov.uk

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**ADULTS AND COMMUNITIES
REVENUE BUDGET 2015/16**

Net Budget 2014/15 £		Employees £	Running Expenses £	External Income £	Internal Recharges £	Net Total £
	<u>Reablement, Early Intervention and Prevention</u>					
5,570,640	Reablement	5,148,890	1,361,069	-1,174,332	0	5,335,627
0	First Contact	145,796	6,004	-151,800	0	0
113,100	Assistive Technology	449,958	639,500	-980,000	0	109,458
3,005,714	Aids and Adaptations	355,047	2,924,463	-463,623	0	2,815,887
67,500	Luncheon Clubs		£67,500	-£17,500		50,000
278,178	Extra Care	0	400,500	0	0	400,500
	Preventative Services					
1,689,724	Eligible Services (e.g. Information & Advice)	0	1,098,209	0	0	1,098,209
283,981	Primary (e.g Vol Sector - Specialist Services)	0	200,000	0	0	200,000
3,177,017	Secondary (e.g. OP HRS, AMH Befriending, Other Vol)	0	4,475,349	-1,216,747	0	3,258,602
2,192,664	Tertiary (Eg. Homeless, Offenders, Dom Violence Services)	0	2,186,000	-85,000	0	2,101,000
159,287	Commissioning Support & Engagement	0	128,800	0	0	128,800
-516,000	Housing Related Support Income			-537,000		-537,000
16,021,805	TOTAL	6,099,690	13,487,394	-4,626,002	0	14,961,082
	<u>Locality teams</u>					
	<u>(Assessment & Review and other direct services)</u>					
4,215,253	PCS Locality teams and managers	4,809,914	257,567	-543,342	-81,700	4,442,439
4,050,167	PI Locality teams and managers	4,270,293	495,954	-115,998	-280,000	4,370,250
2,529,625	Adult Mental Health (AMH)	3,042,815	222,510	-771,637	-3,645	2,490,043
429,851	Deprivation of Liberty Safeguards (DOLS)	388,792	573,974	-155,065	0	807,701
281,074	Emergency Duty Team (EDT)	61,590	181,500	0	0	243,090
0	Crisis Response	843,863	1,156,701	-2,000,564	0	0
11,505,970	TOTAL	13,417,267	2,888,206	-3,586,606	-365,345	12,353,522
	<u>Care Act</u>					
0	Care Act Implementation	1,901,777	920,526	-2,822,303	0	0
972,883	Carers	0	1,721,867	-773,103	0	948,764
972,883	TOTAL	1,901,777	2,642,393	-3,595,406	0	948,764
	<u>Inhouse Provider Services</u>					
4,238,631	Supported Living, Residential and Short Breaks	4,280,833	327,440	-242,000	-63,500	4,302,773
4,251,666	CLC / Day Services	4,661,770	457,535	-861,400	0	4,257,905
405,747	Shared Lives team	339,400	66,387	-4,752	0	401,034
66,602	Direct Payments Payroll Team	62,417	2,450	0	0	64,867
58,215	Other funded services (eg Workstep, LTC)	434,272	45,600	-465,670	0	14,202
9,020,861	TOTAL	9,778,692	899,412	-1,573,822	-63,500	9,040,781
	<u>Demand led commissioned services</u>					
37,853,312	Residential	0	66,866,000	-28,923,000	0	37,943,000
839,428	Shared Lives Residential	0	1,445,000	-507,000	0	938,000
4,582,580	Nursing	0	8,391,000	-3,744,000	0	4,647,000
12,318,000	Supported Living	0	13,039,000	0	0	13,039,000
23,703,000	Home Care	0	26,532,278	0	0	26,532,278
22,816,054	Direct Cash Payments	0	25,606,690	0	0	25,606,690
4,055,000	Community Life Choices (CLC)	0	4,065,000	0	0	4,065,000
347,546	Shared lives - CLC	0	574,000	0	0	574,000
283,850	Community meals	0	373,500	-208,800	0	164,700
-12,978,778	Community Income			-15,138,078		-15,138,078
93,819,992	TOTAL	0	146,892,468	-48,520,878	0	98,371,590
-5,820,673	Better Care Fund (balance)	620,000	13,475,800	-28,244,400	-562,600	-14,711,200
	<u>Management and Support</u>					
889,632	Director and Senior Mgt	583,414	209,436	-2,892	-11,000	778,958
1,768,653	Business Support	2,125,565	656,721	-3,132	-1,011,055	1,768,099
717,898	Commissioning and Market Development	927,766	32,161	-162,617	-35,000	762,310
898,818	Compliance	1,152,827	74,885	-318,812	0	908,900
1,387,782	Community Care Finance	1,607,242	43,970	-77,062	-46,293	1,527,857
0	IT & Information / IAS implementation	315,000	204,109	-4,020	0	515,089
5,662,783	TOTAL	6,711,815	1,221,282	-568,535	-1,103,348	6,261,214
-432,000	Unallocated efficiencies - 14/15 comparison only	0	0	0	0	0
130,751,621	TOTAL ASC	38,529,241	181,506,954	-90,715,649	-2,094,793	127,225,754
	<u>Communities and Wellbeing</u>					
2,901,258	Library Sites	2,958,665	433,790	-804,698	0	2,587,757
915,057	Heritage, Museums & Records Office & Enterprise	1,645,014	781,198	-1,372,549	-52,000	1,001,663
304,860	Modernising Services & Leics Care Online	187,778	126,186	-3,316	0	310,648
635,625	C&W Senior Management / General	606,255	29,132	0	-66,556	568,831
243,003	Lifelong Learning	632,673	198,317	-519,500	-46,000	265,490
1,348,076	Resource & Collections	424,119	926,760	-7,000	0	1,343,879
0	Externally Funded Projects	270,977	355,976	-524,124	-102,829	0
-500	Adult Learning	3,550,230	1,036,220	-4,533,141	-53,309	0
0	Efficiencies still to allocate in 15/16	-530,000				-530,000
6,347,379	TOTAL C&W	9,745,710	3,887,579	-7,764,328	-320,694	5,548,267
137,099,000	TOTAL A&C	48,274,951	185,394,533	-98,479,977	-2,415,487	132,774,021

Reference		2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	
<u>GROWTH</u>						
<u>ADULTS & COMMUNITIES</u>						
<u>Demand & cost increases</u>						
**	G5	Older people - new entrants and increasing needs in community based services and residential admissions	1,160	2,360	3,900	5,440
**	G6	Learning Disabilities - new entrants including children transitions and people with complex needs	2,160	4,320	5,980	7,640
**	G7	Mental Health - new entrants in community based services	690	1,490	2,350	3,210
**	G8	Physical Disabilities - new entrants in community based services	1,100	2,100	3,100	4,100
<u>Other increases</u>						
	G9	Deprivation of Liberty Safeguards (DOLS) - increased team and legal costs - doubling assessments post Supreme Court judgement	430	560	560	560
	G10	Integrated Adults System (IAS) Post support model	315	315	315	315
	G11	IAS ongoing system software and maintenance costs	200	200	200	200
	G12	Ordinary Residence - change in funding	925	925	925	925
Total			6,980	12,270	17,330	22,390

* items unchanged from previous Medium Term Financial Strategy

** items included in the previous Medium Term Financial Strategy which have been amended

TDEI ref.	Eff/SR/ Income	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
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SAVINGS

References used in the following tables

* items unchanged from previous Medium Term Financial Strategy

** items included in the previous Medium Term Financial Strategy which have been amended

TDEI ref - references for Transformation Programme project, Departmental saving, Emerging saving and Income items

Eff - Efficiency saving

SR - Service reduction

Inc - Income

ADULTS & COMMUNITIES

Adult Social Care

Transformation

*	T1	Eff	Shared Lives alternative to residential and day care	-155	-155	-155	-155
**	T1	Eff	Review of In-House Services		-150	-250	-250
**	T2	Eff	Outcome Based Commissioning - Help to Live At Home Project		-250	-1,000	-1,000
**	T7	Eff	Customer Journey Simplification including use of Payment Cards	-250	-750	-750	-750
*	T12	SR	New model of Early Intervention and Prevention support	-500	-2,500	-2,500	-2,500
**	T14	Eff	Integrated health and social care solutions -Crisis Response service	-195	-195	-195	-195
Total				-1,100	-4,000	-4,850	-4,850

Departmental

**	D21	Eff	Reduced residential, nursing and homecare as a result of developing Extracare alternative	-250	-250	-250	-250
**	D22	Eff	Review of terms and conditions including business mileage	-45	-45	-45	-45
**	D23	Eff	Other service reviews and infrastructure realignment		-400	-400	-400
**	D24	Inc	Increased income from fairer charging and removal of subsidy / aligning increases	-300	-600	-900	-1,200
*	D25	Eff	Shared provider approach to quality and efficiencies		-1,185	-1,185	-1,185
*	D26	SR	Remove subsidy for Community and Day Centre meals	-150	-150	-150	-150
Total				-745	-2,630	-2,930	-3,230

Emerging

E21	Eff/SR	Supported living - more vigorous application of Assistive Technology			-1,000	-1,000	
E22	SR	Reablement review			-1,000	-1,000	
E23	SR	Fieldwork infrastructure - align with new model and planned demand reductions			-500	-500	
E24	SR	Equipment and adaptations - reduced provision			-300	-300	
E25	SR	Support Services - further reductions in support in line with reduced funding (eg office bases, business support, CCF, strategy and commissioning, market development)			-500	-1,000	
E26	SR	Restricting Community Life Choices to a core service offer (30% reduction)			-1,200	-2,400	
				0	0	-4,500	-6,200

Health Funding / Better Care Fund

*	I21	Inc	Removal of time limited saving - additional Health transfer funding in 2014/15 only	1,250	1,250	1,250	1,250
*	I22	Inc	Better Care Fund - Social Care Protection	-10,000	-10,000	-10,000	-10,000
Total				-8,750	-8,750	-8,750	-8,750
Total ASC				-10,595	-15,380	-21,030	-23,030

Communities and Wellbeing

Transformation

**	T21	SR	Reduction in funding for Community libraries and review of other library services	-195	-340	-340	-340
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Departmental

*	D27	SR	Redevelop Snibston with a new offer focusing on mining and the scheduled ancient monument	-180	-180	-180	-180
**	D28	SR	Reduction in funding for Community museums (Charnwood, Melton, Harborough) and Donington le Heath		-50	-135	-135
**	D29	SR	Reduction in infrastructure costs for libraries, museums and heritage	-335	-1,015	-930	-930
Total				-515	-1,245	-1,245	-1,245

Emerging

E27	SR	Further reconfiguration of C&W service aligned to reduce funding			-500	-1,000	
Total C&W				-710	-1,585	-2,085	-2,585

TDEI Eff/SR/
ref. Income

2015/16	2016/17	2017/18	2018/19
£000	£000	£000	£000

SAVINGS

TOTAL A&C

-11,305	-16,965	-23,115	-25,615
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CAPITAL PROGRAMME - 2015/16 to 2018/19

Adults and Communities

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
<u>New Schemes</u>					
Replacement of mobile libraries - subject to Service Review	200	200	200	200	800
Libraries - reconfiguration of space (Oadby)	30	30			60
Libraries - reconfiguration of space (Blaby and Glenfield) - Subject to service review	80	80			160
Changing Places / Toilets (facilities for people who need personal assistance) (Rephased)	75	140	0	0	215
Hinckley, The Trees - refurbishment/extension to accommodate Millfield Community Life Choices (CLC)	250				250
Melton LD Respite Service - refurbishment/extension to accommodate The Mount Community Life Choices (CLC)	150				150
Wigston, Carlton Drive Respite Service - refurbishment/extension to offer Community Life Choices (CLC)	150				150
Extracare Provision - Loughborough (Derby Road) contribution to East Midlands Housing Scheme	625	625	310	0	1,560
Disabled Facilities Grant (DFG) - Better Care Fund (BCF)	1,739				1,739
Total A&C	3,299	1,075	510	200	5,084

<u>Future Developments - subject to further detail and approved business cases</u>					
Collections Storage	tbc	tbc	tbc	tbc	tbc
Ambion Village - Bosworth Battlefield Heritage Centre	tbc	tbc	tbc	tbc	tbc
Record Office Storage	tbc	tbc	tbc	tbc	tbc
Extracare Provision - Melton	tbc	tbc	tbc	tbc	tbc

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