

ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
23rd JANUARY 2023

MEDIUM TERM FINANCIAL STRATEGY 2023/24 – 2026/27

MINUTE EXTRACT

Medium Term Financial Strategy 2023/24 - 2026/27.

The Committee considered a joint report of the Director of Adults and Communities and Director of Corporate Resources which provided information on the proposed 2023/24 to 2026/27 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, Cabinet Lead Member to the meeting for this item.

In introducing the report, the Director advised Members the report outlined the strategic priorities and how they related to growth requirements of the Department moving forward over the next twelve months, and detailed savings and efficiencies put forward as part of the MTFS round.

The Director continued that in general terms the Council remained, as did most councils, in a difficult position in terms of the funding of social care, which had over the past two years become heightened in terms of increased demand post pandemic and added pressure to the budget.

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

Service Transformation

Members noted the information provided at paragraphs five to nine in the report and made no comment.

Proposed Revenue Budget

- (i) The table at paragraph 10 in the report provided information as to the starting point for the budget 2023/24 for the Department, which showed a proposed net budget of £186million.
- (ii) Members were asked to note that the revenue budget had been compiled on the basis of no pay or price inflation. A contingency for pay and inflation was held centrally and allocated in year when the position became clearer. Therefore, the growth highlighted was only for demographic, service pressure growth and some in-year price increases. It was noted the budget transfer and adjustment for 2022/23 was £15.2million, which included £10million for price inflation. It was explained that the Council used the contingency approach, as to put a notional flat percentage rate across all departments would be difficult due to the different levels of staffing and salaries. Members were advised to focus on the year

2023/24 and that the following three-year proposed budgets were for information and indicative at this point in time.

- (iii) The table at paragraph 12 outlined net budget breakdown in broad terms, with 87% of the budget going directly into services commissioned for local residents. Members requested a glossary of terms describing the different services be developed as a living document for Members, to be updated on a regular basis and to be attached to the agenda for each meeting.
- (iv) It was noted that the Better Care Fund (BCF) had been scrutinised and agreed by the Health and Wellbeing Board.

Growth

- (v) Members queried the large increases in growth figures over the four years and asked how the increase was calculated. It was reported that this was based on the number of people receiving a service in November of the year and the cost of providing the service. That figure was then extrapolated forward using national models 'POPPI' and 'PANSI' (one for older adults and one for younger adults working age) which provided an estimated figure over a four-year period. It was, however, noted the figure was subject to change based in differing circumstances, such as people leaving long term care, or people developing a long-term illness as well as changes to costs arising from wage and contract settlements.
- (vi) It was difficult to predict how many people would develop mental health conditions or physical disabilities, therefore forecast was based on previous years' figures. The Department was confident about the forecast for the next financial year based on current monitoring. However, if there were to be an increase in service users greater than predicted it would result in overspend. Currently the figure predicted was slightly below the national growth average in the county.
- (vii) Members noted the typical growth of service users at 1 to 1.5%, which did not appear to equate to the increased budget figures for growth. It was reported that the 1.5% average was an average across all service areas. Some areas with static numbers could experience cost demand pressures due to some long-term service users with extensive needs could be greater than others. It was noted there was a sophisticated system for analysing the current service user needs, and the likelihood of further users have similar or greater needs.
- (viii) With regard to the on-going sustainability of the budget given the significant growth pressures predicted for the latter part of the MTFS it was pointed out that the growth requirement in the current year of £7million was matched by a £7million saving target for 2023/24, and that each year savings and efficiencies would be looked at to balance the budget. It was also noted Central Government would determine priorities with some additional specific grant funding, which could be applied to the budget to offset cost and demand pressure.

Adult Social Care – Savings

- (ix) As denoted by the star system there were a number of areas that had been in previous MTFS reports, and the majority of those had been amended to take

account of latest information and data, and the budget had been increased accordingly. No comments were made on these saving requirements.

- (x) AC3 (Eff – Implementation of Digital Assistive Technology to Service Users (Technology Enabled Care – TEC) – the Council Care Technology (CT) service formed a significant part of the savings plan as the service offer had been developed.
- (xi) AC9 (Eff) – Direct Payment Commissioning Efficiencies – a £1million saving was proposed, rising to £1.5million from 2024/25. Whilst this was a significant sum, in the context of a budget of £42million it was a small percentage saving.
- (xii) AC10 (Eff) – Commissioning and Implementation of Revised Extra Care Model – the service had been out to procurement and the new contract would commence in April 2023.
- (xiii) AC11 (Eff) – Improved systems, ways of working and cost of recovery efficiencies – the saving would be through bringing together back office and commissioning efficiencies in a couple of areas.
- (xiv) AC13 (Eff) – Home Care – review of care packages – particularly for people with double-handed care (two carers assisting an individual). The level of care for individuals would be reviewed to see if the same level of care was required, and if it could be reduced.
- (xv) AC16 (Eff) – Improving outcomes from the Homecare Assessment and Reablement Team (HART) and Community Response Service (CRS); and AC17 (Eff) – Through as alignment of the Homecare Assessment and Reablement Team (HART) and Community Response Service (CRS) – it was hoped to provide an enhanced reablement offer, as the best way to manage demand for older people particularly, which in turn would bring in longer-term savings into the department. Mileage costs and travel time would be reduced by alignment of the two teams together so that both teams work to the same geographical footprint (currently the CRS operated on a countywide basis).
- (xvi) Members noted and commended the Department on its track record of making savings whilst maintaining quality of care.

Communities and Wellbeing – Savings

- (xvii) AC19 (Eff/SR) – Implementation of revised service for Communities and Wellbeing – there had been various proposals looked at for the relocation of the Record Office but had not come to fruition due to lack of funding. It was noted that the City and Rutland councils paid towards the storage of documents. Members reiterated the need for a new facility to ensure appropriate storage and security of records given the existing facility had reached capacity and some items were not being kept in the environment required. The Cabinet Lead reassured Members that the issue was actively being looked at and actively under discussion.
- (xviii) AC20 (SR) – Review Green Plague Service – Members asked if, instead of removing the service, if it could be changed to a chargeable service. It was explained that sponsorship had been looked at previously, but not a charging model. The Cabinet Lead would take the request to Cabinet for discussion.

Savings Under Development

- (xix) Three Conversations Model – described as a national model recognised within social care circles. This was about having the right conversation with people at the right time and was based on talking to people about how they could achieve some of their support requirements through their local communities, through their families and through people they know through a strengths-based asset approach, rather than seeing funding from a local authority, with the aim of trying to keep people independent for as long as possible, and thus achieve savings. The model would be piloted over the next 12 months and rolled out across the County over the 12-month period.
- (xx) Review of Discharge process and Reablement with ICB – it was noted that if proven to be effective there would be significant saving for the 2024/25 MTFS.

Health and Social Care Integration

Better Care Fund (BCF)

- (xxi) Noted was the BCF at nearly 15% of the Department's net budget, and there was obvious risk should anything happen to the fund. In addition to the BCF in December 2022, there was a £500million Discharge Grant announced by Government of which Leicestershire received £5million (£2million for the County Council, £3million to the Integrated Care Board) to be spent on assisting discharge from hospital. There was an announcement in January 2023 of a further £250million grant to the NHS for discharge (around £3.5million locally to the ICB) the majority of which would go to community hospitals for step down beds from the UHL.
- (xxii) In terms of the discharge grant there were calls for longer-term funding to support community service infrastructure as well as funding to enable recruitment and retention of the workforce.
- (xxiii) Comment was made about the Disabled Facilities Grant, and the way that the two tiers, County and District Councils worked together was a successful model of delivery. Particular mention was made to the Lightbulb project, which had greatly added to peoples' lives and well-being in their own homes. It was however noted that lack of builders was restricting the speed at which DFG works could be undertaken

Adult Social Care Reform

- (xxiv) Noted was the Government's announcement of a two-year delay to the national rollout of social care charging reforms to 2025/26, which removed a significant financial risk to the County Council which had been approaching £20million.

Other External Influences

- (xxv) Members noted other areas of funding that influenced the achievability of the MTFS for the Department.

Other Funding Sources

- (xxvi) Members noted a number of smaller grants that funded specific aspects of the Department's activity.

Capital Programme

- (xxvii) Members noted the main source of external funding of the capital programme of £21million was the BCF grant of £17.8million which was passported to District Councils. The remaining balance of £3.4million was against the Social Care Investment Programme (SCIP) which was currently being reviewed.

Future Developments

- (xxviii) Members noted the summary of provisional capital bids, in particular the SCIP with the development of alternative accommodation, for example, supported living, to enable people in the community to remain independent and receive better care.

RESOLVED:

- (a) That the report regarding the Medium Term Financial Strategy 2023/24 – 2026/27 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 30 January 2023.
- (c) That a glossary of terms describing the different services be developed as a living document for Members to be updated on a regular basis.

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