



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
23 JANUARY 2023

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

MEDIUM TERM FINANCIAL STRATEGY 2023/24–2026/27

Purpose of Report

- 1 The purpose of this report is to:
 - a) Provide information on the proposed 2023/24-2026/27 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 2022. This was the subject of a comprehensive review and revision in light of the current economic circumstances.

Background

- 3 The draft MTFS for 2023/24–2026/27 was set out in the report considered by the Cabinet on 16 December 2022, 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 30 January 2023. The Cabinet will consider the results of the scrutiny process on 10 February 2023 before recommending a MTFS, including a budget and capital programme for 2023/24 to the County Council on 22 February 2023.

Service Transformation

- 5 The Council's Adults and Communities Department has a '*Delivering Wellbeing and Opportunity in Leicestershire: Adults and Communities Department Ambitions and Strategy for 2020–2024*', which demonstrates how the Department will contribute to all five of the authority's Strategic Plan outcomes.

- 6 The Strategy builds on the previous adult social care, adult learning and communities and wellbeing service strategies. It recognises the value of more closely bringing together all the Department's work since it is fundamental to the Council's role in promoting wellbeing. The ambition at the heart of the Strategy is to improve wellbeing for the people and communities of Leicestershire including their levels of happiness, prosperity, and satisfaction with life, along with their sense of meaning, purpose, and connection. It also sets out other ambitions for the Department including:
- Improved customer experience and satisfaction;
 - Providing high quality information and advice;
 - Promoting wellbeing through universal services;
 - Building a flexible, talented, motivated workforce, including apprentices;
 - Investment in social care accommodation;
 - Seamless transition from children to adult services;
 - Promoting independence;
 - Improved use of technology;
 - Working effectively with partners.
- 7 The design and delivery of services will continue to be based on the 'right' model, that is the right people (those who are at risk or need support to maximise their independence) are receiving the right services, at the right time, in the right place and the Council is working with the right partners.
- 8 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.
- 9 The draft Growth and Savings for the 2023 MTFS (2023/24-2026/27) reflect the changes in demand for services and the transformation in delivery of services to achieve the vision of Department's Strategy and the national Government's reform of social care agenda.

Proposed Revenue Budget

- 10 The table below summarises the proposed 2023/24 revenue budget and provisional budgets for the next three years. The proposed 2023/24 revenue budget in detail is shown in Appendix A.

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Original prior year budget	171,502	186,882	187,777	192,287
Budget transfers and adjustments	15,210			
Sub total	186,712	186,882	187,777	192,287
Add proposed growth (Appendix B)	7,440	4,720	4,810	4,830
Less proposed savings (Appendix C)	(7,270)	(3,825)	(300)	(2,300)
Proposed/provisional net budget	186,882	187,777	192,287	194,817

- 11 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.
- 12 The total gross proposed budget for 2023/24 is £317.566m with contributions from grants, Health transfers and service user contributions projected of £130.684m. The proposed net budget for 2023/24 totals £186.882m and is distributed as follows:

Net Budget 2023/24		
Demand Led Commissioned Services	£163.3m	87.4%
Direct Services	£7.2m	3.9%
Care Pathway – Operational Commissioning	£19.5m	10.4%
Care Pathway – Integration, Access and Prevention	£11.4m	6.1%
Strategic Services	£4.0m	2.1%
Early Intervention and Prevention	£1.9m	1.0%
Department Senior Management	£1.0m	0.5%
Better Care Fund/NHS Contribution	(£27.0m)	(14.4%)
Communities and Wellbeing	£5.6m	3.0%
Department Total	£186.9m	

Other Changes and Transfers

- 13 A number of budget transfers (totalling a net increase of £15.2m) were made through the 2022/23 financial year and are now adjusted for in the updated original budget. These transfers are:
- £4.7m for pay and pension inflation transferred from the central inflation contingency as pay award still to be agreed;
 - £9.7m for price inflation (including residential fee review);
 - £0.8m transfers to and from other departments.
- 14 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.
- 15 This star rating is included in the descriptions set out for growth and savings below.
- 16 Savings are 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

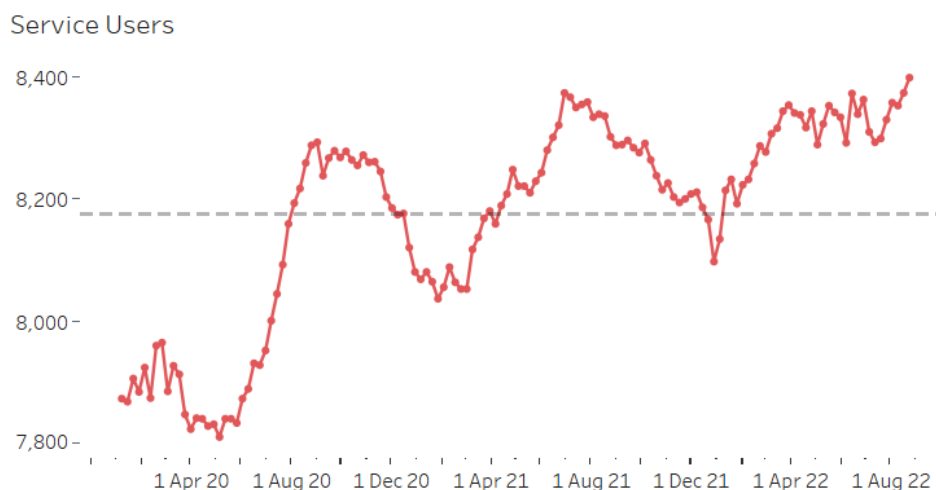
- 17 The proposed growth reflects changes in demand for services such as increased numbers of service users and number of high cost care packages, in particular those related to older adults and learning disabilities and changes in types of service. As in

previous years, the profile of service users and their care needs are constantly changing which may impact on the services commissioned. Overall demand led expenditure totals circa £231m.

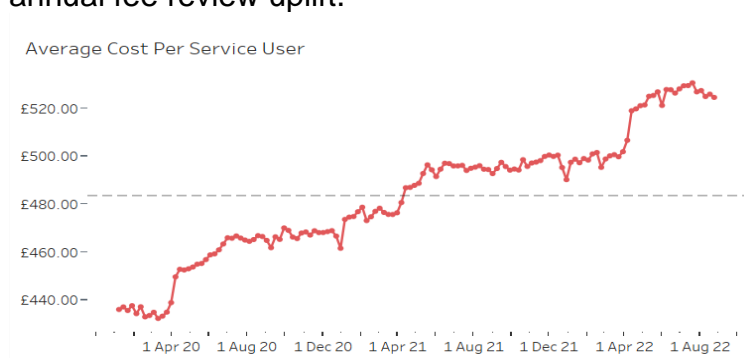
- 18 There is a number of demand management activities which include regular oversight of cost of care packages, a scheme of delegation which manages level of spend and accountability at all levels across the service, benchmarking against national population statistics and regular budget monitoring. The Departmental Management Team also maintains oversight of the quality and sustainability of the care provider market including impact of changes in demand for care homes and home care. All these actions aim to validate and mitigate future growth requirements.
- 19 The growth required is £7.4m for 2023/24 and £21.8m over the next four years in total. The ongoing impact of Covid-19 pandemic on demand led commissioned services, especially for the later years of the proposed MTFs, is making it very challenging to accurately forecast growth requirements. Growth forecasts will be regularly reviewed and updated based on the latest information. The budget increases are outlined below and summarised in Appendix B to the report.

Overall Growth Trends

- 20 Overall number of service users being supported across Residential Care, Homecare, Supported Living, Direct Payments and Community Life Choices from January 2020 through to August 2022 has significantly increased (see graph below). Typical growth would be approximately 1-1.5% per annum. However, the current number of service users supported is around 3% higher than this.



- 21 The average cost per service user over the same period. The steep rise in April relates to the annual fee review uplift.



- 22 For all the demand led commissioned services the growth reflects the higher number of service users and the associated average costs as at the end of November 2022 for 2022/23. This is used as baseline to apply the normal national demographical growth to future years. Uplifts are applied annually to base weekly rates outside of the growth process.

**G5 Older People demand – £5,910,000 in 2023/24 rising to £13,715,000 by 2026/27

- 23 People aged over 65 account for most of the Department's care expenditure. This financial growth is required to meet the increasing numbers of older people with eligible needs as well as the increasing fragility of existing service users. The additional costs packages of care are estimated to be £5m for residential and £7m for home care.
- 24 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 2020-2022 there have been significant changes in demand due to the pandemic, mainly driven by the current hospital discharge process which has meant an increase of the average number of home care hours provided, increased number of short-term residential care places and increase in number of service users who would normally pay for their own care. The current projection is based on service needs as November 2022 which are assumed to continue into 2023.
- 25 Another key driver is the cost of providing services which has significantly increased as capacity in the market is limited and the impact of increasing inflation. Future changes in demand are estimated using national demographic statistics to produce a baseline forecast of the likely number and average cost of service users. This growth is primarily to meet the expected increase in service users from the projected demographic growth in future years.

**G6 Learning Disability demand – £335,000 in 2023/24 rising to £4,255,000 by 2026/27

- 26 There is a requirement for the Council to provide for increased care costs and growth relating to the number of service users accessing services that provide support to people with learning disabilities.
- 27 The current projection is based on November 2022 of service needs which are assumed to continue into 2023. Future changes in demand are estimated using national demographic statistics to produce a baseline forecast of the likely number and average cost of service users. This growth is primarily to meet the expected increase in service users from the projected demographic growth in future years.
- 28 Another key driver is the cost of providing services which has significantly increased as capacity in the market is limited and the impact of increasing inflation.
- 29 There is currently an increase in the numbers of social care placements in children's services which may impact on the Adults and Communities Department in the long term but cannot yet be quantified.
- 30 This assumes the continuation of the Independent Living Fund Grant of £1.2m from the Government.

- 31 This growth is primarily to meet the expected increase in service users from the projected demographic growth in future years.

**G7 Mental Health demand – £870,000 in 2023/24 rising to £2,675,000 by 2026/27

- 32 This financial growth is required to meet the increasing numbers of people with eligible mental health needs. 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. The current projection is based on November 2022 of service needs which are assumed to continue into 2023. Other year changes in demand are estimated using national demographic statistics to produce a baseline forecast of the likely number and average cost of service users.

**G8 Physical Disabilities demand – £325,000 in 2023/24 rising to £1,155,000 by 2026/27

- 33 This financial growth is required to meet the increasing numbers of people with eligible physical disabilities. The current projection is based on November 2022 of service needs which are assumed to continue into 2023. Future changes in demand are estimated using national demographic statistics to produce a baseline forecast of the likely number and average cost of service users. This growth is primarily to meet the expected increase in service users from the projected demographic growth in future years.

Savings

- 34 Details of proposed savings are set out in Appendix C and total £7.3m in 2023/24 and £13.7m over the next four years.

Adult Social Care

**AC1 (Inc) - Increased Income - £100,000 saving 2023/24 rising to £400,000 from 2026/27

- 35 Department for Work and Pensions increases in benefits payments should provide additional chargeable income. It is anticipated that income from older people will rise faster than inflation as a result of the protection of over 65s benefits provided for by the National Government (£400k).

*AC2(Eff) - Implementation of revised operating model (TOM) - £500,000 saving 2023/24 ongoing

- 36 The Target Operating Model (TOM) programme has been successfully implemented across the Department and approved as delivering the anticipated financial benefits by formally measuring the results achieved prior to the Covid-19 pandemic. This was achieved by working in partnership with external partner Newton Europe. The overall TOM Programme is on track to deliver in the region of £9m cashable savings despite the impact of the pandemic on working practices. The remaining savings will be delivered by an ongoing focus on continuous improvement across the Care Pathway, built into TOM ways of working.

**AC3 (Eff) – Implementation of Digital Assistive Technology to Service Users (Technology Enabled Care -TEC) – £650,000 saving 2023/24 rising to £3,900,000 from 2026/27

- 37 Savings by developing a range of IT and digital solutions that can be used to support service user outcomes across the Care Pathway. It includes assistive technology, aids and adaptations, telecare, and telehealth. Implementation commenced at the end of April 2022 and includes a partnership arrangement with Hampshire County Council and their commercial partner PA Argenti. Hampshire acts as a strategic partner to assist the Department in transformation and deliver a new approach to care technology.
- 38 One of the key strategic aims of the service is to deliver a significant financial contribution to the Council – both in terms of avoided future demand and in terms of actual in-year cost reductions. Savings are a mixture of avoided cost and cashable savings as well as non-financial benefits of care technology providing better outcomes for people.
- 39 The newly transformed Council Care Technology (CT) service has been running since 25 April 2022. Since launch, demand for the service has been strong and is growing. The service is currently on track to meet or exceed its current targets for new CT users (of 1,450 in year one).

**AC4 (Eff) - Establishment Review – £350,000 saving 2023/24 rising to £850,000 from 2024/25

- 40 A review of the Department's staffing establishment following the implementation of the TOM programme and new ways of working commencing with Homecare Assessment and Reablement Team (HART) service during 2022 and a number of additional areas of the Department in 23/24.

**AC5 (Eff) - Review of Mental Health Pathway and placements – £250,000 saving 2023/24 rising to £450,000 from 2026/27 onwards

- 41 A review of the Mental Health Care Pathway including a progression model to reduce residential costs and other support. The intention is to enable people to step down from building-based services into their own homes with flexible support to prevent a further relapse and escalation back into building-based services. A Mental Health Accommodation Pathway Project has been established with membership including both internal and external partners. Additional staffing is being put in place to help support the move to step down accommodation and initial savings have been made. A floating support scheme which commenced from June 2022 will support people to maintain tenancies and promote well-being.

*AC6 (Eff) - Review of placements transitioning from Children's Services – £60,000 saving 2023/24 rising to £120,000 from 2024/25

- 42 As part of the Defining Children's Services for the Future Programme with Newton Europe there has been a review of the decision making on transitions placements, which in the longer term, will reduce the size of support packages as children transfer to adult services.

*AC7 (Eff) - Review of Direct Services/Day Services/Short Breaks – £430,000 saving 2023/24 onwards

- 43 Following the Covid-19 pandemic a refresh of how in-house services are delivered alongside new contracts for external day services. The areas of service delivery expected to contribute to this include the reviews of:
- Melton Short Breaks and Supported Living service – this will align the staffing structure and delivery model with other in-house short breaks and supported living services. Melton remains the last area for this work to be completed.
 - Short Breaks – the proposed closure of Smith Crescent in Coalville alongside the use of the refurbished unit at The Trees for short breaks will both increase the capacity available across the county, whilst negating the need for further additional investment to rebuild a facility in Coalville and deliver savings through the reduction of operational running costs.
 - In-house Community Life Choices (CLC) services – proposals aim to reduce the amount of directly provided services alongside the development of revised contractual arrangements for CLC services. Savings to operational running costs will attribute to this savings line.

**AC8 (Inc) - Increased BCF Income - £500,000 saving 2023/24 onwards

- 44 Additional income from the annual uplift on the protected social care element of the Better Care Fund.

AC9 (Eff) – Direct Payment Commissioning Efficiencies – £1,000,000 saving 2023/24 rising to £1,500,000 from 2024/25

- 45 This is a review of Direct Payment packages and surplus balances held by service users. Reviews of Direct Payments with a surplus balance of more than four weeks will be undertaken and care packages to be reduced to reflect amount needed. Improvements will also be made to ensure income recovery from service user contributions and back office systems and process

AC10 (Eff) - Commissioning and implementation of revised Extra Care model - £260,000 from 2023/24 onwards

- 46 A review of commissioning of Extra Care unplanned care services has been undertaken and a procurement exercise commenced in October 2022 following agreement by Cabinet in September. The new contract for the Extra Care Service is required to be in place by 1 April 2023. The revised service model will realise a saving from April 2023 whilst ensuring that the schemes operate more efficiently.

AC11 (Eff) – Improved systems, ways of working and cost of recovery efficiencies- £210,000 from 2023/24 onwards

- 47 Review of various small systems and processes to generate efficiencies:
- a) Recommissioning of mental health support - £75,000 The re-procurement for the Leicester, Leicestershire and Rutland (LLR) Mental Health Wellbeing and Recovery Support Services, funded by the three local authorities and the Integrated Care Board (ICB), has achieved a saving of £75,000 to the Council.

- b) Appointeeship and Deputyship case management system replacement - £50,000 - A project is underway to replace the Caspar system used within Appointeeship and Deputyship by end of January 2023. There is a saving of £50k in licence costs. The replacement system is a module within the main social care case management system (IAS) so there will be further benefits derived from eliminating rekeying that currently occurs between Caspar and IAS as well as streamlining internal processes.
- c) Reduction in financial waivers -£50,000 - Proposed to achieve through proactive case management of those on full and partial waivers of payments for services, to regularly review and reduce over time due to changing circumstances and ability and confidence to pay changing.
- d) Short breaks actual cost of fees £35,000 - Ensure actual costs of in-house short breaks are charged to health and out of county commissioners to ensure full recovery of costs to deliver the service.

AC12 (Inc) - Review of Mental Health Section 117 funding arrangements -£250,000 saving 2023/24 rising to £500,000 from 2024/25

- 48 To undertake a review of Mental Health S117 funding arrangements, at present whilst there is agreement with the ICB to progress to a 50/50 funding split for all Section 117 care packages excluding Transforming Care Programme cases. A number of cases have been identified where care packages are either being funded in total by adult social care, or where savings could be achieved through moving to 50/50 funding. This is offset in part by cases where Health previously funded at more than 50% where there will be an increase in cost.

AC13 (Eff) - Home Care - review of single-handed care and care packages -£1,400,000 saving 2023/24 onwards

- 49 A dedicated Occupational Therapy Team will review home care packages where two carers have been commissioned for moving and handing care calls. Working with providers to train staff and provision of specialist equipment. A snapshot of cases where two carers are commissioned shows approximately 625 cases in October 2022. In year savings in 2022 indicate reductions are already underway in the region of £342k. This has a proven record of savings delivery in previous years through similar reviews.

AC14 (Eff) - Reduce demand for 1 to 1 support in residential care and supported living - £600,000 saving 2023/24 onwards

- 50 Reviews of all one-to-one support in Residential Care and Supported Living will be undertaken to better identify and challenge commissioning practice, using care technology and develop a strengths and asset based approach.
- 51 Make more effective use of the Care Cubed care funding tool to identify where high cost placements may be renegotiated to reflect a fairer cost of care and reduce supplementary needs payments.

AC15 (Eff) - Improve consistency in hourly rates for Direct Payments (DP) and promote use of personal assistants- £150,000 saving in 2023/24 rising to £510,000 from 2025/26

- 52 The hourly rates paid to DP recipients vary and current available guidance to operational staff requires updating. This has resulted in operational commissioning staff agreeing hourly rates on an individual basis. The proposal is to:
- Standardise the DP rate to Personal Assistants (PA);
 - Develop the PA market in Leicestershire through a bespoke programme led and supported by adult social care;
 - Increase the number of people accessing PA's as an alternative to home care agency provision.
- 53 This would help achieve consistency by reducing the variation in the rates paid, whilst encouraging more people to become PAs. Putting in place clearer guidance for staff about how hourly rates should be applied will also help reduce the use of exceptions and reduce higher hourly rates.

AC16 (Eff) - Improving outcomes from the Homecare Assessment and Reablement Team (HART) and Community Response Service (CRS)- £230,000 saving in 2023/24 rising to £920,000 from 2026/27

- 54 Developing and delivering an intake model for all new and requests for increases in packages of care with the net benefit of increasing Better Care Fund income and reducing domiciliary care usage.
- 55 Intake model will commission appropriate services following a more focussed assessment period and where appropriate, reablement support, leading to better outcomes and increased independence and a reduction on commissioned service budgets and admissions to building based services.
- 56 A pilot project with therapy staff from Leicestershire Partnership NHS Trust commenced in early November 2022 in a single locality area to develop an enhanced model of integrated working to maximise health and social care resources, whilst delivering improved outcomes in a shorter timeframe – this model will support the wider intake approach.

AC17 (Eff) – Alignment of the Homecare Assessment and Reablement Team (HART) and Community Response Service (CRS)- £150,000 saving in 2023/24 rising to £200,000 from 2024/25

- 57 Restructuring the CRS and HART teams to align grading structures across CRS in line with revised HART model, combining resources to remove overlaps and duplication and reduce mileage costs and ineffective travel time. The review will look to delete unfunded posts and will aim to use the available staff to deliver a range of support to people in the county rather than specific job tasks. The introduction of the revised roster system is already delivering some mileage efficiencies for CRS staff.

AC18(Eff) – Reprovision of in-house day services- £150,000 saving in 2023/24 rising to £300,000 from 2024/25

- 58 The reprovision of Community Life Choices (CLC) aligned to closures of in-house services and moving existing service users to other providers which will achieve savings in the region of £150,000 in 2023/24. A management and asset restructure will produce an additional £150,000 savings.

Communities and Wellbeing

**AC19 (Eff/SR) - Implementation of revised service for Communities and Wellbeing - £40,000 saving from 2025/26

- 59 Further work has been undertaken to review options for the relocation of the Record Office of Leicester, Leicestershire, and Rutland (ROLLR), and the creation of a Collections Hub. Dependent on decisions taken with regard to the allocation of future capital, this may realise the final part of the previous restructuring and enable the release of the current collection stores to consolidate assets into one location.

**AC20 (SR) – Review Green Plaque Service - £30,000 saving in 2023/24 rising to £55,000 from 2024/25

- 60 The Green Plaque Scheme was established in 2014 as a means of celebrating people and locations in Leicestershire that have made a significant impact. 36 plaques have been awarded. The scheme is currently paused for new nominations.
- 61 There is significant work required from the Record Office to research and validate the nominations; an officer plans and facilitates the nominations and shortlisting and voting processes, arranges the production and siting of the physical plaques, which often require various permissions, including listed building consent and planning, as well as organising the unveiling events and associated publicity. Stopping the scheme would not impact any particular user groups significantly and no mitigation would be required. As a standalone service it does not impact directly on other parts of the service or Council.

**AC21 (SR) – Review charging for Creative Learning Services - £50,000 saving from 2024/25 onwards

- 62 Creative Learning Services currently charge schools for the services they provide and a review of charging will be undertaken to ensure that the costs of delivering these services are recovered.

Savings under development

- 63 The following areas are being developed to meet future savings targets:
- a) Three Conversations Model - The Three Conversations approach recognises that people and their families are the experts in their own lives and by listening to them it could be possible to develop a different approach to meeting their needs; utilising resources and skills, building upon their strengths, connecting them to the right people, communities, organisations to make their lives better. This approach

has now been used in more than 40 local authorities in England and a number of Health and Social Care partnerships in Scotland.

A 12-month pilot supported by Partners4Change to develop and test the Three Conversations Model is underway in a number of innovation sites across different areas of the Care Pathway. These innovation sites will develop new ways of working and the results will be collated and analysed to inform a business case for the full roll-out of the Three Conversations Model across the whole of the Care Pathway.

- b) Review of Discharge process and Reablement with ICB - Developing and delivering an intake model for all new packages of care. Better use of capacity in framework provision. Reduces some review demand in Home First teams and Operational Commissioning teams. Aligns with work being undertaken by Newton Europe and Local Government Association in terms of discharge processes.
- c) Digitalisation of service delivery - Digitalisation of service delivery. Areas being developed include:
- *Automation and digitisation of processes* - Consideration is being given to areas of manual processing that could be digitised to increase efficiency. Examples include the use of robotic process automation to automate low value, repetitive administrative tasks.
 - *Introduction of electronic signatures* of documents is estimated to reduce processing time from three weeks to four days for Direct Payment Agreements (DPA) and three months to one week for Individual Placement Agreements (IPA).
 - *Systems integration* - The integration of the LLR Care Record with social care case management system will enable efficiencies for staff to self-serve information from other stakeholders without having to waste time telephoning around. The provision of Council data to partners will also provide reciprocal benefits to them.
 - *Improving online offer to promote customer self-service* - Encouraging people to use on-line assessments will improve turnaround time for people to be assessed and reduce the amount of administration and costs associated with handling post.

Health and Social Care Integration

Better Care Fund (BCF)

- 64 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 and provide more of this care in community settings are seen nationally and locally as key to improving outcomes and ensuring high quality and sustainable services for the future.
- 65 The Council has received funding from the NHS through the BCF since 2015/16 in line with levels determined by Government. The BCF's purpose is to help the Council finance the delivery and transformation of integrated health and care services to the residents of Leicestershire, in conjunction with NHS partners.

- 66 The BCF Policy Framework and Planning Requirements are refreshed regularly and may cover one year or a number of years. The Department of Health and Social Care (DHSC) and the Department for Levelling Up, Housing and Communities (DLUHC) published a Policy Framework for the implementation of the BCF in 2022/23 on 19 July 2022. NHS England will approve BCF plans in consultation with DHSC and DLUHC.
- 67 The four national conditions set by the Government in the policy framework for 2022/23 are:
- That a BCF plan, including at least the minimum mandated funding to the pooled fund specified in the BCF allocations and grant determinations, must be signed off by the Health and Wellbeing Board, and by the constituent local authorities and NHS organisations.
 - A demonstration of how the area will maintain the level of spending on social care services from the BCF minimum contribution in line with the uplift to the BCF minimum contribution.
 - That a specific proportion of the area's allocation is invested in NHS commissioned out of hospital services, which may include seven-day services and adult social care.
 - That a clear plan is in place to support improvements in the following two policy objectives:
 - enable people to stay well, safe and independent at home for longer;
 - provide the right care in the right place at the right time.
- 68 The value of BCF funding for Leicestershire which was announced in July 2022 for 2022/23 is shown in the table below:

	2022/23 £m	
NHS Minimum Allocation	46.1	Level mandated by NHS England
IBCF	17.7	Allocated to local authorities, specifically to meet social care need and assist with alleviating pressures on the NHS, with emphasis on improving hospital discharge, and stabilising the social care provider market.
Disabled Facilities Grant	4.4	Passed to district councils
Total BCF Plan	68.2	

- 69 £20.5m of the NHS minimum allocation into the BCF is used to sustain adult social care services. The national conditions of the BCF require a certain level of expenditure to be allocated for this purpose. This funding has been crucial in ensuring the Council can maintain a balanced budget, while ensuring that some of its most vulnerable users are protected; unnecessary hospital admissions are avoided; and the good performance on delayed transfers of care from hospital is maintained.

- 70 In addition to the required level of funding for sustaining social care service provision, a further £7m of Leicestershire's BCF funding has been allocated for social care commissioned services in 2022/23. These services are aimed at improving carers' health and wellbeing, safeguarding, mental health discharge, dementia support and crisis response.
- 71 The balance of the NHS Minimum Allocation £18.6m is allocated for NHS commissioned out of hospital services.
- 72 Any reduction in the funding for social care from the BCF would place additional pressure on the Council's MTFS, and without this funding there is a real risk that the Council would not be able to manage demand or take forward the wider integration agenda.

Adult Social Care Reform

- 73 In December 2021, the Government released its long-awaited White Paper on social care reform, 'People at the Heart of Care'. The White Paper articulated a 10-year vision for transforming adult support and care in England. This was accompanied by Government announcements of £5.4bn of national funding over three years solely for the reform of Adult Social Care in England - £3.6bn to pay for charging reform, and £1.7bn to improve access to social care.
- 74 From a local authority financial perspective, key elements of this reform included a lifetime cap on personal care costs to put a limit on the costs that people will need to spend to meet their eligible care and support needs; an extension to the means test that determines what someone can afford to contribute towards the costs of their care; and a move towards paying care providers a fair cost of care to ensure sustainable care markets. These elements all had a cost implication for local authorities, and whilst there was still some uncertainty over the levels of these costs and the level of Government funding that would be available to support this, early indications were that there would be a gap between costs and funding.
- 75 However, the Chancellor's Autumn Statement in November 2022 announced a two-year delay on the national rollout of social care charging reforms – initially planned for implementation starting in 2023/24, this has now been pushed back to 2025/26. The Statement also said that the funding for implementation would be maintained within Local Government to enable local authorities to address adult social care pressures. Further details are awaited and the Council will closely monitor the position and the impact it will have in Leicestershire.

Other External Influences

- 76 There is a number of areas of funding that influence the achievability of the MTFS for the department. For example:
- Ongoing impact of Covid pandemic;
 - Hospital Discharge arrangements;
 - Increasing costs of care mainly due to in the National Living Wage and shortages of workforce in the care sector in certain rural areas.

Other Funding Sources

77 For 2023/24, the following other funding is expected to be received:

- Former Independent Living Fund grant of £1.2m is to be paid to the County Council which provides support packages is going to be part of the Social Care Grant, to help disabled people live independently in the community;
- Service users eligible for Continuing Health Care - £7.5m through the Learning Disabilities Pooled Budget and for non-Learning Disability service users £14.4m;
- Social Care in Prisons Grant - £102,000 which is anticipated to be ongoing;
- Local Reform and Community Voices Grant - £45,000 for Deprivation of Liberty Services in Hospitals;
- War Pension Scheme Disregard Grant - £106,000;
- Funding to support Adult Learning from Skills Funding Agency estimated to be £4.1m and Education Funding Agency £75,000.
- Adult Social Care Market Sustainability and Improvement Fund - £5.7m

Capital Programme

78 The proposed Adults and Communities capital programme totals £21.2m (see Appendix D). The main source of external funding for the programme is the BCF grant programme (£17.8m), which is passported to District Councils to fund major housing adaptations in the County. The balance of the programme (£3.4m) is discretionary funding.

79 The capital programme for the Department is traditionally relatively small. The only allocations are for future projects being developed with a focus on delivering long term revenue savings/operational improvements as part of the Social Care Investment Programme (SCIP) £3.4m, which involves the purchase and development of properties to meet the needs identified within the Social Care Accommodation Development Plan, which was approved by the Cabinet on 25 June 2019 which are subject to business cases.

Future Developments

80 Below is a summary of provisional capital bids expected to be made by the Department. These have yet to be formally approved and are subject to business cases:

- a) *Heritage and Learning Collections Hub (Phase 2)* – To co-locate the Council's museums and learning collections into a single facility at the Eastern Annexe. This forms part of the Communities and Wellbeing Strategy to reduce the number of collection locations.
- b) *SCIP* – Other potential accommodation opportunities are being investigated which may require capital investment.
- c) *Digital for Adults and Communities* – To use equipment and technology to provide less intrusive and more cost-effective care options, which enhance people's independence and supports them to be less reliant on formal care.

Background Papers

Report to the Cabinet: 16 December 2022 – Medium Term Financial Strategy 2023/24 to 2026/27 Proposals for Consultation

Delivering Wellbeing and opportunity in Leicestershire – Adults and Communities Department Ambitions and Strategy for 2020-24

Better Care Fund

[“People at the Heart of Care”](#) White Paper

Circulation under local issues alert procedure

81 None.

Equality and Human Rights Implications

82 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.

83 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.

84 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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Appendices

Appendix A – Revenue Budget 2023/24

Appendix B – Growth

Appendix C – Savings

Appendix D – Capital Programme 2023/24 to 2026/27

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