

**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY
COMMITTEE - 24th JANUARY 2022**

MEDIUM TERM FINANCIAL STRATEGY 2022/23 – 2025/26

MINUTE EXTRACT

Medium Term Financial Strategy 2022/23 – 2025/26

The Committee considered a joint report of the Director of Adults and Communities and the Director of Corporate Resources which provided information on the proposed 2022/23-2025/26 Medium Term Financial Strategy (MTFS) as it related to the Adults and Communities Department. A copy of the report marked 'Agenda Item 8', is filed with these minutes.

The Chairman welcomed Mrs. C. M. Radford CC, Cabinet Lead Member for Adults and Communities and Mr. T. Parton CC, Cabinet Support Member, to the meeting for this item.

In introducing the report, the Director advised members that the MTFS had been prepared with the plethora of adult social care reform papers, recently published by the National Government, in mind. This included the Health and Care Bill 2021 which was expected to be enacted before the summer recess.

Arising from the comments and questions raised, the Committee was advised as follows:

Service Transformation

- (i) Improving customer experience and satisfaction was a fundamental ambition of the Department's Strategy. The other ambitions such as building a flexible, talented, motivated workforce and investing in social care accommodation were key to achieving this ambition.
- (ii) Members were assured that the improvements the Department intended to make to its digital offer were not intended to replace existing services, but instead provide alternative ways to connect to services. It was recognised that the use of digital services may not be suitable for all service users and that an individual approach would need to be taken. However, as the world progressed there was also a need for the Department to keep pace with the advances in digital technology to ensure service users were prepared for future events such as the 'Digital Switchover' in 2025. Members were reminded that the vast majority of people the Department were in contact with were family members of service users and professionals who were more likely

to embrace alternative digital solutions. The Lead Member highlighted that the Covid-19 pandemic had provided many people (including older people) with an opportunity to familiarise themselves with digital communication such as social media.

Proposed Revenue Budget

- (iii) In response to concerns regarding the risks and challenges to care providers arising from inflation, the Director confirmed that the largest cost to care providers was workforce costs, so the rise to the National Living Wage of 6.6% would be significant to both care providers and the Council. This along with the other elements of inflation would be something that the Council would need to take a view on at the appropriate time to determine the amounts to apportion to care providers. Members noted that the Department also worked with the adult social care market to agree the levels set were reasonable. Members further noted that care providers were regularly in touch with the Department to provide information on a number of areas such as cost, which was helpful when determining the amounts.
- (iv) There were a number of ways that care providers were supported to manage inflation. For example, there were many government grants that had been made available during 2020/21 that were targeted to support care providers with their costs and some more of this type of grant were expected to be confirmed for the year 2022/23. Each Council Department was expected to manage the levels of inflation affecting its own services to minimise impact on corporate inflation contingency, so to help with this an annual review on the standardised uplift rate was taken by the Adults and Communities Department in consultation with an independent advisor. If further funds were required from the central contingency fund then the Department's needs would need to be balanced with other departments, but to date the Department's requirements for inflation had been allocated.
- (v) The Chairman highlighted that some of the difficult decisions the Council had made, including the application of the Council Tax Adult Social Care Precept and the efficiency savings the Department had made over recent years whilst maintaining services, had put the Department in a uniquely stronger position to deal with the effects of the pandemic.

Growth

- (vi) Members noted with concern that, although adjustments may be required later on, the significant amount of growth anticipated over the course of the MTFs was the single largest growth request the Department had ever put forward. This was largely a reflection of the increased demand and increased costs for care that had arisen since the impact of the Covid-19 pandemic.
- (vii) G5 Older People demand – Members noted that for an average year for older people's care it was reasonable to expect an increase to the level of growth of

around 1.5%. However, over the last 12 months this had risen to 5%. It was difficult to predict what growth may be experienced over the medium term due to the uncertain impact of the pandemic, and with older people only tending to stay in care for an average of around two or three years there was also a significant turnover rate.

- (viii) One of the effects of the changes to the hospital discharge process to relieve the pressure on hospitals was that the number of people being temporarily placed into residential care in Leicestershire had risen by around 75%. It was difficult to say how long people stayed in temporary accommodation as each case varied and presented different challenges. Though, to avoid conditions becoming worse and in the interests of maximising independence, the Department worked to arrange the appropriate care package during the first four weeks (funded by the NHS) upon discharge wherever possible. The Director undertook to provide further information to Committee members to confirm the average length of stay for temporary placements outside of the meeting.
- (ix) G6 Learning Disability demand – it was clarified that there were a number of reasons for the unusually high amount of growth required for this area. These included:
 - a. costs of care having risen steeply over the last couple of years;
 - b. rising building costs affecting the developments of accommodation, which were often bespoke in design;
 - c. the Council had a robust strategy in place with Health partners for the Transforming Care Programme which was quickly progressing. As part of this, effort was being made to bring those people with complex needs that had been accommodated in hospital for a long period of time at considerable cost to the Council back into the community.
- (x) There were fewer suitable accommodation settings available for people with specialist needs meaning it was not always possible for placements to be made 'in-house'. However, such persons were usually able to be placed 'in area' and the Department worked with a number of organisations to achieve this.
- (xi) The Director reported an error at paragraph 29 (G8 Physical Disabilities demand). He confirmed that although the detail of this paragraph was a repeat of paragraph 28 (G7 Mental Health demand), the demand for these areas were similar with them both being difficult to predict. This was because they were based on people that acquire illnesses or disabilities rather than people transitioning through from other services.

Savings

- (xii) AC10 Review of Direct Services/Day Services/Short Breaks – it was clarified that this area was an efficiency saving and not a service reduction. The process for reviewing each service change made varied depending on the nature, but changes would not be made without obtaining the views of those affected. Reviews would also take place after the event to assess service user satisfaction (for example reviews had been carried with service users temporarily placed whilst the refurbishment of The Trees was carried out and they had chosen to remain where they were) and information was collated to review how the process went. Members were reminded that in addition to the reports the Committee already received relating to service changes reports on the outcomes of such changes could also be provided to the Committee at its request.
- (xiii) AC12 Potential additional health income for additional recharges – in response to a comment raised, it was acknowledged that, similarly to other areas of the MTFs, the certainty of future funding for this area was unknown which created an element of risk. However, based on the conversations taking place nationally between local authorities and the NHS, the rise in national insurance contributions and the assumption that the current hospital discharge arrangements would continue, the prediction of funding continuing beyond March 2022 (when the current funding stream was due to cease) was seen as a reasonable expectation.
- (xiv) A total of £300m of national funding had been made available to encourage developments of specialist accommodation for people with disabilities. It was therefore hoped that the availability of such accommodation would improve as a result.

Savings under development

- (xv) Digitalisation of Service Delivery – it was clarified that the potential savings for this area were currently forecasted to be seen in the latter part of 2022/23 (quarter 4).
- (xvi) It was confirmed that the Department already had processes in place to manage data security and permissions in relation to a family member managing care arrangements on behalf of a service user. The only difference with the digital approach was that the services, such as those requiring a form to be completed, would be accessed via digital means rather than in paper form. Key was obtaining consent from the service user (or power of attorney where this was in place).

Other funding sources

- (xvii) The funding expected to be received (in 2022/23) from the Skills Funding Agency (SFA) to continue to fund the Adult Learning Service would show in the budget as a zero balance because the funding, once received from the agency, would be spent in its entirety. Members were reminded that, other

than some non-educational courses that the Council charged individual service users for, the SFA funded the entire Adult Learning Programme.

Capital Programme

(xviii) Some concern was raised that a number of the District Councils had not been spending their Disabled Facilities Grant (DFG) monies due to the Covid-19 pandemic. The Director confirmed that although the Council worked with the District Councils to prioritise areas of spend, the responsibility for following the conditions attached to the DFGs fell with the District Councils. Members were advised that the Government was looking at ways to build in more flexibility to the process to allow housing authorities to decide how the monies should be spent. The Chairman highlighted the need for local members to lobby MPs to improve the process. He added that the impact of the pandemic on building works and the assessments usually carried out in people's homes were significant to why the monies had not been spent.

RESOLVED:

- (a) That the report regarding the Medium Term Financial Strategy 2022/23 - 2025/26 and the information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 31 January 2022;
- (c) That the Director be requested to provide further information regarding the average length of temporary residential placements outside of the meeting.

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