



**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE**  
**22 JANUARY 2024**

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

**MEDIUM TERM FINANCIAL STRATEGY 2024/25–2027/28**

**Purpose of Report**

- 1 The purpose of this report is to:
  - a) Provide information on the proposed 2024/25-2027/28 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 2023. This was the subject of a comprehensive review and revision in light of the current economic circumstances.

**Background**

- 3 The draft MTFS for 2024/25–2027/28 was set out in the report considered by the Cabinet on 19 December 2023, 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 29 January 2024. The Cabinet will consider the results of the scrutiny process on 9 February 2024 before recommending a MTFS, including a budget and capital programme for 2024/25 to the County Council on 21 February 2024.

**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 2024 MTFS (2024/25-2027/28) reflect the changes in demand for services and the transformation in delivery of services to achieve the vision set out in the Department's Strategy and the national Government's reform of social care agenda.

### **Proposed Revenue Budget**

- 10 The table below summarises the proposed 2024/25 revenue budget and provisional budgets for the next three years. The proposed 2024/25 revenue budget in detail is shown at Appendix A, attached to this report.

	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>
Original prior year budget	186,882	225,885	231,310	234,885
Budget transfers and adjustments	21,153			
<b>Sub total</b>	<b>208,035</b>	<b>225,885</b>	<b>231,310</b>	<b>234,885</b>
Add proposed growth (Appendix B)	24,295	7,195	7,435	7,095
Less proposed savings (Appendix C)	(6,445)	(1,770)	(3,860)	(1,325)
<b>Proposed/provisional net budget</b>	<b>225,885</b>	<b>231,310</b>	<b>234,885</b>	<b>240,655</b>

- 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 2024/25 is £368.119m with contributions from grants, Health transfers and service user contributions projected of £142.234m. The proposed net budget for 2024/25 totals £225.885m and is distributed as follows:

<b>Net Budget 2024/25</b>		
Demand Led Commissioned Services	£199.5m	88.3%
Direct Services	£5.7m	2.5%
Care Pathway – Operational Commissioning	£20.7m	9.2%
Care Pathway – Integration, Access and Prevention	£12.4m	5.5%
Strategic Services	£3.9m	1.7%
Early Intervention and Prevention	£1.6m	0.7%
Department Senior Management	£1.2m	0.5%
Better Care Fund/NHS Contribution	(£24.8m)	(10.9%)
Communities and Wellbeing	£5.7m	2.5%
<b>Department Total</b>	<b>£225.9m</b>	

### **Other Changes and Transfers**

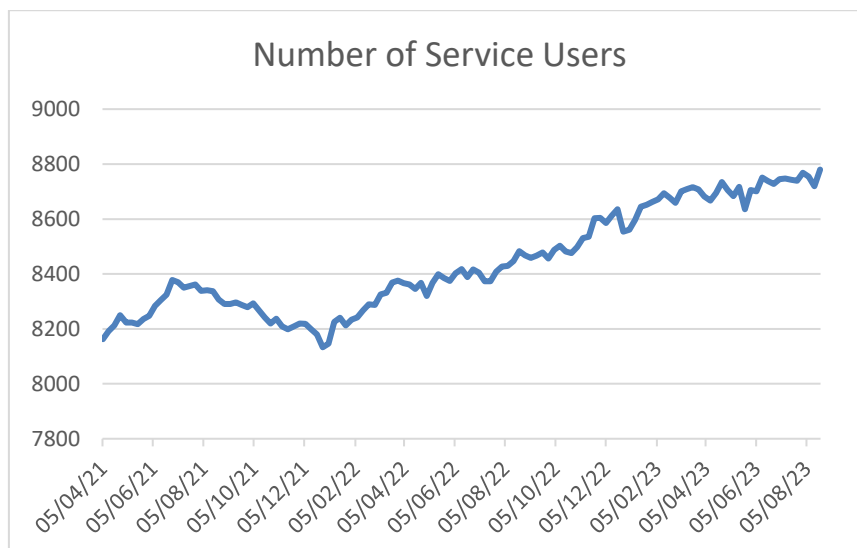
- 13 A number of budget transfers (totalling a net increase of £21.2m) were made through the 2023/24 financial year and are now adjusted for in the updated original budget. These transfers are:
- £0.4m for pay and pension inflation transferred from the central inflation contingency. Budget transfers to cover the additional costs associated with the 2023/24 pay award are still to be finalised but will be reflected in the final MTFS to be reported to Cabinet;
  - £15.2m for price inflation (including residential fee review);
  - £0.9m transfers to and from other departments;
  - £4.7m grant transfers relating ILF Grant (£1.2m) and Market Sustainability and Investment Fund (MSIF) (£3.5m).
- 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

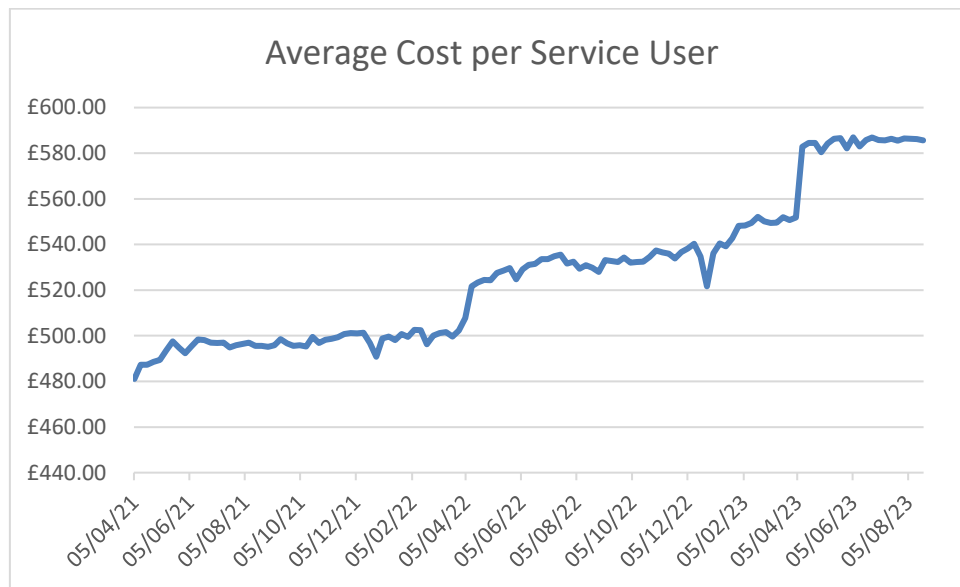
- 17 The proposed growth reflects changes in demand for services such as increased numbers of service users and number of high cost care packages, in particular those related to older adults and learning disabilities and changes in types of service. As in previous years, the profile of service users and their care needs are constantly changing which may impact on the services commissioned. Overall demand led expenditure totals circa £275m.
- 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 £24.3m for 2024/25 and rising to £46m by 2027/28. Demand for commissioned services continues to increase as well as the cost of care 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, Cash Payments, and Community Life Choices from April- 2021 through to August 2023 are shown in the graph below. Typical growth would be approximately 1-1.5% per annum. However, current growth in the number of service users supported is around 3% per annum.



- 21 The average cost per service user rose over the same time period. This is shown in the graph below. The steep rise from April relates to the annual fee review uplift.



- 22 The average cost per service user was not static and rose over the course of 22/23 mainly driven by higher cost packages within Residential care from market pressures to secure a placement and increasing hours being commissioned within Homecare from increasing numbers of discharges from hospital. Over the course of 23/24 the average cost per service user has started to stabilise.

**\*\*G6 Older People demand – £17,080,000 in 2024/25 rising to £34,505,000 by 2027/28**

- 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 of packages of care are estimated to be £14m for residential, £18m for home care and £2.5m for direct cash payments.
- 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 2023-2024 there have been significant changes in demand, 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. The current projection is based on service needs as November 2023 which are assumed to continue into 2024.
- 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.

\*\*G7 Learning Disability demand – £7,865,000 in 2024/25 rising to £18,030,000 by 2027/28

- 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 service needs as at November 2023 which are assumed to continue into 2024. 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.
- 28 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.
- 29 This growth is primarily to meet the expected increase in service users from the projected demographic growth in future years.

\*\*G8 Mental Health demand – £2,470,000 in 2024/25 rising to £5,465,000 by 2027/28

- 30 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 service needs as at November 2023 which are assumed to continue into 2024. 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.

\*\*G9 Physical Disabilities demand – £2,040,000 in 2024/25 rising to £4,110,000 by 2027/28

- 31 This financial growth is required to meet the increasing numbers of people with eligible physical disabilities. The current projection is based on service needs as at November 2023 which are assumed to continue into 2024. 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.

G10 Liberty Protection Safeguards Referral Growth - £730,000 in 2024/25 ongoing

- 32 The net service budget of £2.2m has been at its current level since 2017/18. In 2023/24 the budget for staffing is £1.3m, with running costs of £1.25m and income of £0.35m. The volume of referrals has, however, increased over that time from 4,400 to an expected volume in 2023/24 of 7,000. In order to meet demand, the budget was overspent by £700k in 2022/23 and is currently forecast to overspend by £800k in 2023/24.
- 33 The additional costs are due to increased numbers of medical assessments and paid personal representatives, and also for the cases being dealt with by external Best Interest Assessors (BIAs). The service is undertaking a review of the approach taken

by the internal BIAs in order to increase the productivity of staff and the growth bid reflects this improvement.

G11 Shortfall of Health/Discharge to Assess Income Support Growth - £3,200,000 in 2024/25 ongoing

- 34 The Authority received significant income during covid from Discharge grants and other health income, this has reduced overtime leaving a gap in funding of £3.2m.

G12 Additional Service User Income from Growth in numbers – (-£860,000) in 2024/25 rising to (-£6,860,000) in 2027/28

- 35 As the growth in the number of service users increases it is anticipated that a proportion these will be able to contribute towards the costs of their care which will offset the amount of growth required.

G13 Additional Health Income from Growth in numbers – (-£2,950,000) in 2024/25 rising to (-£6,540,000) in 2027/28

- 36 As the growth in the number of service users increases it is anticipated that a proportion these will attract health income to support their needs which will offset the amount of growth required.

G14 Increased Service User Income from aligning to levels in 2023/24 – (-£2,500,000) in 2024/25 ongoing

- 37 As the growth in the number of service users has increased during 2023/24 income has increased from those able to contribute towards the costs of their care which will offset the amount of growth required.

G15 Increased Health Income from aligning to levels in 2023/24 – (-£600,000) in 2024/25 ongoing

- 38 As the growth in the number of service users increase in 2023/24 a proportion these attracted health income to support their needs which will offset the amount of growth required.

G16 Demand Management Target – (-£2,180,000) in 2024/25 rising to (-£3,520,000) in 2027/28

- 39 Considering the scale of the challenge faced by the Council to balance the MTFS and the level of growth, a target for reducing growth by managing demand has been set. Plans to achieve this target are being developed by the department.

**Savings**

- 40 Details of proposed savings are set out in Appendix C and total £6.4m in 2024/25 and £13.4m over the next four years.

## **Adult Social Care**

**\*\*AC1 (Inc) - Increased Income - £200,000 saving in 2024/25 rising to £500,000 from 2027/28**

- 41 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 (£500k).

**\* AC2 (Eff) – Implementation of Digital Assistive Technology to Service Users (Technology Enabled Care -TEC) – £1,250,000 saving in 2024/25 rising to £3,250,000 from 2026/27**

- 42 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.
- 43 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.
- 44 The 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. Evidence that the technology is having a positive outcome for people and care technology is being utilised to reduce the risk to the person or to support the carer.

**\*AC3 (Eff) - Establishment Review – £500,000 saving in 2024/25 onwards**

- 45 Additional savings during 2022/23 of £350k were identified through a review of vacant and paused posts which has been implemented. A target 5% reduction on remaining staffing budgets, an additional £500k is proposed to be achieved from 2024/25 and plans are being developed to implement a vacancy level turnover rate to staffing budgets.

**\*AC4 (Eff) - Review of Mental Health pathway and placements -£200,000 savings 2026/27 onwards**

- 46 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.



\*AC5 (Inc) - Increased BCF Income - £1,000,000 saving in 2024/25 rising to £4,000,000 in 2027/28

47 Additional income from the annual uplift on the protected social care element of the Better Care Fund (BCF).

\*AC6 (Eff) – Direct Payment Commissioning Efficiencies – £ 500,000 saving 2024/25 onwards

48 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 processes.

\*\*AC7 (Eff) - Commissioning and implementation of revised Extra Care model - £130,000 from 2024/25 onwards

49 A review of commissioning of Extra Care unplanned care services has been undertaken and a procurement exercise commenced in October 2022. The new contract for the Extra Care Service commenced in April 2023 and the revised service model realised a saving whilst ensuring that the schemes operate more efficiently. The final part of the saving is due to be delivered in 2024/25.

\*AC8 (Inc) - Review of Mental Health Section 117 funding arrangements -£250,000 saving 2024/25 onwards

50 To undertake a review of Mental Health S117 funding arrangements, at present whilst there is agreement with the Integrated Care Board (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.

\*AC9 (Eff) - Improve consistency in hourly rates for Direct Payments (DP) and promote use of personal assistants - £200,000 saving in 2024/25 rising to £360,000 from 2025/26

51 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.

52 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.

\*\*AC10 (Eff) - Improving outcomes from the Homecare Assessment and Reablement Team (HART) and Community Response Service (CRS)- £1,270,000 saving in 2024/25 onwards

- 53 Developing and delivering an intake model for all new and requests for increases in packages of care with the net benefit of increasing BCF income and reducing domiciliary care usage.
- 54 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.
- 55 Joint working with therapy staff from Leicestershire Partnership NHS Trust was rolled out during 2023 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.

\*AC11 (Eff) – Alignment of the Homecare Assessment and Reablement Team (HART) and Community Response Service (CRS)- £50,000 saving in 2024/25 onwards

- 56 Completion of the 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 during 2024/25 will deliver final savings. The review was undertaken to delete unfunded posts and used the available staff to deliver a range of support to people in the county rather than specific job tasks.

\*AC12 (Eff) – Reprovision of in-house day services- £150,000 saving in 2024/25 onwards

- 57 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 £300,000 in total. A management and asset restructure will produce an additional £150,000 savings.

AC13 (Eff) – Three Conversations Model- £500,000 saving in 2024/25 onwards

- 58 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, rather than seeing the commissioning of services as the best option for people. 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. Further analysis on reducing costs related to commissioned services will continue to be explored as part next phase of the workstream.
- 59 The partnership with Partners4Change ceased earlier this year. However, officers are continuing to embed the ways of working regarding the ethos of the Three Conversations model across localities, namely Blaby, Oadby, Wigston and Harborough and countywide teams. The model is seen as the next steps of the

Department's operating model and seeks to work with people in the ways outlined above. This is anticipated to deliver £500k of savings.

AC14 (Eff) – Transforming Commissioning – Extra Care - £60,000 saving in 2024/25 rising to £315,000 in 2027/28

- 60 The Market Sustainability Plan outlined how sustainability issues identified will be addressed, including how fair cost of care funding will be used to address these issues over the next one to three years.
- 61 The County Council considers its extra care stock to be low for the size of the county, in particular for those people with higher social care needs. The Council will seek to increase development of extra care within the county to support people with a higher level of care and support needs akin to standard residential care with a particular focus on dementia. This should reduce the overall costs of residential and care costs through reducing support costs.
- 62 This project will look to address the current position where the current client mix in extra care does not support sustainability of the provision. Leicestershire's provision is underused and there is less available than in other local authority areas. The aims are to:
- Increase Council commissioned care;
  - Increase the high needs cohort;
  - Increasing the average level of need within the high care needs cohort.

AC15 (Eff) – Transforming Commissioning – Block Beds - £50,000 saving in 2024/25 rising to £450,000 in 2027/28

- 63 The County Council has an adult social care provider market that is challenged by reduced workforce availability and increased market pressures due to system capacity needs, which is prompting a change in approach to ensure market sufficiency in residential care, in the form of a block contract(s). Nationally and locally, the market is under significant pressure and is struggling to recruit and retain an effective workforce and sustain financial viability. Block contracts will focus on addressing market capacity, within a very challenging climate.
- 64 Initial engagement with providers took place in July 2023, when the notion of block bed booking approaches was shared and the feedback was positive. Staffordshire County Council has also been engaged and their model obtained which will be used to derive information and lessons learned.
- 65 Additional work is required which includes:
- Market engagement to obtain from providers the level of discount they would be willing to offer, or likelihood of bidding at a specific set rate;
  - Developing a block bed booking specification.
- 66 This work will be completed by February 2024 to then enable a procurement exercise to commence. Profiled savings will be in place from 2024/25. Whilst the initiative will aim to deliver savings it will also seek to stabilise the care provider market in particular those providers where the Council has larger numbers of placements.

AC16 (Eff) – Transforming Commissioning – Alternatives to Home Care - £100,000 saving in 2024/25 rising to £700,000 in 2027/28

- 67 Following the diagnostic review into the usage of home care, initiatives to reduce demand and costs have been explored. An opportunity identified is to reduce the volume of home care commissioned.
- 68 This project seeks to identify and utilise cost-effective alternatives to home care, for the non-personal care elements of a package with a shift towards outcomes-based commissioning.
- 69 Early analysis suggests a proportion of support packages have a non-personal care element and therefore this provision could be provided by a non-regulated service, for example shopping calls. Where packages have an element of non-personal care there is potential to mix packages with a regulated provision for personal care tasks and an alternative for other required tasks, such as cleaning, and therefore the potential for cost reduction.

AC17 (Eff) – Mental Health Rehabilitation and Recovery - £160,000 saving in 2024/25 onwards

- 70 The Mental Health Rehabilitation and Recovery Service delivers effective rehabilitation and recovery to people whose needs cannot be met by less intensive mainstream adult mental health services. The service supports the wider health system but is currently funded by the County Council. It has been agreed that the Integrated Care Board will fund 50% of the service from 2023/24. The service will be reviewed over the next 12 months to determine future delivery.

**Communities and Wellbeing**

\*AC18 (Eff/SR) - Implementation of revised service for Communities and Wellbeing - £40,000 saving from 2025/26 onwards

- 71 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.

\*AC 19 (SR) – Review Green Plaque Service - £25,000 saving from 2024/25 onwards

- 72 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.
- 73 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 has no impact on any particular user groups significantly and as a

standalone service it does not impact directly on other parts of the service or Council. The saving will complete in 2024/25 when staffing the scheme finishes.

\*AC20 (SR) – Review charging for Creative Learning Services - £50,000 saving from 2024/25 onwards

- 74 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**

- 75 The following area is being developed to meet future savings targets.

Transitions Review

- 76 The journey from child to adult social care is commonly described as ‘transition.’ It begins in Year 9 (age 13/14) and continues up to the age of 25. At present the department’s Young Adult Disability Team works directly with young people from around the age of 17. Transition is a process that happens over a period of time, during which services need to work flexibly to ensure each young person’s individual circumstances are taken into account when planning the move into adulthood. Working with young people and their representatives, a successful transitions process should provide an effective move between child and adult social care teams, enabling expectations around the process and potential progression to more independent living to be agreed at an earlier point.
- 77 It is hypothesised that if more active work is undertaken with young people receiving children’s social care, their representatives and social care workers at an earlier age, savings could be achieved by having additional time to work with them to look at ways of reducing need or considering alternative approaches to meet outcomes.
- 78 Considering the scale of the challenge faced by the Council to balance the MTFs, existing financial control measures are being reinforced and new ones being applied to ensure a tight focus on eliminating non-essential spend. Inevitably further savings beyond those identified in this report will be needed and where possible included in the final MTFs.

**Health and Social Care Integration**

Better Care Fund (BCF)

- 79 Health and Social Care Integration continues to be a national government priority. 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.
- 80 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.

- 81 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 two-year policy framework for the implementation of the BCF in 2023/24 and 2024/25 on 4 April 2023. NHS England will approve BCF plans in consultation with DHSC and DLUHC.
- 82 The four national conditions set by the Government in the BCF policy framework for 2023/25 are:
- 1 Plans to be jointly agreed.
  - 2 Enabling people to stay well, safe and independent at home for longer.
  - 3 Provide the right care in the right place at the right time.
  - 4 Maintaining NHS's contribution to adult social care and investment in NHS commissioned out of hospital services.
- 83 The Adult Social Care Discharge Fund for 2023/24 and 2024/25 will be pooled into local BCF plans (as required by the grant conditions) and Section 75 agreements which are the agreements between the NHS and the Council underpinning the pooling. The funding will be provided through grants to local authorities and allocations via ICBs.
- 84 The Adult Social Care Discharge Fund announced for 2023/24 had specific conditions and reporting requirements as set out in the grant determination published on 4 April 2023. These included that the grant could not be substituted to fund existing activities. The funding conditions and individual allocations for 2024/25 are yet to be announced, but the total value of the grant nationally was announced by DLUHC on 5 December 2023 and there is a 66% increase on 2023/24 funding. However, there has been no indication of later years funding and therefore additional activities undertaken must be able to deliver benefits quickly and resources can only be procured on a short-term basis.
- 85 The value of BCF funding for Leicestershire in 2023/24 and 2024/25 is shown in the table below:

	<b>2023/24 £m</b>	<b>2024/25 £m</b>	
NHS Minimum Allocation	48.8	51.5	Level mandated by NHS England
Discharge Fund	4.8	8.5	Allocated to both ICBs and local authorities to support safe and timely discharge from hospitals
IBCF	17.7	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	4.8	4.8	Passed to district councils
<b>Total BCF Plan</b>	<b>76.1</b>	<b>82.5</b>	

- 86 In 2024/25, £22.9m of the NHS minimum allocation into the BCF will be 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.
- 87 In addition to the required level of funding for sustaining social care service provision, in 2024/25 a further £7.9m of Leicestershire's BCF funding has been allocated for social care commissioned services. These services are aimed at improving carers' health and wellbeing, safeguarding, mental health discharge, dementia support and crisis response.
- 88 The balance of the NHS Minimum Allocation £20.7m is allocated for NHS commissioned out-of-hospital services. The County Council commissions community care services on behalf of the NHS through shared care and joint funding arrangements. The Council is reviewing these arrangements alongside the provision of Continuing Health Care and Funded Nursing care to ensure residents are receiving optimal care and it is funded appropriately.
- 89 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.

### **Other External Influences**

- 90 There is a number of areas of funding that influence the achievability of the MTFS for the department. For example:
- 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**

- 91 For 2024/25, the following other funding is expected to be received:
- Service users eligible for Continuing Health Care - £8.4m through the Learning Disabilities Pooled Budget and for non-Learning Disability service users £19.4m;
  - Social Care in Prisons Grant - £100,000 which is anticipated to be ongoing;
  - Local Reform and Community Voices Grant - £52,000 for Deprivation of Liberty Services in Hospitals;
  - War Pension Scheme Disregard Grant - £95,000;
  - Funding to support Adult Learning from Skills Funding Agency estimated to be £4.1m and Education Funding Agency £47,000.
  - Multiply Project (Education Skills Funding Agency)- £1.0m;
  - Improved Better Care Fund – Winter Pressures £3.5m;
  - ASC Discharge from Hospital Grant - £4.1m

## **Capital Programme**

- 92 The proposed Adults and Communities capital programme totals £22.1m (see Appendix D). The main source of external funding for the programme is the BCF grant programme (£19.4m), which is passported to District Councils to fund major housing adaptations in the County. The balance of the programme (£2.8m) is discretionary funding.
- 93 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) £2.8m, 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 and which are subject to business cases.

## **Future Developments**

- 94 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.

## **Background Papers**

Report to the Cabinet: 19 December 2023 – Medium Term Financial Strategy 2024/25 to 2027/28 Proposals for Consultation

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

Better Care Fund

## **Circulation under local issues alert procedure**

- 95 None.

## **Equality and Human Rights Implications**

- 96 Under the Equality Act 2010 local authorities are required to have due regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation;
  - b) Advance equality of opportunity between people who share protected characteristics and those who do not; and,



- c) Foster good relations between people who share protected characteristics and those who do not.
- 97 Given the nature of services provided, many aspects of the County Council's MTFS will 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 detailed 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.
- 98 There are several areas of the budget where there are opportunities for positive benefits for people with protected characteristics both from the additional investment the Council is making into specialist services and to changes to existing services which offer improved outcomes for users whilst also delivering financial savings.
- 99 If, as a result of undertaking an assessment, potential negative impacts are identified, these will be subject to further assessment.
- 100 Any 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.

### **Human Rights Implications**

- 101 Where there are potential Human Rights implications arising from the changes proposed, these will be subject to further assessment including consultation with the Council's Legal Services.

### **Appendices**

- Appendix A – Revenue Budget 2024/25  
 Appendix B – Growth  
 Appendix C – Savings  
 Appendix D – Capital Programme 2024/25 to 2027/28

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