



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
16 JANUARY 2018

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

MEDIUM TERM FINANCIAL STRATEGY 2018/19–2021/22

Purpose of Report

1. The purpose of this report is to:
 - a) Provide information on the proposed 2018/19-2021/22 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 2017. This was the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS for 2018/19-2021/22 was considered by the Cabinet on 12 December 2017.

Background

3. The MTFS is set out in the report to Cabinet on 12 December 2017, 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 24 January 2018. The Cabinet will consider the results of the scrutiny process on 9 February 2018 before recommending a MTFS, including a budget and capital programme for 2018/19 to the County Council on 21 February 2018.

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 to strategy and commissioning, in order to deliver joined up high quality services. The Better Care Together 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 is focussed 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 for implementation 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 Adults and Communities Department has been reorganised at an operational level to a locality organised Care Pathway footprint. This 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 County Council is involved and contributes to developing new models of care.
9. Having restructured the adult social care services, the department intends to review operating systems, processes and practice over the course of the next 12 months. The department aims to articulate a new Target Operating Model (TOM) to assure alignment to the department’s strategic approach and ensure that it is operating effective and efficient operations. The operating model will focus on self-service approaches, proportionate assessment and review, productive back office functions, strategic commissioning and alternative delivery models including potential partnerships/joint ventures to deliver high quality, sustainable social care provision.
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 2018/19 at the same amount and will be directed to services that aim to help service users to maintain their independence in the community, provide residential services where required and reduce the decline in conditions that lead to more costly social care and NHS services. In addition to the adult social care protection, the BCF contributes an additional £5.4m of funding to social care for the provision of social work services, management of demand and development of integrated services.
11. The Communities and Wellbeing strategy provides a platform for the future development of cultural, heritage and adult learning services through to 2020. The

strategic goals are to enable access to services, support to strategic services to enable independent and resilient communities through culture and learning.

12. The Communities and Wellbeing Service will continue to explore how it can sustain services through partnerships with communities and specialist resources. The service will be reconfigured to support the core offer, and new models of delivering evidence based services will either be 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.
13. The draft Growth and Savings for the 2018 MTFS (2018/19-2021/22) reflect the changes in demand for services and the transformation in delivery of services to achieve the department's strategic intentions.

Proposed Revenue Budget

14. The table below summarises the proposed 2018/19 revenue budget and provisional budgets for the next three years. The proposed 2018/19 revenue budget is shown in detail in Appendix A.

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Original prior year budget	135,053	132,831	133,701	134,761
Budget Transfers and Adjustments	688			
Sub total	135,741	132,831	133,701	134,761
Add proposed growth (Appendix B)	1,845	3,455	2,375	2,120
Less proposed savings (Appendix C)	(4,755)	(2,585)	(1,315)	(0)
Proposed/Provisional net budget	132,831	133,701	134,761	136,881

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 2018/19 is £226.4m with contributions from grants, health transfers and service user contributions projected of £93.6m. The proposed net budget for 2018/19 totals £132.8m and is distributed as follows:

Net Budget 2018/19		
Demand Led Commissioned Services	£106.5m	80.2%
Direct Services	£16.0m	12.0%
Care Pathway –East Locality	£8.2m	6.2%
Care Pathway – West Locality	£6.7m	5.1%
Strategic Services	£5.1m	3.8%
Early Intervention & Prevention	£1.2m	0.9%
Department Senior Management	£0.9m	0.7%
Better Care Fund Contribution	(£17.0m)	(12.8%)
Communities & Wellbeing	£5.2m	3.9%
Department Total	£132.8m	

Other Changes and Transfers

18. A number of budget transfers (totalling a net increase of £0.7m) were made through the 2017/18 financial year and are now adjusted for in the updated original budget. These transfers are:
- £0.8m for pay and pension inflation transferred from the central inflation contingency;
 - (£0.1m) 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 or Departmental 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 and increasing needs are the main drivers of the need for growth budgets within ASC. However, the profile of service users and their care needs are constantly changing, which may impact on the services commissioned or the income received. The impact on the budget can be significant with gross demand led expenditure totalling c£160m.
23. The total growth required is £1.8m for 2018/19 and £9.8m over the next four years in total. The budget increases are outlined below and summarised in Appendix B.

****G6 Older People demand – £1,275,000 2018/19 rising to £4,680,000 by 2021/22**

24. People aged over 65 account 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. Future changes in demand are initially estimated using historic trends to produce a baseline forecast of the likely number and average cost of service users. During 2017/18, there has been an increase in additional needs requirements and the number of home care service users offset by a reduction in the average cost of care packages provided. It is anticipated that this trend will continue.

****G7 Learning Disability demand – £880,000 2018/19 rising to £4,140,000 by 2021/22**

25. The level of learning disability support required is growing mainly due to costs of care packages for known service users transferring from Children’s to Adult Social Care (around 120 per annum) and increasing levels of additional needs of existing service users requiring high cost placements. There is currently a significant increase in the

numbers of social care placements in Children's services which may impact on Adults in the long term but cannot be quantified yet. Increased demand will also impact on the number of packages commissioned through the Learning Disabilities Pooled Budget where Continuing Healthcare (CHC) will be awarded.

**G8 Mental Health demand – £130,000 2018/19 rising to £340,000 by 2021/22

26. During 2017/18, the number of service users has slightly increased and there has also been an increase in Additional Needs Allowances (ANAs). It is anticipated that this trend will continue.

**G9 Physical Disabilities demand – £170,000 2018/19 rising to £495,000 by 2021/22

27. During 2017/18, the number of service users has remained static. However, this growth is required to meet the needs of the expected increase in service users from the projected demographic growth.

G10 Resources for ongoing reviews of service users needs – £610,000 2018/19 ongoing

28. The Care Act 2014 specifies that care and support plans must be kept under review generally. Reviewing intended outcomes detailed in the plan is the means by which the local authority complies with its ongoing responsibility towards people with care and support needs. Without a system of regular reviews, plans could quickly become out of date meaning that people are not obtaining the care and support requires to meet their needs.
29. There are around 5,000 planned and 600 unplanned reviews to complete per year (excluding those required for specific projects). There are currently 36 full time equivalents (FTEs) delivering these reviews undertaking approximately 110 reviews per year and current performance is likely to achieve 4,000 reviews. Half of these posts are temporary and funded from earmarked funds.
30. It is planned to deliver the 5,600 reviews by improving the level of performance per FTE to 154 reviews per annum. To achieve this level of performance would require a different approach, ie significantly more telephone reviews, in order to deliver more statutory reviews and contribute to MTFS savings. This approach would require a total of 36 FTE to deliver all the reviews of which 18 FTE are already funded so the growth is required for the remaining 18 FTE.

G11 Resources for managing hospital discharges - £170,000 2018/19 ongoing

31. Until 2015/16 the Council received additional government funding over the winter period to prevent admissions to University Hospitals Leicester (UHL) and facilitate timely discharge resulting in reduced lengths of stay and delayed transfer of care. Since 2016/17, this funding has not been available and resources have been funded from Council earmarked funds.
32. In June 2017, the ASC Care Pathway restructure established the overall staffing resource for the UHL social care team. However, the following issues have impacted on the team:
- In July the Integrated Discharge Team was established at UHL which has resulted in additional demands on the service;

- Opening of the Leicester Royal Infirmary's new Accident and Emergency has resulted in additional demands for social care in supporting admission avoidance and navigating to appropriate services;
 - The improved Better Care Fund (iBCF) targets have placed additional demand on managing the flow of patients out of hospital, avoiding Delayed Transfer to Care (DToC's) delay attributable to social care and supporting the reduction of DToC's attributable to health;
 - Requirement to move towards seven days service.
33. An additional five FTE Community Support Workers (£170,000) are now required to manage demand (full implementation of seven days service is not expected in the short medium term).
34. Four workers will be dedicated to UHL. These workers would:
- Support Emergency Department, Acute Frailty Unit and Assessment Wards to avoid admission to acute beds;
 - Provide link workers to support activity in Glenfield Hospital, Leicester General Hospital and other out of county hospitals;
 - Support patients allocated to UHL on the Discharge to Assessment;
 - Ensure effective contribution and development of the IDT;
 - Provide appropriate resource to facilitate discharges at weekends (currently over winter period) and to progress discharge arrangements to reduce length of stay.
35. One worker will provide additional peripatetic support to all hospital discharge environments.
36. There is no capacity in the current programme, but BCF funding will be investigated for future years

G12 Transforming Care transfers from health - £750,000 2018/19 to £1,500,000 by 2019/20

37. The national Transforming Care Programme aims to significantly reduce the numbers of people with learning disabilities and/or autism receiving assessment and treatment in inpatient settings. Typically these patients have very complex and challenging needs with high costs of care. There are currently 26 such longer term patients from Leicestershire and the plan is to halve this number by March 2019. There is also a plan to reduce the number of inpatient assessment and treatment beds provided locally by four during 2018.
38. This will mean that by 2019 approximately 15 people per annum who would previously have received inpatient care will receive community services. A portion of the cost will fall on the County Council, estimated to be around £1.5m per annum. There will be a transfer of funding through a "dowry" for the existing patients from NHS Specialised Commissioning to local CCGs for some long term patients. There is uncertainty around the information provided from the NHS including the timing of the transfers, funding levels for existing patients and funding for future demand.

* G13 removal of time limited income - £2,140,000 from 2018/19 ongoing

39. This is removing the Adult Social Care Support Grant from the Department of Communities and Local Government which was an one off grant for 2017/18.

Changes in Growth

40. An additional growth requirement has been identified, that was not included in the draft MTFs reported to the Cabinet in December. This relates to the loss of a Deprivation of Liberty Safeguards (DoLS) grant from the Department of Health (£260,000). The grant was for a limited period in recognition of additional costs that local government have incurred. However, the pressure to undertake assessments continues and the Government have not provided any on-going funding to replace the grant.
41. Before the MTFs report to Cabinet on 9 February, the provisional MTFs will be reviewed and if appropriate updated by the latest budget monitoring position for 2017/18. The expenditure and income budgets related to the provision of care are particularly volatile.

Savings

42. Details of proposed savings are set out in Appendix C and total £4.8m in 2018/19 and £8.7m over the next four years in total.

Adult Social Care

Transformation Savings

*AC1 (Eff) Review of Equipment and Therapy Services – £250,000 in 2018/19 rising to £350,000 by 2019/20

43. A revised Equipment, Adaptations and Assistive Technology Strategy has been consulted on with partners including Health. The savings are to come from a review of the Adaptations Team and its service offer, and a review of the Assistive Technology Team and its service offer.

*AC 2 (Eff) Review of individual long term residential placement costs – £250,000 in 2018/19 rising to £750,000 by 2020/21

44. 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 for care provided to older people, despite it being the Council's biggest single area of expenditure.
45. There are a significant number of people with learning disabilities in residential care and the top 100 highest cost placements have an average cost of £120,000 per annum (some of which are 100% Continuing Health Care (CHC) funded or receive joint funding or funded solely by ASC). Annual spend is approximately £12m a year.
46. A joint team with the CCG is being used to robustly review the highest cost placements. Savings are expected to be achieved across social care and health budgets (pooled budget). This is to be delivered through reducing hotel costs, setting

clear goals as part of a progression model to reduce staffing costs and ensuring that assistive technology and equipment are integral to the placement. Further benefits will be delivered by identifying potential for more independent living.

**AC 3 (SR/Eff) Effective management of Direct Payments and review of personal budget allocations – £1,500,000 in 2018/19 rising to £2,000,000 by 2019/20.

47. This saving has been updated since the previous MTFS to reflect the revised opportunities identified for savings. The main elements of this saving are:
- a) Continuation and refinement of the use of Direct Payment Cards to enable easier management of direct payments by service users. The information provided by the card system coupled with timely interventions from both strategic finance and adult social care colleagues will provide the County Council with improved information on spend analysis, reducing the opportunity for fraud and ensure that unused budgets are returned effectively;
 - b) Review of how personal budgets are commissioned to ensure that they support the delivery of the Cost Effective Care Policy. Through the introduction of revised assessment and support planning tools coupled with training and guidance for staff and information for the public the review will focus on ensuring that service users do not receive more money than is necessary to meet their eligible unmet needs. It will seek to ensure that direct payments are not higher than the personal budget of service users with comparable needs receiving a managed service.

AC4 (Eff) Review of Staff Absence -£160,000 from 2019/20 rising to £325,000 in 2020/21 ongoing

48. To reflect the support being put in place to reduce staff absence a financial target has been allocated to all departments. This reflects the intention to meet or exceed the County Council's target of 7.5 days per FTE. The target is phased 50% in 2019/20 and 100% in 2020/21 to allow time for improvement to take effect. This is the savings target for the whole department.

AC5 (Eff) Improvements to the finance pathway for service users - £75,000 from 2018/19 rising to £150,000 in 2019/20

49. The current review of the service user finance pathway was excluded from the recent departmental organisational change programme. However, a review is now being undertaken that should see improvements to financial processes and system efficiencies which are expected to deliver a reduction in staffing and levels of debt.
50. Work is in progress across a number of areas that will seek to streamline processes in order to reduce the number of handoffs across teams of staff, reduce manual workarounds, and introduce a single financial assessment form that can be used across residential and non-residential financial assessments, and to further explore digital solutions to processes.

Departmental Savings

****AC6 (Eff) Review of Direct Services – £430,000 in 2018/19 ongoing**

51. A review of the cost of all Direct Services is being undertaken with the intention of reducing operating costs to create a viable on-going service.
52. The programme has been in place for four years now and delivered considerable staffing and efficiency savings. Continued review of services and staffing requirements will produce the savings identified. Refocus of service delivery will continue to streamline services further.

***AC7 (Inc) Increased income from Fairer Charging and removal of subsidy/aligning increases – £100,000 in 2018/19 rising to £300,000 by 2020/21**

53. The Department for Work and Pensions (DWP) increases in benefits payments should provide additional charging income. Monitoring of income levels continue, with levels for 2017/18 being reported above target. It is anticipated that income from older people will rise faster than inflation as a result of the protection of over 65s benefits by the Government. This should help to maintain income levels in line with the target and will mitigate the impact of potential reductions in the income from under 65s.

***AC8 (Eff) Developing Extra Care as an alternative to residential, nursing and homecare – £35,000 in 2018/19 ongoing**

54. In November 2017, a new 62 unit extra care scheme opened - Waterside Court in Loughborough, and it is planned that this will be filled within six months. It is anticipated that the average costs of supporting these new residents will be lower at Waterside Court than in alternative services.
55. The saving will be delivered by cost avoidance within residential care or lower homecare costs.

***AC 9 (Eff/SR) Review of Supported Living Costs – £165,000 in 2018/19 rising to £465,000 by 2020/21**

56. 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.
57. The new Supported Living Framework is now in place and a lead provider has been awarded to each of five lots covering the county. The hourly rates for care submitted by the new lead providers are in line with the expected levels targeted. The new providers are now mobilised and ready to take on new business.
58. A transition plan for existing service users has been developed and started in August 2017. Individual reviews will take place to confirm current care and support needs to

ensure continuation of care at an appropriate level. This has been reflected in the savings profile.

**AC10 (Eff/SR) Reablement Review – £300,000 in 2018/19 ongoing

59. The main saving activity will focus upon a review of the existing in-house reablement service to optimise which service user's 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.
60. Savings of £200,000 can be achieved from the current staffing underspend, but close monitoring of activity levels for hospital discharge is needed to ensure sufficient capacity to avoid DToCs.

**AC11 (Eff/SR) Review of Community Life Choices (CLC) costs – £400,000 in 2018/19 rising to £500,000 in 2019/20 ongoing

61. On 11 October 2016, the Cabinet approved implementation of the recommendations set out in the report on CLC, ie 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 weeks per annum to 48 weeks per annum.
62. The new CLC Framework commenced from 1 January 2017. There were a total of 820 individuals who were accessing CLC support as at 1 January 2017. A phased transition to providers on the new framework for all existing CLC users is underway and due to be completed by the end of 2018.

*AC12 (Eff) Improvements to Mental Health (MH) Pathway – £250,000 in 2018/19 ongoing

63. 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 will reduce the need for longer term support through promoting recovery, self-management, and the individual's own social and community support.
64. The new reablement and recovery pathway model has been launched with staff and the Mental Health Pathway steering group has been relaunched so that membership reflects the new management structures. The saving will be achieved by focusing on reducing use of residential placement spend using the recovery model.

AC13 (Eff/SR) Promoting independence for high dependency service users - £800,000 in 2018/19 rising to £1,200,000 in 2019/20

65. A significant proportion of the cost of care relates to delivery by multiple carers to a single service user. There is the potential to reduce two carers provision through improved use of equipment and moving/manual handling practices.
66. Following a review of the approach taken by other authorities, the department has established a temporary team of three Occupational Therapists and two Community Support Workers during the summer 2017. This allowed early implementation of savings in 2017/18 of £220,000. Based on the original profile of service users in receipt of two carer provision (approx. 445) and the current level of productivity (approximately 10 reviews per week) this initial cohort of service users should be

reviewed by end of March 2018. Potential savings proposed for 2018 MTFS are estimated at £800,000 for 2018/19 and a further £400,000 for 2019/20. In addition to the savings, the reduction in commissioning has meant that 26,000 hours have been released to date to support other service users. The saving is net of the cost of any equipment that needs to be provided.

AC14 (Eff/SR) Review of Low level services provision - £400,000 in 2019/20 ongoing

67. Analysis of current activity and performance data appears to show that the Council has more low level service delivery than expected, eg under five hours of home care per week or a direct payment of under £50 per week with a total cost in the region of £1.5m. This may demonstrate a reliance on local authority services when alternative offers (such as Assistive Technology, equipment, family, friends, voluntary sector and community sector) may be available, or may equally represent good value for money in reducing people's reliance to very low levels because of those other interventions being in place.

Communities and Wellbeing

Transformation

*AC15 (Eff/SR) Implementation of revised service for Communities and Wellbeing - £200,000 in 2018/19 rising to £1,200,000 in 2020/21

68. The delivery of this saving will be through a remodelling and reduction of the Communities and Wellbeing structure and assumes significant capital investment to introduce SMART library technology and the creation of a Collections Hub.
69. Achievement of the MTFS target will include the de-commissioning of the Care Online Service, an efficiency review of Mobile Libraries, a remodelling of the Green Plaque Scheme; progressing alternative governance for Century Theatre to community management and ending provision of the National Portable Antiquities Scheme in Leicestershire and specialist support for archaeological deposition (linked to planning). Cabinet approval was given to progress these areas in September 2017.
70. The Cabinet approved the roll out of SMART libraries in September 2017. This will provide public access to libraries, without staff present and allow extended opening hours. Roll out will take place during 2018, with the full £230,000k being realised by the end of 2020/21.
71. The proposed Collections Hub will provide a combined publicly accessible base for museum, archive and educational resources. The new facility will bring together multiple teams, enabling a reduced staffing structure. A high level appraisal has identified the following options for further development work:
- New build on County Council owned land;
 - Refurbishment of an existing County Council building;
 - Refurbishment of a non-County Council owned building.

72. Leicester City Council and Rutland County Council, partners in the Record Office, have provisionally agreed to contribute financially to the development as it affects archival services.

Savings under development

73. The MTFS is balanced in 2018/19 and 2019/20 but shows shortfalls of £8.8m in 2020/21 rising to £17.7m in 2021/22. 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. The initiatives that will involve Adults and Communities are:

Lower Cost Adult Social Care Provision

74. 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.
75. The residential/nursing care market in Leicestershire is currently operating at approximately 90% occupancy; however, the occupancy rates are variable both geographically and within market segments. More rural areas such as Harborough, Melton and North West Leicestershire demonstrate less available provision and there is also less provision for complex needs such as dementia care and nursing care.
76. Options being investigated include:
- A capital investment by the Council to develop more capacity in the sector, eg develop appropriate residential property for service users.
 - A partnership with a care and/or accommodation provider could both increase capacity to deliver a more sustainable market whilst at the same time reduce average care costs.
 - Supporting the building of extra care and supported living accommodation.

Home First

77. The proposed development of Home First services across the county aims to care for people at home wherever possible to prevent hospital admissions and ensure timely discharge should people require hospital admissions.
78. If people can be cared for at home rather than being admitted to a hospital bed, and if people can be supported at home through reablement, or provided with a reablement bed on discharge, the number of long term care admissions and long term community packages should be reduced.
79. Further development work is to be undertaken to determine the potential opportunities for delivery of home first services in the county in collaboration with NHS partners, based on the specifications and design principles developed this year. The first step toward this is the recruitment of a 24/7 crisis support team. Implementation of Home First services is dependent on developing a more integrated health and social care response to people experiencing a crisis in the community, and to patients on discharge from hospital. The stability of the domiciliary care

market will be a key dependency and the review of current commissioning models being undertaken by the Institute of Public care will inform future requirements.

Improvements to the Operating Model for the Department

80. The department is seeking to develop its TOM to articulate how the flow of activity and demand will be managed going forward. The TOM will seek to reduce variation, improve systems and processes, ensure proportionate responses, explore simplification and thereby deliver a more efficient and effective service both for service users and staff.
81. A tender document has been produced to seek a partner to facilitate the development of a new TOM. The proposal is for the partner to support the identification of efficiencies through systematic review of current operating practices.

Place to Live

82. Despite excellent performance in the last couple of years to reduce admissions to long term care, there are currently too many working age adults with disabilities living in long term care.
83. Best practice would suggest that there are a number of people who could be supported to live independently in the community through an intensive programme of housing with care development, deregistration of existing provision and progressive support planning.

Health and Social Care Integration

84. Health and Social Care Integration continues to be a top priority for both the County Council and its NHS partners. 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 to be implemented by 2020/21.
85. NHS planning guidance directs the progression of the health and care integration agenda via STPs (see below) which need to demonstrate how the new models of care proposed in the NHS England Five Year Forward View will be accelerated and implemented. The local STP footprint covers the geographical area of Leicester, Leicestershire and Rutland (LLR).
86. To support this agenda delivery of the Leicestershire BCF is constructed using the following themes:
 - Unified prevention offer;
 - Home First;
 - Integrated housing support;
 - Integrated domiciliary care;
 - Integrated locality teams;
 - Integrated urgent response;
 - Integrated points of access;
 - Integrated data;

- Integrated commissioning;
- Transforming Care (learning disabilities).

87. It was announced in the spring 2017 budget that the Government would make available an additional one-off allocation of £2bn nationally over the next three years to meet social care need, assist in alleviating pressures on the NHS, with particular emphasis on transfers of care from hospital, and help to stabilise the social care provider market. The County Council's allocation (£19.7m) has been split between directly supporting BCF initiatives (£11.5m) and providing funding for social care costs and impacts (£8.2m).
88. Part of Leicestershire's BCF allocation continues to be allocated towards the protection of adult social care services. This is currently £17m to ensure that the needs of the most vulnerable residents are met. Approximately £5m of other BCF funding is received by the County Council for other social care components of the BCF plan.
89. In 2018/19, the County Council will receive £5.6m from the iBCF, rising to £11.4m from 2019/20. This is assumed to be ongoing. In total the County Council will have £33m of BCF Plan funding incorporated into the base budget from 2019/20. Only a minimal amount of related expenditure could easily be stopped, should this funding be reduced or removed, presenting a risk to both service delivery and the financial balance of the MTFS.
90. The risk of funding being reduced has risen in 2017 due to NHS England's additional performance expectations in relation to DToCs.
91. National conditions in the BCF Policy Framework 2017/18–2018/19 set out a DToC national target of no more than 3.5% of occupied bed days delayed by November 2017. Failure to reach that target could result in a financial penalty to the Council. DToC performance is improving but the target is not expected to be achieved until early next year. Despite this it should be recognised that DToC performance, in Leicestershire, is above average and social care performance is in the top quartile.
92. Leicestershire's contribution to this national target equates to achieving no more than 6.84 delayed bed days per 100,000 of population, with the DToC performance target comprised of delays attributable to both health and social care.

Sustainability and Transformation Plan (STP)

93. Across the LLR local health and social care economy, through the STP analysis, 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 and demand managed.
94. The STP 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 plan has identified five key strands for change to meet these challenges. 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.
95. 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. The three LLR BCF funds are a key enabler to the delivery of the LLR STP.
96. The full implications of the STP for the County Council (and for service users) however 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.
97. To date there are no additional County Council funds identified beyond those set out in the BCF plan, to resource the STP. 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

98. There are a number of other external factors that will influence the achievability of the MTFs for Adult Social Care. These include:
- a) As part of the autumn 2015 review, the Government headlined significant improvements to funding for social care that local authorities will receive through the BCF. The additional income for the County Council is expected to be £5.6m in 2018/19 rising to £11.4m in 2019/20. This is being incorporated in the revised MTFs and is assumed to fund ASC growth and inflation for two years.
 - b) The Care Act 2014 was only partially implemented by Government with some of the changes to social care legislation postponed until 2020. The most notable postponement was the introduction of a cap on people's contribution to the cost of care. A further postponement is anticipated after the Government announced its intention to publish a green paper by summer 2018. The paper will set out plans for how government proposes to improve care and support for older people and tackle the challenge of an ageing population.
 - c) The Government has announced that short-term supported housing, eg homelessness and domestic violence accommodation will be funded through a new ring-fenced grant to upper tier local authorities from April 2020. The amount of short term supported housing grant funding will be set on the basis of current projections of future need (as informed by discussions with local authorities) and will continue to take account of the costs of provision in this part of the sector. Full details regarding the implementation are still to be announced.

- d) There will be a review of the existing fee model for residential and nursing care during 2018 which will focus on providing quality based model which may increase the cost of placements paid to providers. In 2017, the Competition and Marketing Authority (CMA) published its review of the care homes market. The CMA are recommending local authorities increase fees to the sector by over 10% and further recommended that Government should recompense Local authorities for this uplift. The Government are yet to respond.

Other Funding Sources

99. For 2018/19, the following other funding is expected to be received:

- Former Independent Living Fund (ILF) grant of £1.2m is expected to be received by the County Council in 2018/19 which provides support packages, usually alongside local authority funding, to help disabled people live independently in the community;
- Service users eligible for CHC - £13.6m through the Learning Disabilities Pooled Budget and for non-learning disability service users ;
- Social Care in Prisons Grant - £118,000 which is anticipated to be ongoing;
- Local Reform and Community Voices Grant - £50,000 for DoLS in Hospitals;
- War Pension Scheme Disregard Grant - £110,000;
- There is potentially additional income from the STP Transformation Fund to support integrated working the pool is around £21m across LLR.
- Funding from Skills Funding Agency £4.2m and Education Funding Agency £110,000 in 2017 continues to support Adult Learning.

Capital Programme

100. The draft Adults and Communities capital programme totals £16.8m including £5.9m in 2018/19. The main external funding for the programme is the BCF grant programme (£14.5m), which is pass ported to District Councils to fund major housing adaptations in the County. The balance of the programme (£2.3m) is discretionary funding. The various schemes are outlined below and summarised in Appendix D.
101. SMART Libraries: £890,000 in 2018/19 and £20,000 in 2020/21 – This invest to save scheme 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.
102. Adult Learning relocation from Brockington to Danemill: £560,000 in 2018/19 – The Council is proposing relocating provision of adult learning services to a disused site at Danemill, Enderby. This will have the benefit of reduced revenue costs to the authority.
103. External funding has been approved in principal by NHS England for a capital bid relating to the LLR Transforming Care Plan. The LLR Transforming Care Plan outlines the need to develop a choice of long term housing, including small scale supported living to support people coming out of inpatient settings.
- Hinckley, The Trees (refurbishment): £390,000 for 2018/19 - It is intended to undertake reconfiguration and refurbishment of Cedarwood and Beechwood units at The Trees. These two units are dated in terms of their facilities and equipment,

with internal rooms sizes becoming challenging to provide support for people with complex and multiple needs.

- Mountsorrel - Transforming Care Step Down Accommodation (NHS Bid) - £440,000 for 2018/19 - This proposal outlines a request for funds of £405,000 to remodel an existing County Council owned asset in Mountsorrel. It is the intention to reconfigure the current internal space within the building into two self-contained single, accommodation units.

104. BCF - Disabled Facilities; £3,630,000 in 2018/19 to 2021/22 - 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 this funding is initially pass ported to District Councils.

Future Developments

105. 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. There is £28m being held corporately to fund future capital schemes.

- a) Collections Hub - This scheme will co-locate the County Council's collections and archives into a single facility, this will support delivery of the department's savings target (AC15). This forms part of the Communities and Wellbeing (C&W) Strategy to reduce the number of collection locations and ensures provision of adequate storage capacity to meet future need.

The Collections Hub proposal would be a significant investment for the authority. A development of this scale may encounter unforeseen delays or costs, which would impact on the ability of the C&W service to deliver the staffing savings associated with the project. In order to mitigate these risks, detailed feasibility and options appraisals will be undertaken to ensure clear costing of the bid and a comprehensive risk log and project plan will be developed to ensure delivery within agreed timeframes.

- b) Artworks Collection Relocation - To re-locate the Council's Creative Learning Services Artwork collections from the Sherrier Centre in Lutterworth into a single facility, initially within the Eastern Annex at County Hall, pending relocation to the Collections Hub. These are enabling works to allow for the wider Collections Hub capital project to occur.
- c) Health and Social Care Service User Accommodation - The Council is investigating looking into investment options to develop more capacity in the sector, eg develop an appropriate property for supported living or supporting the building of extra care homes.

Equality and Human Rights Implications

107. 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.

108 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.

109. Proposals in relation to savings arising out of a reduction in posts will be subject to the County Council's Organisational Change policy which requires an Equality Impact Assessment to be undertaken as part of the action plan.

Background Papers

- Report to Cabinet 12 January 2017 - Medium Term Financial Strategy 2018/19-2021/22 <http://politics.leics.gov.uk/documents/s134223/MTFS%2018-22%2012%20Dec%202017%20report%20final.pdf>

Circulation under local issues alert procedure

None.

Officers to Contact

Jon Wilson, Director of Adults and Communities
Tel: 0116 305 7454
E-mail: jon.wilson@leics.gov.uk

Chris Tambini, Director of Finance, Corporate Resources Department
Tel: 0116 305 6199
E-mail: chris.tambini@leics.gov.uk

Judith Spence, Finance Business Partner, Corporate Resources Department
Tel: 0116 305 5998
E-mail: judith.spence@leics.gov.uk

Appendices

Appendix A – Revenue Budget 2018/19
Appendix B – Growth
Appendix C – Savings
Appendix D – Capital Programme 2018/19 – 2021/22