

**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE**  
**19 JANUARY 2016**

**MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 2019/20**

**MINUTE EXTRACT**

**Medium Term Financial Strategy 2016/17 - 2019/20**

The Committee considered a joint report of the Director of Adults and Communities and Director of Corporate Resources which provided information on the proposed 2016/17 to 2019/20 Medium Term Financial Strategy (MTFS) as it related to the Adults and Communities Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr D W Houseman MBE CC, Cabinet Lead Member for Adult Social Care and Mr R Blunt CC, Cabinet Lead Member for Heritage, Leisure and Arts to the meeting for this item.

In introducing the report the Director of Adults and Communities and Cabinet Lead Members advised that the County Council and the Department was facing unprecedented budget pressures as well as demand pressures. The most significant demand pressures arose from the need to provide services to an increasingly ageing population and for people with complex disabilities who as a result of improvements in medicine were living longer and more productive lives. In addition to this the County Council, along with all other local authorities, was facing significant additional costs in dealing with Deprivation of Liberty Assessments as a result of more people coming within scope of the legislation. In response to the challenges the Department was focused on:-

- Managing demand by preventing and delaying need for services by building capacity in communities and enabling people to manage their conditions;
- Ensuring care was provided in the most cost effective way;
- Closer working and commissioning of services with partners, particularly the NHS.

The County Council had a priority to support the most vulnerable in society and to that end the proportion of spend in Adult Social Care was increasing, rising from 34% of Council spend currently to 39% of Council spend at the end of the current MTFS in 2019/20.

**Proposed Revenue Budget**

Arising from discussion the Committee was advised as follows:-

- (i) The additional 2% precept to fund social care had to some extent reduced the need for additional savings. The County Council took a holistic view of its overall budget but the Director pointed out that the central contingency for growth and the living wage which would impact primarily on adult social care service providers was greater than the amount generated through the additional precept.
- (ii) There was an element of frontloading of savings as the Council had to make a total saving of £78 million of which £26 million had to be found in the next financial year. The Department's contribution to the savings requirement in the next financial years would be £7.7 million. Members were advised that in most cases detailed planning to deliver these savings had been undertaken and there was confidence that these could be delivered. In some cases part of the savings requirements were already being delivered.
- (iii) The experience of co-production of care plans and care packages was that there was greater transparency and hence ownership of such plans. There was also clear evidence that in many cases the care needs could be met more cost effectively by service users commissioning the service.

### Growth

- (iv) The decision of the Supreme Court on the scope of the Deprivation of Liberty Safeguards (DOLS) legislation has resulted in the number of DOLS cases continuing to rise from 600 in 2014/15 to over 1700 in the first half of 2015/16. There was currently a backlog and this put the Council at some risk. An external agency had been engaged to assist with the backlog and work was underway to provide in-house social workers with the necessary training to undertake this work.

### Savings - Adult Social Care Savings

#### Transformation Savings

- (v) AC1 – Effective Management of Direct Payments

The introduction of payment cards not only reduced operating cost but enabled the Department to monitor spends by service users. This monitoring would cover not just overspends but more importantly ensure that service users were using the budget appropriately and purchasing care in line with the assessed needs. Where monitoring identified underspends the care team would be notified and would check whether the particular service users' needs were being met and how they might be better supported to manage their budget.

- (vi) AC2 - Outcome Based Commissioning

The independent sector had been fully engaged in the proposals to change the commissioning arrangements. Members were assured that the Department would meet the true cost of care provision which would include travel and

training costs but that alongside this there would be a need for providers to be transparent about their costs.

(vii) AC4 - External Contract Review

The substantial saving requirement in this area of the budget reflected the non-statutory nature of services provided. At a time when the Council was finding it challenging to meet its statutory obligations it was right and prudent to look carefully at spend in this area. The savings requirement in the previous year had been £500,000 but as a result of work already undertaken a saving of £1.5 million could be realised at the start of the next financial year.

The Director undertook to provide detailed reports to a future meeting on the impact of savings in relation to carers.

(viii) AC13 - Reablement

The Department had introduced a two weekly review of reablement packages and this had reduced costs as some people had progressed faster than had originally been anticipated on assessment.

Emerging Savings

(ix) AC 15 – Review of long term residential placement costs

The saving requirement had been reduced as a result of preparation of a detailed business plan. The focus of the work was on reducing the number of payment bands and additional payments so as to provide greater transparency and reduce administration costs. Members were assured that there was no intention of moving people into lower bands purely to save money. Providers were engaged in this process and reports on progress would be made to the Committee during the year. The recent consultation by the Care Quality Commission on fee increases would no doubt be part of the discussion with providers and any increase in fees would need to be factored into the cost of provision.

Communities and Wellbeing Transformation Savings

(x) AC21 – Implementation of the revised Communities and Wellbeing Service

Members were advised that no specific proposals had been identified to achieve the £1.7million saving from a total budget of just over £5million as to achieve this level of saving would require a major remodelling of the Service. The draft Communities and Wellbeing Strategy was currently out for consultation and would be debated by this Committee in April when potential options and opportunities for delivering this saving would be explored. The Cabinet Lead Member indicated that as part of that debate he would be open to consider all options including delivery of service in conjunction with other Councils.

## Capital Programme

### (xi) Libraries – Reconfiguration of space

The investment would primarily focus on equipment and classroom or meeting room development as the main user of these rooms was the Adult Learning Service. The Department would look at the charging regime to ascertain whether this was affecting hire.

### (xii) Extra Care Provision

This reflected the Council's capital investment in a private sector extra care development and such investment would enable the Council to obtain nomination rights. This development in Loughborough followed the Blaby scheme that the Council also supported.

### (xiii) Future Developments – Snibston

The cost of maintaining the Scheduled Ancient Monument was approximately £30,000 per annum and provision was contained in the Maintenance Programme. With regard to not proceeding with the proposed mining offer the Cabinet Lead Member advised that given the dire financial situation facing the Council it would not have been prudent to do so.

## RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2016.