

## ADULTS, COMMUNITIES AND HEALTH OVERVIEW AND SCRUTINY COMMITTEE – 25 JANUARY 2011

### MEDIUM TERM FINANCIAL STRATEGY 2011/12 TO 2014/15

#### MINUTE EXTRACT

The Committee considered a joint report of the Director of Adults and Communities and the Director of Corporate Resources which provided information on the proposed 2011/12 to 2014/15 Medium Term Financial Strategy (MTFS) as it related to the Adults and Communities Department. A copy of the report, marked 'B', and supplementary report, marked 'B1', is filed with these minutes.

The Chairman welcomed Mr D A Sprason CC, Cabinet Lead Member for Adults and Communities, to the meeting for this item.

Arising from discussion the following points were raised:-

#### General

- (i) The Committee was advised that the provisional settlement had resulted in a 27% real terms reduction in funding. This reduction was in line with the MTFS projections apart from the significant frontloading of savings in 2011/12.
- (ii) A significant proportion circa 70% of the County Council's savings requirement would be met from efficiencies. In the Adults and Communities Department the efficiency savings planned are were circa 75%.
- (iii) The savings targets were challenging. The decision taken by the County Council last year in recognising the likelihood of significant savings being required had resulted in a great deal of work being done to ensure that robust plans were in place to deliver these savings. However, given the magnitude of the task, the continuing costs and demand pressures, significant risks remained, particularly in the latter part of the MTFS period.
- (iv) The current MTFS proposals were based on a corporate contingency for inflation of 3.3% and an ongoing provision of 2.5%.

#### Growth

- (v) Growth of approximately £26m over four years had been included in the budget to address demographic pressures and for investment in reablement services aimed at supporting independence and reducing demand for residential care services; the personalisation agenda was key to achieving these aims.

- (vi) The additional £1,250,000 to fund the changes in the arrangements for those currently residing at Care Shangton was due to the requirement on the Council to follow national guidance on the funding of people moving from residential care to supported living. The Department of Health had recently undertaken a consultation on 'ordinary residence'; the outcome of which was that arrangements would remain unchanged. In this regard it should be noted that there were some Leicestershire residents placed out of county whom the Council might not be responsible for in the future, but the level of savings arising from this was difficult to ascertain at this point.
- (vii) The modelling of growth in demand was a complex process. The work carried out on preparing the Joint Strategic Needs Assessment had helped significantly in this regard and there was an increased level of confidence about the projections.
- (viii) The reduced subsidy to arts funding referred specifically to the grant for the Curve Theatre which the County Council had agreed to provide for a maximum of three years. This was the last year that this grant would be paid.
- (ix) The proposals not to charge for reablement care were to be particularly welcomed.

#### Savings

- (x) The savings requirements now outlined related, in most cases, to those identified in the MTFS last year, although there were a number of new savings identified as a result of the increased requirement for savings placed on the County Council.
- (xi) The proposed savings on social care transport would arise from the implementation of the new Adult Social Care Transport Policy which had recently been agreed by the Cabinet. In essence it would mean that the default position of providing transport to all users would be replaced by an assessment of individual user's need for transport and their ability to access alternatives. This was in line with the policy of reablement and personalisation. The Department would monitor the impact on service users to ensure that they were not prevented from accessing services through the lack of alternative means of transport.
- (xii) Members welcomed the decision not to further increase charges given that they had only recently been increased. Initial monitoring of complaints arising from increased charges indicated that, in the main, service users had accepted the charges and compliance was high.
- (xiii) With regard to the proposal to restrict services to those with substantial and critical needs, up to 3570 people might be affected by this change, although the actual number was likely to be lower than this. Each of these individuals would be reassessed; the reassessments would be carried out sensitively and, for those no longer eligible for services, appropriate referrals and signposting would be provided. It was acknowledged that the implementation of these changes would be

challenging and would require engagement and commitment by staff. However, it was noted that many authorities already had in place policies restricting eligibility to those with substantial and critical needs.

- (xiv) Some concern was expressed that the underspend in the Supporting People budget was as a result of eligibility criteria being drawn too tightly and of delays in providing the necessary services. However, the Committee was advised that the underspend had arisen from an efficiency programme including better procurement of services. The view was expressed that this underspend should not be taken as a saving but that the Cabinet be asked to consider reinvesting the underspend to support vulnerable people, including returning members of the armed forces who, as a result of injuries, needed specialist housing and equipment. It was noted that this would require the Council to find alternative savings.
- (xv) With regard to the maximisation of service user continuing health entitlements (S25), this related primarily to older people. The Department was now adopting a different approach based on joint commissioning of services for such people which, it was felt, would achieve more significant savings for both the Council and NHS Leicestershire County and Rutland.
- (xvi) With regard to the Breaking the Barriers team, consultation was taking place about the Review of Employment Services. The Department was also exploring alternative ways of providing these services through community groups. The outcome of the consultation would be reported to the Cabinet in due course.
- (xvii) With regard to concerns expressed about the voluntary sector savings, members were advised that there had been a number of strategic reviews aimed at determining the type of services that would be required in the future from voluntary and community sector groups. Changes were being made in social care provision to move away from the traditional model to a personalised model of care, aimed at keeping people in their own homes for longer. Whilst this would result in the decommissioning of certain types of services, it should be noted that some new services, such as a countywide carers service, would be commissioned. With the increased roll out of personal budgets, it was necessary for the voluntary sector to review its activities and focus on how it could support individuals who now controlled their own budgets and contribute to the prevention agenda.
- (xviii) With regard to the savings requirement outlined in S26, the Committee was advised that, in addition to the suggestions now outlined, a more detailed report on the Libraries, Arts and Heritage Review would be submitted to the Cabinet in March. That report would set out how it was intended to implement the findings of the review and the phasing of the implementation plan. Following consideration by the Cabinet, details would be provided to this Committee.

- (xix) With regard to library services, work was ongoing to ensure greater community and voluntary involvement in the running of these services. The County Council had a good record in this regard and it was hoped that local communities would respond positively to this initiative.

#### Specific Grants

- (xx) With regard to the Area Based Grants that had now been transferred into Formula Grant the Committee was advised that these had mostly been transferred in full for the current financial year. Whilst the Department now had flexibility in terms of spending these Area Based Grants, it was likely that the funding would continue to support those services deemed to be a key priority for which it had been previously provided.

#### NHS Funding

- (xxi) With regard to the NHS funding for support for social care, positive discussions had been held with NHS Leicestershire County and Rutland. The emerging proposal was to use a proportion of this money to maintain some existing services and to reinvest the remainder in prevention, reablement and post-discharge support with a view to developing more sustainable services across the health and social care sector as a whole. It was noted that, as the County Council would need to engage the emerging GP Consortia in these discussions in future years. GP leaders would be involved in the current discussions

#### Public Health

- (xxii) The Committee was advised that, whilst the direction of travel in relation to public health and health improvement was clear, there was a degree of uncertainty about which elements of public health services would transfer to the County Council. Some concerns also remained regarding the level of funding to be transferred although the decision to ring-fence public health funding was to be welcomed.

#### Capital Programme

- (xxiii) The Committee noted the position on the Capital Programme.

#### RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments of the Committee be forwarded to the Scrutiny Commission for consideration at its meeting on 2 February 2011;
- (c) That the Cabinet be asked to reconsider its proposal to use the underspend of £440,000 in the Supporting People budget as a saving and to reinvest this money to support vulnerable people, the disabled, those with mental health problems and, in particular, returning members of the armed forces who have, as a result of injury, need for specialist housing and equipment.