

ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
16 JANUARY 2018

MEDIUM TERM FINANCIAL STRATEGY 2018/19 – 2021/22

MINUTE EXTRACT

Medium Term Financial Strategy 2018/19 - 2021/22

The Committee considered a joint report of the Director of Adults and Communities and Director of Corporate Resources which provided information on the proposed 2018/19 to 2021/22 Medium Term Financial Strategy (MTFS) as it related to the Adults and Communities Department. A copy of the report marked 'Agenda Item '9' is filed with these minutes.

The Chairman welcomed Mr R Blunt CC, Cabinet Lead Member to the meeting for this item.

In introducing the report the Director advised members of the financial challenges facing the Council and the significant demand and cost pressures facing the adult social care services in dealing with an ageing population and an increased number of people with complex disabilities.

In response to questions and comments the Committee was advised as follows:-

Service Transformation

- i) The Department had, over the last few years, sought to prevent and delay the need for services by various means aimed at promoting independence. Whilst the Department was spending less directly on primary prevention, the County Council through its early help and prevention scheme, was working closely with local communities to build resilience and provide such support. In addition it should be noted that the Council's public health services were focussed on prevention.
- ii) There had been good progress made with integration of services with health. Examples of initiatives included the establishment of locality teams, Home First and joint commissioning and funding of some discrete services. Much remained to be done but it should be noted that the intention was not a structural integration with health services.

Proposed Revenue Budget

- iii) The growth projections for 2020/21 and 2021/22 were lower and this was based on the likely level of demand. In forecasting future demand pressures the Department looked closely at population figures and trends in demand. One key area where it was expected demand would be lower was in young people transitioning to adult services as the SEN data showed a lower number projected to come through after 2020.
- iv) A sum of £3.5million had been set aside centrally for price inflation and £1.5million for pay.
- v) The BCF contribution was shown as a negative figure as this was an income stream into the County Council's budget.
- vi) The budgets for the Care Pathway in the East and West Localities included services which were provided on a countywide basis by each of these teams. With regard to the income stream of £704,598 to the West Locality this related to NHS income which had been allocated for certain posts in that team.

Growth

- vii) The cost pressures on all service providers arose largely from the increase in the minimum wage but there were also cost pressures in terms of increased insurance costs and costs of equipment and supplies. Cost pressures were a national issue which had been identified by the Competition and Markets Authority which had called for an increase in funding. The Government intended to issue a Green Paper on Social Care funding and reform. If additional resources could not be found, there was a risk of market failure as a number of providers may not be able to continue.
- viii) The growth now identified in G10 was to ensure that the 18 fte review officers who were in fixed term or temporary contracts would be made permanent. These review officer posts were critical to the Department delivering the required savings as the majority of savings were contingent on a review of care packages. The Department had a lean management structure and some 25% of management costs had been saved in the last few years. Management costs were under 1% of the overall budget, one of the lowest in the country.
- ix) The growth proposals in G11 arose from a workforce analysis undertaken by the Transformation Unit which identified the need for 5 additional staff to work at the Leicester Royal Infirmary to deal with patient discharges

Adult Social Care – Savings

- x) The savings proposals in AC3 related to better management of Direct Payments. This area of expenditure was now the second highest with nearly 53% of eligible service users now having a direct payment. Service users were generally using their personal budgets for their assessed needs and no significant issues of fraud had been identified. The key findings of recent

reviews undertaken showed that people in receipt of direct payments were able to source services at a lower cost and in some cases had made arrangements which reduced the number of care visits required. Small changes in individual personal budgets had a significant cumulative effect.

- xi) The proposals set out in AC13 followed on from similar approaches undertaken elsewhere in the country. The introduction of new equipment and technology had reduced the need for double handed care. Members were assured that before any changes were made an assessment would be made by a specialist Occupational Therapist.
- xii) The Department's approach to the delivery of savings was based on a robust business case and delivery plan which took into account the need to deliver the required outcomes for individuals. A new assessment and support planning model had been adopted and the staff were being trained and supported in delivering this. Whilst it was recognised that staff in the Department were caring and professional, and morale was good, it was necessary to ensure that they were helped and supported going forward given the difficult and stressful environment in which they were asked to operate.

Communities and Wellbeing – Transformation Savings

- xiii) There were no new savings in this area of service.
- xiv) The Care Online service was being decommissioned as it had not proved to be as effective as originally envisaged. The Department would continue to support service users in accessing services on-line and as part of the County Council's Digital Strategy there would also be an initiative to support people to engage online.
- xv) The business case for the proposed Collection Hub was being finalised. The intention was to bring collections together in a single, more central location which would ensure that such collections were accessible. Whilst there would be revenue savings and potential for generating income there would be a significant one-off capital cost.

Health and Social Care Integration

- xvi) The Better Care Fund (BCF) set out clear guidelines for the allocation of funding for Disabled Facilities Grant (DFG) and funding would be passported in full to District Councils. It was noted that DFG allocations made to District Councils was not fully spent by them and discussions were being held regarding the use of underspends to support other eligible Housing, health and social care developments.
- xvii) With regard to delayed discharges, whilst the Council had not met the new DOH target, there would be no reduction in the BCF allocation this year. The recent data on delayed discharges showed that the Council was making

progress in reducing delays and as such, it was anticipated that there would be no BCF funding reductions in 2018/19.

Capital Programme

xviii) The Capital programme was noted and members hoped that the necessary resources could be found for developing a Collections Hub.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 24 January 2018.