

ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
20 JANUARY 2025

MEDIUM TERM FINANCIAL STRATEGY 2025/26 – 2028/29

MINUTE EXTRACT

Adults and Communities Medium Term Financial Strategy 2025/26 – 2028/29

The Committee considered a joint report of the Director of Adults and Communities and Director of Corporate Resources which provided information on the proposed 2025/26 to 2028/29 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 the item.

Arising from Discussion, the following points were made:

Proposed Revenue Budget, Other Changes and Transfers

Growth

- i. The current negative growth position of -£1.8million for 2025/26 was an unusual position to be in. However, this had been due to the substantial increase in the number of people approaching the Department for services in 2023/24, and the increase in size, scale and cost of care packages, which had resulted in the Council having to put in substantial additional growth for 2024/25. Over the past 12 months, the Department had contained that growth to manage costs, and had successfully negated the requirement for further growth for the current financial year. The Director highlighted, however, that whilst the Department would continue to work towards containing costs, the position was dynamic and could change over the next year.
- ii. Members noted that with an increase in the number of people using services, it was expected that there would be an increase in income as people contributed to their cost of care, and income from the NHS to support people in receipt of services, which could be balanced against the overall growth figures.
- iii. Members queried the older people demand budget and how modelling had resulted in a projected budget of £2million for the 2025/26 rising to £15million for 2028/29. The Director explained that modelling was based on information held at a point in time, and by using national models (Office of National Statistics (ONS), Poppi and Pansi) data, which provided an estimated figure over the four-year

period. The growth averaged out at 2-3% each year which was in line with the demographic growth in the elderly population in Leicestershire. The budget for 2024/25 had not been over-modelled, but the Department had worked hard to mitigate demand and contain costs over the year.

- iv. Members queried if the demand management target of -£4million was a control of costs by limiting services. Members were reassured that whilst the Department would seek to limit expenditure and contain growth through a series of initiatives, it had not been at the expense of services provided. For example, additional resources had been targeted into reviewing people's care needs to ensure the support being offered was meeting need in an equitable way, to ensure people had a fair outcome from the assessment process, and that people were as independent as they could be. In terms of eligibility of services, this was set nationally and had been laid out under the Care Act.
- v. Members heard there would be growth in the numbers of people requiring services as they moved from Children's into Adult Social Care placements, but numbers would potentially peak around the year 2030 following which they were expected to fall due to a decline in birth rates.
- vi. Members questioned whether the impact of the Fair Outcomes policy had levelled off. The Director commented that the policy had been in place for around 10 years, and that a panel had been set up to provide added assurance to the Department that assessments and provision of services were being made in accordance with the policy. As the panel had been in place for just over 12 months, the requirement to attend the panel was being stepped down as teams were showing evidence that they were commissioning at the right level in terms of support packages for individuals. Performance would continue to be monitored over the course of the next few months to ensure progress was maintained.
- vii. It was noted with concern that the previous year's growth was over 3.5% and this had been a level of growth not seen before by the Council. The Director highlighted that this outstripped the growth that was being seen by other councils at the time. The growth figure was now around 1.5% and this was consistent with other councils in the country.
- viii. The Director reported the numbers of placements of older adults in residential care had seen a small increase from 868 for 2023/24 to approximately 880 for 2024/25. This was not considered an alarming figure. It was noted that the majority of people in residential care required 24-hour care, otherwise they would be supported to remain independent at home. In terms of people with higher support needs being able to move into Extra Care as an alternative was something being looked into over the next MTF period. The majority of people in Extra Care, however, would not require a higher level of care.
- ix. A Member queried if, with recent Government financial announcements of increased National Insurance contributions, future changes to taxation, and impending changes to inheritance tax, consideration had been given to people in isolated rural areas. The Director reported that the budget did not include uplifts in terms of the cost of care through inflation, and rising National Insurance, as the

Council had a corporate reserve that was applied to the budget after this was set. This accounted for all inflationary increases across all departments. In terms of income, the status quo was assumed at the point of modelling the budget.

- x. It was acknowledged that the National Insurance increase would be a big change for the next financial year, and all councils were tasked with modelling what might be an appropriate increase going forward based on intelligence of the local workforce.

Adult Social Care – Savings

- xi. A Member questioned what support was in place to support Personal Assistants employed directly by a service user. It was noted that services were in place and if required would ensure cover, for example, for leave or sickness. The service was monitored on a regular basis to ensure people had the right support and were not put at risk. It was believed that having a personal assistant to a more traditional form of service could be beneficial in terms of well-being and gave people more control of their services.
- xii. A representative from Healthwatch requested service users be involved so far as possible when any review of services was undertaken. It was noted that the Department engaged with more people to support the co-production of future services and an engagement panel had been established which included people with lived experience which provided useful additional feedback.
- xiii. It was noted that whilst some of the savings outlined in Appendix C might appear as being the same each year this was likely due to it being the last year of delivery, and so there would not be an increase each year going forward but had to be shown over the four years on the MTFs. The budget was assessed each year with the savings the Department needed to make, having regard to inflationary rises.

Communities and Wellbeing

- xiv. A Member questioned under **AC16 (Eff) – Implementation of revised service for Communities and Wellbeing, if there was an end point whereby the Record Office in Wigston could no longer take any more records. The Director reported that the end point had already been reached, and there were many records being stored in other locations outside of the Record Office, in a non-compliant manner. The National Archive had given the County Council until May 2026 to show it had a compliant method of storage.

Health and Social Care Integration

- xv. Given the Government's plan to speed up the throughput of people being treated in the NHS, members queried what impact this would have on adult social care services, for example, in undertaking assessments for people requiring onward care, or supporting people in their own homes. It was noted that regular conversations were being had with the NHS at a strategic level, particularly around the flow of people through the urgent and emergency care system, and

how to improve outcomes for people to ensure they were receiving the right service on discharge. It was further noted that the city and county had the highest number of people in receipt of social care services across the East Midlands where the route of access was hospital which was managed as a system.

RESOLVED:

- a) That the report regarding the Medium Term Financial Strategy for 2025/26 to 2028/29 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 27 January 2025.