



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
17 JANUARY 2017

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

MEDIUM TERM FINANCIAL STRATEGY 2017/18–2020/21

Purpose of Report

1. The purpose of this report is to:
 - a) Provide information on the proposed 2017/18-2020/21 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 the Cabinet accordingly.

Policy Framework and Previous Decisions

2. The County Council agreed the current MTFS in February 2016. This was the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS for 2017/18-2020/21 was considered by the Cabinet on 13 December 2016.

Background

3. The MTFS is set out in the report to Cabinet on 13 December 2016, 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.
4. 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 25 January 2017. The Cabinet will consider the results of the scrutiny process on 10 February 2017 before recommending a MTFS, including a budget and capital programme for 2017/18 to the County Council on 22 February 2017.

Service Transformation

5. The Adult Social Care (ASC) Strategy provides a context for the transformation and delivery of adult social care services in Leicestershire for the next four years. The aim of the strategy is to increase people's independence, reduce the reliance on formal social care provision, and develop new ways of working to meet the demands going forward.

6. At the same time the Care Act 2014 places a duty on local authorities to integrate services with Health and other partners both at an operational level and in respect of strategy and commissioning in order to deliver joined up high quality services. The Better Care Together (BCT) Programme and the development of the Sustainability and Transformation Plan (STP) will provide a framework to develop new models of care across Leicestershire.
7. The ASC Strategy focuses on:
 - Preventing social care need, developing robust and flexible solutions;
 - Reducing and delaying the need for social care by promoting self-care, reablement, enablement and improved independence skills, ensuring that the “reablement and progression” models we develop are flexible, accessible and produce effective outcomes;
 - Meeting essential need in order to keep people safe and maintain wellbeing;
 - Streamlined and efficient assessments, support planning and reviews;
 - Processes that work and workers empowered with the right tools to undertake tasks, having the right skills in the right part of the pathway;
 - Targeting staffing resources to meet needs for assessment and care management, social care provision and review.
8. The Department of Health requires that each area has a plan for integration between social care and the NHS by mid-2017 and implements that plan by 2020. In order to meet these requirements to work in a more planned and integrated way with East and West Leicestershire Clinical Commissioning Groups (CCGs), the Department will be reorganised at an operational level to a locality organised Care Pathway footprint which will also build, refine, and develop relationships with other non-health partners, in particular the District Councils and local voluntary sector organisations. This will ensure that the Council is involved and contributes to developing new models of care.
9. To support the delivery of the ASC Strategy and the integration agenda there is a need to review the departmental structure to ensure that it is able to:
 - Deliver the four year ASC Strategy;
 - Be aligned to the key high level strategies and commissioning plans;
 - Be capable of adapting to the requirement to integrate commissioning and provision with Health partners, eg East and West CCGs;
 - Be efficient and as lean as it can be whilst remaining effective;
 - Avoid duplication in Council functions and reduce confusion for service users, providers and partners;
 - Eliminate temporary structures and funding arrangements wherever possible;
 - Allow for co-location where structures and processes would benefit.
10. The Better Care Fund (BCF) contributes £17m towards the protection of social care services. At this point, it has been assumed that this will continue into 2017/18 at the same amount and will be directed to services that aim to help service users to maintain their independence in the community and reduce the decline in conditions that lead to more costly social care and NHS services. In addition to the adult social care protection funding in 2016/17, the BCF will contribute an additional £6.6m of BCF funding to social care for the provision of social work services, management of demand and development of integrated services. While work has commenced in

refreshing the BCF plan, NHS England Planning Guidance was due before Christmas, but has been delayed. When it is received there should be more clarity in terms of how the refresh will impact on the MTFS.

11. The Communities and Wellbeing Service will increasingly be provided in partnership with communities, with specialist resources in the Council being reconfigured to support the core offer, and through new models of delivering evidence based services devolved or commissioned from the Council. The continued development of partnerships to deliver services and new opportunities to extend access to services will be sought.
12. Despite a significant savings requirement in the draft MTFS, the Adults and Communities Department is expected to increase relative to the expenditure on other departments. This is a continuation of a trend established over the last few years, which has been caused by cost pressures from demographic changes and increasing care needs. The introduction of the National Living Wage will further shift expenditure towards the Department, due to the high proportion of the care workforce on low rates of pay.
13. The draft growth and savings for the 2017 MTFS (2017/18-2020/21) reflect the changes in demand for services and the transformation in delivery of services to achieve the vision for Adult and Communities.

Proposed Revenue Budget

14. The table below summarises the proposed 2017/18 revenue budget and provisional budgets for the next three years. The proposed 2017/18 revenue budget is shown in detail in Appendix A.

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Original prior year budget	132,528	132,913	133,313	135,873
Budget Transfers and Adjustments	3,315			
Sub total	135,843	132,913	133,313	135,873
Add proposed growth (Appendix B)	2,770	3,630	3,510	3,350
Less proposed savings (Appendix C)	(5,700)	(3,230)	(950)	(1,150)
Proposed/Provisional net budget	132,913	133,313	135,873	138,073

15. Detailed service budgets 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.
16. The central contingency also includes provision for an annual 1% increase in the employers' contribution to the Local Government Pension Scheme based upon the 2016 triennial actuarial revaluation of the pension fund.
17. The total gross proposed budget for 2017/18 is £215.5m with contributions from grants, health transfers and service user contributions projected of £82.6m. The proposed net budget for 2017/18 totals £132.9m and is distributed as follows:

Net Budget 2017/18		
Demand Led Commissioned Services	£109.0m	82.1%
Personal Care & Support	£13.1m	10.1%
Promoting Independence	£7.8m	5.6%
In house Provider Services	£8.1m	6.1%
Strategy & Commissioning	£4.9m	3.7%
Early Intervention & Prevention	£1.0m	0.8%
Department Senior Management	£0.6m	0.4%
Better Care Fund Contribution	(£17.0m)	(12.8%)
Communities & Wellbeing	£5.3m	4.0%
Department Total	£132.9m	

Other Changes and Transfers

18. A number of budget transfers (totalling a net increase of £3.3m) were made through the 2016/17 financial year and are now adjusted for in the updated original budget. These transfers are:

- £3.7m of funding for fee increases for care providers transferred from the central inflation contingency;
- £1.5m for pay and pension inflation transferred from the central inflation contingency;
- (£1.5m) transfer to the Public Health for Preventative Services.
- (£0.4m) smaller transfers to and from other departments.

19. 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.

20. This star rating is included in the descriptions set out for growth and savings below.

21. Savings have also been classified as Transformation, Departmental or as 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

22. As in previous years, demographic growth, increasing needs and dependencies are the main drivers of the need for growth budgets within ASC. The growth requirement is lower in 2017/18 to reflect the underspend occurring in 2016/17.

23. The total growth required is £2.8m for 2017/18 and £13.3m over the next four years in total. The budget increases are outlined below and summarised in Appendix B.

24. ****G3 Older People demand – £560,000 2017/18 rising to £4,110,000 by 2020/21 -** People aged over 65 accounts for the majority of the Department’s care expenditure. This financial growth is required to meet the increasing numbers of older people with substantial and critical needs as well as the increasing fragility of existing service

users. Although the number of service users has remained static during 2016/17 there has been an increase in Additional Needs Allowances (ANAs) and the number of home care hours provided. It is anticipated that this trend will continue.

25. ****G4 Learning Disability demand – £1,320,000 2017/18 rising to £7,550,000 by 2020/21** - The level of Learning Disability support required is growing mainly due to costs of care packages for service users transferring from the Children and Families Service to ASC (around 120 per annum), increasing levels of additional needs and high cost placements. Increased demand will also impact on the number of packages commissioned through the Learning Disabilities Pooled Budget where Continuing Healthcare (CHC) will be awarded. In 2017/18 this has been estimated at £0.8m, negotiations are ongoing with CCGs to finalise this amount by the end of March 2017.
26. ****G5 Mental Health demand – £160,000 2017/18 rising to £540,000 by 2020/21** - The number of service users during 2016/17 has increased slightly and there has also been an increase in ANAs. It is anticipated that this trend will continue.
27. ****G6 Physical Disabilities demand – £30,000 2017/18 rising to £360,000 by 2020/21** - Although the number of service users has remained static during 2016/17, this growth is primarily to meet the expected increase in service users from the projected demographic growth.
28. ****G7 Deprivation of Liberty Safeguards – £700,000 2017/18 ongoing** - This growth is a continuation of the requirement from MTFs 2016 due to the increase in referrals. If assessments are not undertaken the County Council is exposed to financial penalties which range from repayment of service user charges to compensation, and the associated legal costs, for depriving an individual of their liberty. The growth provides for the employment of assessors to help mitigate the risk of a case backlog. A change in legislation is expected in 2018, but it is unlikely to have a significant overall reduction in costs for the County Council.

Savings

29. Details of proposed savings are set out in Appendix C and total £5.7m in 2017/18 and £11m over the next four years in total.

Adult Social Care Savings

Transformation Savings

30. ***AC1 (Eff) Outcome Based Commissioning – Help to Live at Home; £1,000,000 in 2017/18** - Packages of domiciliary care are now jointly commissioned by Health and the County Council following the procurement during summer 2016.
31. Contracts were awarded in the summer and the service went live on 7 November 2016. Unfortunately, at very late notice one provider advised that they were no longer in a position to continue with the contract which has impacted on service delivery in three of the 18 lots. A revised transition plan has been implemented to ensure that all service users will either move over to their new provider or receive a direct payment to pay for a provider of their choice. The volume of hours of care

transferred to the new providers is lower than planned due to higher volumes of people transferring to direct payments across all lots.

32. The three lots affected by the provider withdrawal from the service will be re-procured and is likely to have an impact on achieving the £1m savings target in 2017/18 and potentially in future years. The actual financial implications should be known by the end of April 2017 when the procurement process is completed, but a shortfall in the annual savings of c£200k has been estimated. There is a risk share budget in the BCF which should mitigate this risk in 2017/18, but further measures will be required if there is a shortfall in future years.
33. ****AC2 (Eff) Review of Equipment and Therapy Services – £250,000 in 2018/19 rising to £350,000 by 2019/20** - A revised Equipment, Adaptations and Assistive Technology (AT) Strategy has been consulted on with partners including Health and a delivery plan developed – this was presented to Cabinet alongside the Lightbulb Business Case in November 2016. The current AT and services offer will be focussed on reablement and will produce service efficiencies in staffing and reduced demand for face to face care and utilised equipment.
34. ***AC 3 (Eff/SR) Development and Implementation of the ASC Workforce Strategy - £900,000 in 2017/18** - In addition to the MTFS savings, significant additional staffing reductions are required to remove posts that are in excess of the funded establishment and currently funded by using reserves (£2.3m) despite being essential to the delivery of services. The principal causes of these excess posts are the loss of Care Act funding and the ending of temporary, multi-year, funding arrangements. This will ensure that the right future structures are put in place across the Department and alternative sources of funding can be sourced where the main beneficiary of work is partner organisations. This will also allow the temporary resources, who are not employed for business as usual activity, to support the implementation of transformation within the Department.
35. A programme of HR Action Plans has been developed and the first of these for Management was launched on 31 October 2016 which will deliver £692k ongoing savings from April 2017. Three further Action Plans covering Strategy and Commissioning, Care Pathway and Business Support and Service User Finance are due between December 2016 and Spring 2017 with implementation completed by October 2017. The impact on service users are assessed as plans are developed and minimised.
36. ****AC 4 (Eff) Review of individual long term residential placement costs – £250,000 in 2017/18 rising to £1,000,000 by 2020/21** - There are a range of factors increasing costs in the residential and nursing care sector and any savings are at best likely to be modest in what is the Council's biggest single area of expenditure.
37. Savings and/or avoided costs could be achieved through placing more service users in a lower cost banding and using a more robust approach to prices for supplementary needs.
38. We have 396 people with a learning disability in residential care and the top 100 highest cost placements have an average cost of £2,012 per week (some of which are 100% CHC funded or receive joint funding or funded solely by ASC). Annual spend is approximately £10.5m a year.

39. Most high cost packages incur significant non-care costs, ie hotel and management costs. The national Care Funding Calculator (CFC) is used as a negotiating tool in terms of staff support, and work has recently been undertaken to develop a costed model for non-care costs to be used alongside the CFC to assist in reducing the overall costs of placements and contribute to the MTFs savings. The approach to delivering savings is to invest ASC resources (potential two workers plus management time from the Accommodation Review Team) and establish a joint team with the CCGs (including a CFC expert, nurse and business support). The team will robustly review the top 100 placements.
40. Savings can be achieved across social care and health budgets (pooled budget). Through reducing hotel costs, setting clear goals as part of a progression model to reduce staffing costs and by ensuring that AT and equipment is integral to the placement. Further benefits will be delivered by identify the potential for supported living, where accommodation is eligible for housing benefit. The target is to reduce weekly costs which it is estimated would deliver savings of £1m a year.
41. ****AC 5 (SR/Eff) Effective management of Direct Payments and review of personal budget allocations – £600,000 in 2017/18 rising to £1,150,000 by 2018/19** - There are two parts to this saving:
- a) Direct Payment Cards (DPCs) were introduced in November 2015 to enable easier management of direct payments by service users as providing the Council with improved information on spend analysis, reducing the opportunity for fraud and making claw-back of unused budgets easier. The Direct Payment Support Team is now well established and all existing 'willing' Direct Payment users have migrated to a DPC. Other financial reviews have commenced alongside social care reviews to ensure appropriate services and spend which will contribute to savings in the MTFs.
 - b) The proposal is to review how personal budgets are commissioned to ensure they support delivery of the Cost Effective Care Policy and reduce demand led spend for personal budgets. The review will ensure that personal budgets are set so that service users do not receive more money than is necessary to meet their eligible unmet needs and direct payments are not higher than the personal budget of similar service users with a managed service. This work forms part of a wider project which will also review the approach to support planning and the mechanisms available for the delivery of personal budgets.

Departmental Savings

43. ****AC6 (Eff) Review of In House Services and Shared Lives alternative to residential and day care – £390,000 in 2017/18 rising to £820,000 by 2018/19** - A review of the cost of all in house services (including Shared Lives) is being undertaken with the intention of reducing operating costs or co-locating facilities to create a viable on-going service.
44. Further savings have been identified which will contribute to the 2017/18 target. These include a review of the management arrangements of the in house service and a review of staffing arrangements at Victoria Day Centre in Loughborough.

45. A media campaign was launched during Shared Lives week in October 2016. As a result of this, there has been an increase in the number of people applying to become carers; however the challenge will be matching these with service users.
46. ****AC7 (SR) External Contract Review – £230,000 in 2017/18** - There is an ongoing review of external contracts which commenced several years ago. The Lightbulb Business case includes a recommendation to transfer a proportion of the Housing Improvement Agency contract, alongside other related contracts/in house provision. Savings have been identified following the initial pilots and commitment to align housing related support equipment services contracts with Lightbulb.
47. The joint procurement of mental health resilience and recovery services consultation started in October for a nine week period. Outcomes will be reported back to the Cabinet in February 2017, after which it is intended that the new service model will be in place from October 2017 with a reduced level of investment from the County Council.
48. ****AC8 (Inc) Increased income from Fairer Charging and removal of subsidy/aligning increases – £100,000 in 2017/18 rising to £400,000 by 2020/21** – On the 11 September 2015, the Cabinet agreed to amend the Charging Policy to include a charge for managing Personal Budgets for self-funders and this generates income as does the revision to the Married Couples Assessment which was agreed in April 2016. Increases in benefits payments by Department for Work and Pensions should provide additional charging income.
49. The level of income may not be sustained as it is subject to variation for complex reasons, eg under 60s benefit freeze and financial assessment buffer uplift, leading to less income per service user and the continued success in reducing admissions to residential care. The introduction of the self-funder fee has caused a decline in full cost chargeable service users leading to a reduction in income.
50. ***AC9 (SR) Review of Equipment and Adaptations – reduced provision – £150,000 in 2017/18** - An equipment demand management plan has been endorsed by the Equipment Management Board and Integration Executive as it will have benefits for the whole partnership and the saving will be achieved through managing demand.
51. ****AC10 (Eff) Developing extra care as alternative to residential, nursing and homecare – £30,000 in 2017/18 rising to £65,000 by 2018/19** - In June 2016, the Cabinet approved:
- A direct award of new care and support contracts for the Gretton Court extra care scheme in Melton Mowbray from October 2016 for a maximum of 24 months;
 - The extra care housing contracts relating to Connaught House (Loughborough), Birch Court (Glen Parva), St Mary's Court (Lutterworth) and Oak Court (Blaby) be extended for a maximum of 24 months.
52. The saving will be delivered by managing demand through these contracts.
53. ****AC11 (Eff/SR) Review of Supported Living Costs – £450,000 in 2017/18 rising to £915,000 by 2019/20** - Supported Living is a way of providing flexible support to

disabled people (generally under 65 years) in mainstream housing. On 11 October 2016, the Cabinet approved the commencement of procurement of a new Supported Living Framework to commence 1 April 2017 for a period of four years. The intention is to reduce the number of providers to five, delivering savings through economies of scale and working with providers to ensure appropriate progression of service users to increase their independence.

54. The procurement process has started and tenders were returned for evaluation in December 2016. Individual reviews will be undertaken with service users to ensure a smooth transition onto the new framework including the use of AT. It is expected that all service users will be transitioned onto the new framework by October 2017.
55. ****AC12 (Eff/SR) Delay of AC11 from 2016/17 - £250,000** - The procurement process for Supported started later than anticipated and savings for 2016/17 will not be delivered until 2017/18.
56. ***AC13 (Eff/SR) Reablement Review – £250,000 in 2017/18 rising to £750,000 by 2018/19** - The main saving activity will focus upon a review of the existing in house reablement service to optimise which service users benefit from reablement and reduce unit costs for those that do. Consideration of future delivery options for the service will include ways to reduce the cost of the current arrangements and benefits of externalising some or all of the service.
57. There are a range of options to deliver the savings required. These include restructure proposals; which will deliver approximately £130k in 2017/18 reductions in maintenance hours and removal of the requirement for two carers in line with practices adopted by other authorities.
58. ****AC14 (Eff/SR) Review of Community Life Choices costs – £250,000 in 2017/18 rising to £750,000 by 2018/19** - On 11 October 2016, the Cabinet approved implementation of the recommendations set out in the report on Community Life Choices (CLC). The report recommended that service users who are in long term residential care (receiving support on a 24/7 basis) should no longer receive CLC services in addition to this and the current number of commissioned weeks of service be reduced from 50 to 48 weeks per annum.
59. Appropriate mitigating actions are being put in place to address impacts for service users including alternative care arrangements such as Shared Lives and Supported Living where appropriate and the service user elects to accept this. Training for staff and ongoing monitoring requirements are in development.
60. ***AC15 (Eff) Improvements to Mental Health Pathway – £250,000 in 2017/18 rising to £500,000 by 2018/19** - The Mental Health Pathway is being reviewed to better align with the care pathway, health pathways, the new ASC Strategy and to support recovery and reablement. This would reduce the need for longer term support through promoting recovery, self-management, and the individual's own social and community support. This should reduce commissioned spend as well as support required by ASC staff (part of the workforce strategy).
61. The Mental Health Strategy and delivery plan is being developed with an initial analysis of activity undertaken. Revised models of delivery for reablement/recovery and crisis intervention are also being developed. Potential savings have been

identified following a desk top review of high cost care packages and long term residential placements.

62. ****AC16 (SR) Reduced cost and demand for social care; £1,000,000 in 2017/18 -**
The delivery of this saving will be through reducing growth requirements in demand led budgets by strengthening of controls for the review of care packages and the income contributions and should be achieved by underspends in 2016/17. Any increase in demand may impact on the level of savings.

Communities and Wellbeing Savings

Transformation

63. ****AC17 (Eff/SR) Implementation of revised service for Communities and Wellbeing: £100,000 in 2017/18 rising to £1,300,000 in 2020/21** - The current work on implementation of the Strategy is based on a vision for the Service that continues the delivery of statutory and non-statutory services and is made up of the following elements that it is expected will deliver the level of savings required:

- a) **SMART Libraries** - A network of County funded venues that incorporates innovative use of technology that can reduce staff cost and increase public self-access to some library venues. An outline business case has been produced and early indications are that between £300-400,000 savings per year will be delivered through reduced staffing costs, whilst simultaneously providing an opportunity to deliver additional library opening hours across the network.

Subject to the necessary approvals, it is planned for an initial implementation of SMART library technology at Syston library early in 2017. The 'lessons learned' and feedback gathered during this period will be used to inform the development of a full implementation plan and 'roll out' schedule for the remaining libraries.

This innovative approach to library access, would reduce the opportunity for library users to interact directly with library staff, although it is proposed that we target staffed hours at times when they can best meet the needs of priority audiences (e.g. older people; children and families; vulnerable people) for each library, as highlighted through the strategy consultation.

- b) **Collections Hub** - The creation of a collections hub, to provide a combined publically accessible base for all museum, archive and educational resources. Initial work, to identify the features and requirements of a building in which to base the collections hub and identify issues relating to its development, has led to the completion of an outline business case. Initial estimates indicate that this could deliver approximately £400,000 through efficiencies in staffing, premises and operating costs, from across museums, archives and creative learning services. This approach would also resolve the existing requirement for additional storage for the Record Office.

The Communities and Wellbeing Strategy states that "...the service will support communities more in how they use the collections and resources that we hold...". Rationalising the multiple venues in which these collections are held will support this objective, by simplifying access arrangements and creating

more opportunities for connections across disciplines to be made, eg linking archival materials to items within the museum collection and to educational resources. These are currently held in different locations and with different access arrangements.

- c) Service restructure - A re-modelled and flexible workforce that continues to support a network of community managed and independent libraries and museums; supports and develops volunteering opportunities across the service and responds to opportunities to utilise the unique resources held by the service to achieve wider outcomes, where funding opportunities allow.

An initial Service structure which takes into account the functions required by the Service in the future has been drafted and is currently being developed. The structure will be dependent upon and be informed by the progress in the programmes outlined above. Initial estimates indicate that this could deliver approximately £400,000.

Savings under development

64. The MTFs is balanced in 2017/18 and shows shortfalls of £2.8m in 2018/19 rising to £23.9m in 2020/21. To help bridge the gap a number of initiatives are under development to generate further savings. Once business cases have been completed savings will be confirmed and included in a future MTFs. Several initiatives that will involve Adults and Communities, the principal ones are:

- a) Lower cost adult social care provision - The most significant cost in ASC is for residential placements. Some exploratory work has been undertaken to better understand the market and scope to make savings from different models of placements for adults with learning difficulties.

Further opportunities are being sought through an integrated review with Health and Rutland for fees for residential and nursing care to establish consistent pricing of placements.

- b) Whole Life Disability - The County Council does not currently operate a fully integrated whole-life approach to disability services. Work is underway to establish the best options to deliver fully integrated care pathways for disabled people in Leicestershire, with the expectation that work can be undertaken in partnership to better meet the needs of service users. The County Council will also work with the private, voluntary and independent sectors to develop a robust local offer for Leicestershire. It is anticipated that through a more joined up approach internally and with partners, efficiencies can be made and outcomes improved for service users.
- c) Promoting Independence in the home for high dependency service users - A significant proportion of the cost of care related to the delivery by multiple carers to one service user. A review will be undertaken to establish the potential to reducing two carers provision through improved use of equipment and moving/manual handling practices.

Health and Social Care Integration

65. 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. The Government's expectation is that every part of the country has a plan for health and social care integration by 2017 to be implemented by 2020. Notwithstanding the absence of national guidance local opportunities to achieve the overall goal of integration continue to be pursued, recognising its importance to the people of Leicestershire. Initiatives being developed and/or implemented at this time include:
- Integrated Health and Social Care Locality Teams;
 - Help to Live at Home;
 - Integrated Points of Access;
 - Integrated Discharge.
66. The BCF was launched in April 2015, a pooling of health and social care resources to support the provision of integrated services. The BCF Plan for Leicestershire was refreshed for 2016/17 and good progress continues to be made on delivering against its objectives.
67. Delivery of the BCF Plan has traditionally been based on four themes:
- a) Unified Prevention Offer – bringing together preventative services across Leicestershire into one consistent offer, including housing expertise and carer support.
 - b) 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.
 - c) Integrated urgent response – the introduction of rapid response community services to avoid unnecessary hospital admissions.
 - d) Hospital discharge and reablement – improving the timeliness and effectiveness of discharge pathways to reduce length of stay.
68. The BCF plan for 2017/18 is currently being prepared and the themed approach above is being reviewed as part of this process. The BCF plan next year will be aligned to the key priorities of the Leicester, Leicestershire and Rutland (LLR) STP.
69. Detailed policy framework guidance for the BCF for 2017/18 has yet to be issued, but there has been confirmation by the Government that the BCF will continue for the foreseeable future and this was reinforced in the NHS planning guidance for 2017/18 – 2019/20 which was published in September 2016. NHS planning guidance reinforces the progression of the health and care integration agenda including via STPs which need to demonstrate how the new models of care proposed in the NHS Five Year Forward View will be accelerated and implemented.

70. For 2016/17, NHS England has committed to ring-fence nationally £3.5bn within its allocation to CCGs) for the BCF. It has been assumed that Leicestershire's BCF allocation will remain unchanged at £39m for 2017/18 and budgets are being refreshed on this basis.
71. The 2015 Spending Review set out the Government's intention to increase social care funding through the BCF by £1.5bn from 2019/20. This should translate into an additional £11m of funding for the County Council. However, due to reductions in the New Homes Bonus and the additional £500m for Disabled Facilities Grants by 2019/20, the net benefit is significantly less. This funding has not been included in the proposed MTFS as no guidance has been provided by Government.
72. In advance of receipt of the national guidance, work has already commenced on refreshing Leicestershire's BCF plan in conjunction with health partners. Once received, the assumptions made in compiling the budget for the BCF will be revised accordingly.
73. In advance of receipt of the national guidance, work has already commenced on refreshing Leicestershire's BCF plan in conjunction with Health partners. Once received, the assumptions made in compiling the budget for the BCF will be revised accordingly. These initial refresh discussions have identified approximately £3 million of financial pressures. The increase in the Disabled Facilities Grant, above 2015/16 levels, is unfunded and will require £1 million of savings to be identified if resources are not returned by district councils. The CCGs are under similar financial pressures, to the County Council, and they have requested that £2 million of savings are found within the BCF to help alleviate their financial position. The services funded by the BCF are currently being reviewed to identify the scope for savings.
74. Part of Leicestershire's BCF allocation has been allocated towards the protection of adult social care services. This is currently £17m and the same amount has been included in the budget for 2017/18 to ensure that the needs of the most vulnerable residents are met. In 2016/17 a further £6.6m of BCF funding is earmarked for other social care and demand management components of the BCF plan a similar level is anticipated in the draft MTFS. A reduction in any of this funding will increase the savings above the level proposed in the draft MTFS.

Sustainability and Transformation Plan (STP)

75. In the LLR local health and social care economy, a funding gap of £400m, by 2020/21, has been identified if no action were to be taken on how current services are being delivered. This includes the current funding pressures faced by social care services, and the NHS together with anticipated increased demand and costs over the next five years.
76. The STP builds upon the BCT partnership programme and aims to address the way in which health and care services are delivered to meet the needs of the local people, while at the same time ensuring that the current financial pressures faced are effectively managed. The five year STP sets out the most ambitious change for health and social care for LLR and was published in draft form in November 2016.
77. The five year plan has identified five key strands for change which taken together will help eliminate the combined financial gap by 2020/21 and contribute to closing the health and wellbeing and care and quality gaps. The five key strands include the development of:

- New models of care focused on prevention, and moderating demand growth, including place based integrated teams, a new model for primary care, effective and efficient planned care and an integrated urgent care offer;
- A reconfiguration of hospital based services, subject to consultation;
- Redesigned pathways to deliver improved outcomes for patients and residents;
- Operational efficiencies - to support financial sustainability;
- Getting the enablers right -including workforce; technology; estates; and health and social care commissioning integration.

78. As interventions are focussed towards prevention, avoided hospital admissions, a 'home first' model of care and greater integration across social care, community health care and primary care, it has been recognised that this will affect demand for social care support, public health interventions and community services.
79. The full implications of the strategy for the County Council 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 additional Council funds identified to resource this. However, there is a commitment to ensure a system wide response, by all partners, to meeting changes in demand across the sector that may enable further funding transfers from the NHS to local authorities with social care responsibilities.

Other External Influences

80. There are a number of other external factors that will influence the achievability of the MTFs for Adult Social Care. For example:
- a) The NHS Transforming Care programme will move more care for people with complex learning disabilities and autism into the community and will result in ASC needing to provide care and support that was previously provided within health institutions. The financial implications of this transfer are currently being considered;
 - b) The Care Act 2014 introduced significant changes to social care legislation in April 2015. The changes implemented were primarily around the introduction of a national eligibility threshold; a new duty to carry out assessments for all carers regardless of the level of care provided and support for eligible carers. Further changes were due to take effect from April 2016, namely the introduction of a cap on charges payable by service users, an increased threshold before service users start paying, and free social care to anyone entering adulthood with a disability. Due to their significant cost, at a national level, these changes have now been postponed until 2020. The impact on the County Council of any changes is still unknown and is a potential risk to final years of the MTFs 2017;
 - c) As in previous years, demographic growth, increasing needs/level of activity and dependencies are the main drivers of the need for growth budgets within ASC and assumptions have been made to predict these changes. However, there is a risk that demand will change factors beyond the control of Council;
 - d) Inflation is predicted to rise from around 2% to 4% by late 2017. This will have a direct impact on the cost of goods and services procured by ASC and could also influence the rate at which the National Living Wage increases. Providers of some services will put increasing pressure for fees to increase through the

annual review process. Although inflation is funded corporately this has a detrimental impact on the county Council's financial position;

Other Funding Sources

81. For 2017/18, the following other funding is expected to be received:

- a) Independent Living Fund (ILF) grant of £1.3m has been paid to the County Council in 2016/17 which provides support packages, usually alongside local authority funding, to help disabled people live independently in the community. It is anticipated that this will continue at a similar level per the outcome of the consultation in the Summer 2016.
- b) Service users eligible for CHC - £16m through the Learning Disabilities Pooled Budget (£14m) and for non-Learning Disability service users (£2m).
- c) Social Care in Prisons Grant - £125,000 which is anticipated to be ongoing.
- d) Local Reform and Community Voices Grant - £49,000 (continuing from 2016/17) for Deprivation of Liberty Safeguards in Hospitals.
- e) Leicestershire Adult Learning Services (LALS) - For 2017/18 it is expected that LALS will continue to be mainly funded by grants from the Skills Funding Agency (SFA) and the majority of the balance from tuition fee income. The gross budget for LALS for 2016/17 is £4.7m which is funded by government grant of £4.1m and it is anticipated that this funding will continue but confirmation is awaited.
- f) Adult Social Care Support Grant - The County Council received a net £2.1 million of additional funding for ASC in the local government finance settlement. The most appropriate use of this resource is currently being considered.

Capital Programme

82. The draft Adults and Communities capital programme totals £14.0m including £3.7m in 2017/18. The main source of funding for the programme is from the BCF (£12.0m) with the balance from other County Council discretionary funds (£2m). The various schemes are outlined below and summarised in Appendix D.
83. Replacement of mobile libraries: £200,000 in 2017/18 - This expenditure is to replace the ageing fleet of mobile library vehicles, required to maintain service provision and assumes one new mobile.
84. Extra Care Provision: £310,000 in 2017/18 - This expenditure will provide support for one scheme in Loughborough (Derby Road) comprising of 60 units. The continued funding is expected to allow the scheme to be opened in the autumn of 2017.
85. Changing Places/Toilets (facilities for people who need personal assistance): £100,000 in 2017/18 - Changing Places provide facilities for people who need personal assistance to use the toilets. The project will continue to provide Changing Places/Toilets in Leicestershire and will aim to work in partnership with Leicester City Council and Districts to identify suitable venues. The venues will include local authority owned and privately owned facilities which are most used by the general public.

86. SMART Libraries: £100,000 in 2017/18 and £855,000 in 2018/19 – This invest to save project will provide a remote controlled system of access to libraries that allows the building to open and function without the need for staff to be present. Roll-out of the scheme is subject to a successful pilot scheme.
87. Libraries – Broadband Expansion: £30,000 in 2017/18 - This investment is aimed at improving broadband access to provide an improved online experience for library users.
88. Libraries - reconfiguration of space: £370,000 in 2018/19 - This investment in improved major library room hire facilities will provide day time learning spaces for adult learning and generate additional annual income for the Department. The projects will have a maximum pay-back period for the investment of five years.
89. BCF - Disabled Facilities: £3,000,000 in 2017/18 to 2020/21 - This is an estimate pending the BCF allocation announcement. These grants are used to fund major housing adaptations for vulnerable people allowing them to remain safely in their own home, rather than being admitted to a residential care setting and most of this funding is pass ported to District Councils.

Risks to Programme

90. A significant portion of the departments programme enables revenue savings; delays or unsuccessful schemes will directly affect the revenue position. The level of funding and guidance from Government for BCF housing adaptations is still to be received.

Future Developments

91. Where capital projects are not yet fully developed or plans agreed these have been included under the heading of 'Future Developments' under the department's programme in Appendix D. It is intended that as these schemes are developed during the year and where there is a financial justification, or an investment required to maintain delivery of the service, they are included in the capital programme. £9.7m is being held corporately to fund future County Council capital schemes.
92. Collections Hub - Following the approval of an outline business case, work has commenced on the development of a fully costed business case for a combined collections and Record Office. The product planning phase is underway and this will inform a brief to procure a costed building proposal, to be completed by May 2017. The full business case is expected to be completed by September 2017.
93. Discussions are ongoing with Melton Borough Council regarding the development of a new or redeveloped extra care scheme. Subject to being financially viable this will require a capital contribution from the County Council from the earmarked fund.

Background Papers

- Cabinet : 13 December 2016 – Medium Term Financial Strategy 2017/18 to 2020/21
<http://politics.leics.gov.uk/documents/g4608/Public%20reports%20pack%20Tuesday%2013-Dec-2016%2014.00%20Cabinet.pdf?T=10>

Circulation under local issues alert procedure

None.

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Appendices

Appendix A – Revenue Budget 2017/18

Appendix B – Growth

Appendix C – Savings

Appendix D – Capital Programme 2017/18 – 2020/21

Equality and Human Rights Implications

94. 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;
- Foster good relations between people who share protected characteristics and those who do not.

95. Many aspects of the County Council's MTFs may affect 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. Such assessments will be undertaken in light of the potential impact of proposals and the timing of any proposed changes. Those assessments will be revised as the proposals are developed to ensure decision makers have information to understand the effect of any service change, policy or practice on people who have a protected characteristic.

96. 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.

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