



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
21 JANUARY 2019

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

MEDIUM TERM FINANCIAL STRATEGY 2019/20–2022/23

Purpose of Report

1. The purpose of this report is to:
 - a) Provide information on the proposed 2019/20-2022/23 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 2018. This was the subject of a comprehensive review and revision in light of the current economic circumstances.

Background

3. The draft MTFS for 2019/20–2022/23 was set out in the report considered by the Cabinet on 18 December 2018, 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 28 January 2019. The Cabinet will consider the results of the scrutiny process on 8 February 2019 before recommending a MTFS, including a budget and capital programme for 2019/20 to the County Council on 20 February 2019.

Service Transformation

5. The Adult Social Care (ASC) Strategy provides a context for the transformation and delivery of adult social care services in Leicestershire for 2016-2020. The aim of the Strategy is to increase people's independence, reduce the reliance on formal social care provision, and develop new ways of working to meet the demands going forward.

6. The ASC Strategy is focussed on:
- Preventing social care need, developing robust and flexible solutions;
 - Reducing and delaying the need for social care by promoting self-care, reablement, enablement and improved independence skills, ensuring that the “reablement and progression” models developed are flexible, accessible and produce effective outcomes;
 - Meeting essential need in order to keep people safe and maintain wellbeing;
 - Streamlined and efficient assessments, support planning and reviews;
 - Processes that work and workers empowered with the right tools to undertake tasks, having the right skills in the right part of the pathway;
 - Targeting staffing resources to meet needs for assessment and care management, social care provision and review.
7. At the same time 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. The Better Care Together Programme and the development of the Sustainability and Transformation Plan will provide a framework to develop new models of care across Leicestershire.
8. The Department of Health requires that each area has a plan for integration between social care and the NHS for implementation by 2020. In order to meet these requirements to work in a more planned and integrated way with East and West Leicestershire Clinical Commissioning Groups (CCGs), the Adults and Communities Department will be reorganised at an operational level to a locality organised Care Pathway footprint. This will also build, refine, and develop relationships with other non-health partners, in particular the district councils and local voluntary sector organisations. This will ensure that the County Council is involved and contributes to developing new models of care.
9. Having restructured the adult social care services, the Department intends to review operating systems, processes and practice over the course of the next 12 months. A new target operating model will be articulated to assure alignment to the Department’s strategic approach and ensure it is operating as effective and efficient operations. The operating model will focus on self-service approaches, proportionate assessment and review, productive back office functions, strategic commissioning and alternative delivery models including potential partnerships/joint ventures to deliver high quality, sustainable social care provision.
10. The Better Care Fund (BCF) contributes £17m towards the protection of social care services. At this point, it has been assumed that this will continue into 2019/20 at the same amount and will be directed to services that aim to help service users to maintain their independence in the community and reduce the decline in conditions that lead to more costly social care and NHS services. In addition to the adult social care protection, the BCF contributes an additional £5.4m of funding to social care for the provision of social work services, management of demand and development of integrated services. At the time of writing, the guidance for the BCF Plan 2019-2020 had not been issued but was expected imminently.
11. The Communities and Wellbeing Service will continue to explore how it can sustain services through partnerships with communities and specialist resources in the

County Council. The service will be reconfigured to support the core offer, and new models of delivering evidence based services will either be devolved or commissioned from the Council. The continued development of partnerships to deliver services and new opportunities to extend access to services will be sought.

12. The draft Growth and Savings for the 2019 MTFS (2019/20-2022/23) reflect the changes in demand for services and the transformation in delivery of services to achieve the vision of ASC Strategy.

Proposed Revenue Budget

13. The table below summarises the proposed 2019/20 revenue budget and provisional budgets for the next three years. The proposed 2019/20 revenue budget detail is shown in Appendix A.

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Original prior year budget	132,191	137,713	139,743	141,648
Budget Transfers and Adjustments	4,657			
Sub total	136,848	137,713	139,743	141,648
Add proposed growth (Appendix B)	5,200	2,670	2,230	2,040
Less proposed savings (Appendix C)	(4,335)	(640)	(325)	(600)
Proposed/Provisional net budget	137,713	139,743	141,648	143,088

14. 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.
15. The central contingency also includes provision for an annual 1% increase in the employers' contribution to the Local Government Pension Scheme based upon the 2016 triennial actuarial revaluation of the pension fund.
16. The total gross proposed budget for 2019/20 is £234.7m with contributions from grants, health transfers and service user contributions projected of £97.0m. The proposed net budget for 2019/20 totals £137.7m and is distributed as follows:

Net Budget 2019/20		
Demand Led Commissioned Services	£110.7m	80.4%
Direct Services	£16.6m	12.1%
Care Pathway –East Locality	£8.4m	6.1%
Care Pathway – West Locality	£7.2m	5.2%
Strategic Services	£4.9m	3.6%
Early Intervention & Prevention	£1.3m	0.9%
Department Senior Management	£0.7m	0.5%
Better Care Fund Contribution	(£17.2m)	(12.5%)
Communities & Wellbeing	£5.1m	3.7%
Department Total	£137.7m	

Other Changes and Transfers

17. A number of budget transfers (totalling a net increase of £4.7m) were made through the 2018/19 financial year and are now adjusted for in the updated original budget. These transfers are:
- a. £1.5m for pay and pension inflation transferred from the central inflation contingency;
 - b. £3.7m for price inflation
 - c. (£0.5m) smaller transfers to and from other departments.
18. 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.
19. This star rating is included in the descriptions set out for growth and savings below.
20. 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

21. As in previous years, demographic growth and increasing needs are the main drivers of the need for budgetary growth within adult social care. However, the profile of service users and their care needs are constantly changing, which may impact on the services commissioned or the income received. The impact on the budget can be significant with gross demand led expenditure totalling c£170m.
22. The total growth required is £5.2m for 2019/20 and £12.4m over the next four years in total. The budget increases are outlined below and summarised in Appendix B to the report.

**** G6 Older People demand – £1,970,000 2019/20 rising to £5,135,000 by 2022/23**

23. People aged over 65 account for the majority of the Department’s care expenditure. This financial growth is required to meet the increasing numbers of older people with substantial and critical needs as well as the increasing fragility of existing service users. 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 2018/19, there has been an increase in Additional Needs Allowances (ANAs), and the average number of home care hours provided. It is anticipated that this trend will be set to continue.

**** G7 Learning Disability demand – £1,660,000 2019/20 rising to £3,760,000 by 2022/23**

24. The level of Learning Disability support required is growing mainly due to costs of care packages for known service users transferring from Children’s services to Adults’ services (around 100 per annum), increasing levels of additional needs, and

high cost placements. There is currently a significant increase in the number of social care placements in Children's services which may impact on Adults' services in the long term but cannot be quantified yet. Increased demand will also impact on the number of packages commissioned through the Learning Disabilities Pooled Budget where it is anticipated Continuing Healthcare will be awarded.

** G8 Mental Health demand – £425,000 2019/20 rising to £1,200,000 by 2022/23

25. During 2018/19, the number of service users has slightly increased and there has also been an increase in ANAs. It is anticipated that this trend will be set to continue.

**G9 Physical Disabilities demand – £555,000 2019/20 rising to £1,095,000 by 2022/23

26. During 2018/19, the number of service users has slightly increased and this trend is expected to continue.

** G10 Transforming Care transfers from health - £390,000 2019/20 rising to £750,000 by 2020/21

27. The national Transforming Care Programme aims to significantly reduce the numbers of people with learning disabilities and/or autism receiving assessment and treatment in inpatient settings. As part of the national programme there is an expectation that the savings made by the NHS Specialist Commissioning from decommissioned inpatient beds will be transferred to local health and care services. The mechanism for these transfers is however not well defined and as yet no transfer of resources has been made for any Leicestershire patients. This concern is currently being addressed at a national level by the Association of Directors of Adult Social Services and the Local Government Association as it represents a significant financial risk to local authorities.
28. Typically these patients have very complex and challenging needs with high costs of care. There are currently 23 such longer term patients from Leicestershire receiving treatment in hospital either in Assessment and Treatment Units or in Specialist Commissioning beds both in and out of the County. Of these 23 patients, six will be ready to be discharged into the community by March 2019; four will be moving into the County Council's bespoke refurbished supported living premises at Deveron Way, Hinckley; and the remaining two patients due to be discharged both require a specific service tailored to meet both their behaviours and sensory impairments and work has begun, in the first instance, with the supported living framework providers to develop this support. That will leave a total of 17 Leicestershire residents who are residing in hospital settings. The number of inpatient assessment and treatment beds provided locally has been reduced to 12 beds and the programme of local bed reductions is due to end by March 2019 with no further reductions anticipated.
29. From 2019, approximately 19 people who would previously have received longer term inpatient care will now receive community services, of which a portion (as yet undetermined) of the cost will fall on the Council; this is estimated to be around £2m over a five year period. A large majority of these people will be funded through Section 117 agreements so the overall costs will be shared with Health.

G11 removal of time limited income Support Fund for Libraries – (£100,000) from 2019/20 ongoing

30. This is removing the support fund for libraries growth which was for 2018/19 only.

G12 - Resources to support Transitions from Children's services - £300,000 2019/20 ongoing

31. Data indicates that there is an increased demand for assessments for young people at transition from Children's services to Adults' services. Advances in medicine and increased longevity means that more children with learning disabilities are surviving into adulthood with complex needs. The Cabinet approved the new Pathway to Adulthood Protocol, as part of the Whole Life Disability Strategy. The Department aims to plan ahead using a person centred, strengths and asset based approach, through earlier involvement to improve the experience of transitions for young people and families and thereby prevent, reduce and delay the need for adult social care. This work will ensure more effective planning and avoid poor and expensive transitions. This requires additional staffing.

Savings

32. Details of proposed savings are set out in Appendix C and total £4.3m in 2019/20 and £5.9 m over the next four years in total.

Adult Social Care

* AC1 (Eff) Review of Equipment and Therapy Services – £100,000 in 2019/20 ongoing

33. A revised Equipment, Adaptations and Assistive Technology (AT) Strategy has been consulted on with partners, including Health. The savings are to come from a review of the Council's Adaptations Team and its service offer, and a refocus of the use of AT for prevention services and increased independence.

* AC2 (Eff) Review of individual long term residential placement costs – £250,000 in 2019/20 rising to £500,000 by 2020/21

34. A team is in place to review the high cost learning disability placements. Savings are expected to be achieved across social care and health budgets (pooled budget). Reviews have been completed and care hour reductions agreed following an evidence based methodology using occupational therapy expertise and monitoring equipment delivering savings in the region of £250,000. The review of placements is also looking at the remaining savings being delivered through reducing hotel costs, setting clear goals as part of a progression model to reduce staffing costs and ensuring that AT equipment are integral to the placement. Where appropriate people will be considered for transfers out of permanent care settings in to supported living accommodation where available.

** AC3 (SR/Eff) Effective management of Direct Payments and review of personal budget allocations – £1,000,000 in 2019/20 ongoing

35. This saving is being delivered by:

- a) Continuation and refinement of the use of Direct Payment Cards (DPCs) to enable easier management of direct payments by service users. The information provided by the card system coupled with timely interventions from both corporate finance and adult social care colleagues will provide the Council with improved information on spend analysis, reducing the opportunity for fraud and ensuring that unused budgets are clawed back effectively.
- b) The clawback of unspent funds is high due to individual purchasing decisions, time required to recruit Personal Assistants, high initial commissioning and step down approach not being embedded in initial reviews. The initial commissioning and step down approach will be improved by:
 - Continuation and refinement of the use of the Assessment and Support Planning tool introduced in April 2018 will ensure that personal budgets are set using a strengths based approach in line with the ASC Strategy;
 - An initial review at approximately three months will ensure that support is set up in line with the support plan and enable a step down approach to be considered within the support planning process.
- c) An annual review of people receiving direct payments will ensure that personal budgets are reset in line with current and changing needs and outcomes. Opportunities to address any previous over commissioning and to clawback excess balances will be addressed as part of these processes.

* AC 4 (Eff) - Staff Absence -£160,000 from 2019/20 rising to £325,000 in 2020/21 ongoing

36. To reflect the support being put in place to reduce staff absence, a financial target has been allocated to all departments. This reflects the intention to meet or exceed the County Council's target of 7.5 days per FTE. The target is phased 50% in 2019/20 and 100% in 2020/21 to allow time for improvement to take effect. The Department has focused on the areas with high levels of absence which has helped to reduce levels leading to a reduction in agency costs. The work that will be undertaken as part of the new target operating model should help improve the way staff work and improve attendance rates.

** AC5 (Eff) Improvements to the finance pathway for service users - £25,000 in 2019/20

37. The review of the service user finance pathway was excluded from the recent departmental organisational change programme. However, a review has now been undertaken that should see improvements to financial processes and system efficiencies which are expected to deliver a level of reduction in staffing and levels of debt. The saving has reduced from £75,000 to £25,000 due to the additional costs relating to managing deputyships and appointees.

38. The improvements include more streamline processes in order to reduce the number of handoffs across teams of staff, reduce manual workarounds, and the introduction of a single financial assessment form that can be used across residential and non-residential financial assessments, improved finalisation and to further explore digital solutions to processes.

** AC6 (Inc) Increased income from Fairer Charging and removal of subsidy/aligning increases – £100,000 in 2019/20 rising to £400,000 by 2022/23

39. Department for Work and Pensions increases in benefits payments should provide additional chargeable income. Monitoring of income levels continue, with levels for 2018/19 being reported above target. It is anticipated that income from older people will rise faster than inflation as a result of the protection of over 65s benefits by the Government. This should help to maintain income levels in line with the target and will mitigate the impact of potential reductions in the income from under 65s.

* AC7 (Eff/SR) Review of Supported Living Costs – £300,000 in 2019/20 ongoing

40. Supported living is a way of providing flexible support to people with learning disabilities (generally under 65 years) in mainstream housing. A four year Supported Living Framework is now in place and a lead provider has been awarded to each of five lots covering the county. Individual reviews continue to take place to confirm current care and support needs to ensure continuation of care at an appropriate level. The savings are on track to be achieved.

* AC8 (Eff/SR) Review of Community Life Choices (CLC) costs – £100,000 in 2019/20 ongoing

41. The new CLC Framework commenced from 1 January 2017. There were a total of 820 individuals who were accessing CLC support at this date. A phased transition to providers on the new framework for all existing CLC users is now complete with 740 individuals currently accessing services via the CLC Framework.
42. Reviews of the 141 individuals in residential care also using CLC services commenced in August 2017 with a view to cessation of access to framework services for this group. These reviews are almost complete, with £400,000 validated savings to date.
43. It is expected that the remaining £100,000 saving will be delivered by reviewing the new arrangements for individual service users to confirm care and support needs.

* AC 9 (Eff/SR) - Promoting independence for high dependency service users - £400,000 in 2019/20 ongoing

44. This is a continuation of a saving commenced in 2018. A review was undertaken to establish the potential to reducing two carers provision through improved use of equipment and moving/manual handling practices which is delivering savings of £800,000.
45. Savings for 2019/20 will be achieved through the identification of new cases since the original profile was compiled and targeting new commissions at early review. The Department has put in place a process so that all new assessments that identify a potential need for two carers are reviewed by the Occupational Therapy Team. This is ensuring that the risk of inappropriate commissioning is being dealt with and additional costs to the authority are being avoided.

**** AC10 – (Eff) Reduced financial growth following demand management improvements demand £1,700,000 in 2019/20 onwards**

46. This a saving relating to changes in demand across all services areas arising from savings in 2018/19 which are likely to be ongoing, for example increased levels of service user income.

AC11 – (Eff) Place to Live- reduce cost of care £25,000 in 2020/21 rising to £50,000 in 2021/22

47. The first 'Place to Live' project is the development of Brookfield in Great Glen into 20 units for working age adults with learning disabilities. This will cost approximately £2.5m which will deliver annual social care savings of £50,000 per annum plus net rental income of £150,000 per annum.

Communities and Wellbeing

**** AC12 Implementation of Revised Service for Communities and Wellbeing -£200,000 in 2019/20 rising to £1,000,000 in 2022/23**

48. The delivery of this saving will be through the following activity:

	2019/20	2020/21	2021/22	2022/23
SMART Libraries	£200,000			
Restructure of Communities and Wellbeing Service		£100,000	£200,000	
Collections Hub - Restructure of Museums and Heritage				£350,000
Unallocated Savings (TBC)				£150,000

Smart Libraries

49. The programme for installation of SMART library technology across the identified County Council Libraries is on schedule and was completed in December 2018. The revised staff structure will be in place by April 2019. This will deliver the £200,000 saving outlined in the business plan.

Restructure of Communities and Wellbeing Service

50. Following the implementation of the SMART libraries structure in April 2019, further work on restructuring Communities and Wellbeing will take place which will focus on the remainder of the libraries structure as well as Heritage and Museums services. This work will take into account the unallocated savings of £150,000 that is still to be identified

Collections Hub

51. The Cabinet approved the development of a Collections Hub on the County Hall campus in June 2018. The option approved offered two potential schemes - a new build with capital costs of £36m and a refurbishment of an existing County Council building with capital costs of £16m. Further work on a funding strategy for both schemes has shown the potential for leveraging in external funding is limited, with up to £4m identified as a realistic target. Work to finalise all options, including exploration of a split site, is underway and will enable a clear recommendation to be given on the way forward.
52. Early work on a restructure of the Archive, Museum and Learning provision, enabled by the creation of a new single site facility, indicates a revised staffing structure could deliver approximately £350,000 saving per annum. This revenue saving is dependent upon the new facility opening, which is unlikely to be before 2020/21.
53. The Hub would resolve the requirement of the Record Office for additional capacity. If not progressed, the requirement will still remain and require resolution to avoid a risk that the Council fails to meet statutory obligations. Capital costs to address this issue in isolation, at the current Record Office site, are estimated at £5m. This option would not enable multiple teams to be brought together or a reduction in buildings and therefore puts the £350,000 saving at risk.

Savings under development

54. Further savings will be required to close the budget shortfall of £5.2m in 2021/22 rising to £19.5m in 2022/23.
55. To help bridge the gap a number of initiatives are under development to generate further savings. Once business cases have been completed savings will be confirmed and included in a future MTFs. The initiatives that will involve Adults and Communities are:

Place to Live

56. The most significant cost in Adult Social Care is for residential placements. A programme of work has commenced to co-ordinate the Council's Accommodation Strategies, the plans for capital investment and savings related to developing alternative accommodation options. The first project is the development of Brookfield in Great Glen into 20 units for working age adults with learning disabilities. This will cost approximately £2.5m and will deliver annual social care savings of £50,000 per annum plus net rental income of £150,000 per annum.
57. Further work has been undertaken to map the future requirements for accommodation based support in each locality for 2019 to 2037.
58. Investment options being investigated include:
 - Direct financial investment by the Council to develop more capacity in the sector, for example develop appropriate accommodation support for service users.

- A partnership with a care and/or accommodation provider could both increase capacity to deliver a more sustainable market whilst at the same time reduce average care costs.

59. As schemes are developed they will be included in future MTFS's, this could be as standalone items or enablers for the Target Operating Model work described below.

Home First

60. The proposed development of Home First services across the county aims to care for people at home, wherever possible, to prevent hospital admissions and ensure timely discharge should people require hospital admissions. If people can be cared for at home rather than being admitted to a hospital bed, and if people can be supported at home through reablement, or provided with a reablement bed on discharge, the number of long term care admissions and long term community packages should be reduced.
61. Further development work is to be undertaken to determine the potential opportunities for delivery of Home First services in the county, in collaboration with NHS partners, based on the specifications and design principles developed during 2018. The first step toward this was the recruitment of a 24/7 Crisis Support Team. Implementation of Home First services is dependent on developing a more integrated health and social care response to people experiencing a crisis in the community, and to patients on discharge from hospital. The Council has an agreed model which was piloted from October 2018, and the mapping of current activity and spend is underway with the aim of developing a business case for an ongoing service.
62. Current delivery will be refocused to provide the new model of service and a key dependency is the review of Community Health Services provision being undertaken by the CCG. Savings are still to be identified but will be through managing demand, hence reducing growth requirements in future MTFS's.

Efficiency and Productivity Programme - Improvements to the Target Operating Model (TOM) for the Department

63. The Department is seeking to develop its TOM to articulate how the flow of activity and demand will be managed going forward. The TOM will seek to reduce variation, improve systems and processes, ensure proportionate responses, explore simplification and thereby deliver a more efficient and effective service both for service users and staff.
64. Following a successful tender, Newton Europe was commissioned and has undertaken a detailed diagnosis of Care Pathway activities during August and September 2018. This identified seven areas of either new or expanded work for the Department to consider savings opportunities. The total estimated annual benefit from these areas of work is in the region of £10.44m, of which £5.5m is expected to be new cashable savings. The work will necessitate a delivery plan of an estimated 16-18 months, with a phased release of the benefits spanning three financial years from 2019/20 and will include a refresh of some of the existing savings. This will contribute to the corporate efficiency and productivity saving CS3.

65. The delivery of the work will require an additional allocation of resource and the support of an external strategic development partner. On 23 November 2018, the Cabinet approved the proposed areas of transformation and resources for mobilising the changes required. This included the procurement of external support which is in progress.

Health and Social Care Integration

66. 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 is seen nationally and locally as key to improving outcomes and ensuring high quality and sustainable services for the future.
67. The direction of travel from a policy point of view is that local health and care systems will 'evolve' from Sustainability Transformation Partnerships into Integrated Care Systems, and that the new NHS 10 Year Plan, which is expected to be published towards the end of Q4 2018/19, will reinforce this expectation. Integrated Care Systems currently have no statutory basis and rest on the willingness of NHS organisations to work together to plan how to improve health and care. As they develop, it is expected that NHS partners will have:
- Shared accountability for performance of the health and care system;
 - Shared accountability for funding across a defined population;
 - More effective decision-making and governance structures across organisational boundaries;
 - A more rigorous approach to population health management across the defined population/area.
68. The configuration of NHS organisations in Leicester, Leicestershire and Rutland (LLR) will be affected by these developments and discussions are already in progress to determine how local CCGs can operate as a more effective joint management team across the LLR geography.
69. The Council has received funding from the NHS through the BCF since 2014/15 in line with levels determined by government. This NHS funding comes from CCG budgets, with the amount each CCG contributes to their local BCF pooled budget mandated by NHS England. 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.
70. In the spring budget of 2017, the Government made a non-recurrent, national grant allocation of £2bn, covering the three year period 2017/18–2019/20. This along with on-going funding announced in the autumn 2015 spending review, is known as the improved Better Care Fund (IBCF). The IBCF is allocated to local authorities, specifically to meet social care need, assist with alleviating pressures on the NHS, with particular emphasis on improving hospital discharge, and stabilising the social care provider market. In addition, the autumn budget 2018 announced a national Winter Pressures Grant allocation of £240m which will be added to the existing IBCF funding for 2019/20. BCF funding for Leicestershire is set out in the table below:

	2017/18 £m	2018/19 £m	2019/20 £m
CCG Minimum Allocation	36.7	37.4	37.4
IBCF - Autumn 2015 review	Nil	5.6	11.4
IBCF (additional ASC allocation) - Spring 2017 Budget	9.5	6.8	3.4
IBCF (Winter Pressures) - Autumn Budget 2018	Nil	Nil	2.4
Disabled Facilities Grant	3.3	3.6	3.9
Total BCF Plan	49.5	53.4	58.5

71. The protection of adult social care services accounts for £17m of the CCG minimum allocation to the BCF. This funding is expected to continue and 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 delayed transfer of care performance is maintained.
72. In addition to funding set aside to protect social care service provision, a further £5m of 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, crisis response and falls prevention. Any reduction in this funding would place additional pressure on the Council's MTFs, and without this BCF funding there is a real risk that the Council would not be able to manage demand or take forward the wider integration agenda. This is also a key consideration for senior officers when negotiating with CCG colleagues as part of the BCF Refresh.
73. The IBCF will contribute £39m over the three year period 2017-20 - £25m towards the significant demand and cost pressures faced by adult social care, including support for non-BCF change activity and winter pressures funding of £2.4m in 2019/20. In addition, there is an investment of £12m (non-recurrent) in new initiatives such as expanding the crisis response service to become a 24/7 provision, increasing capacity in the domiciliary care market, implementing Home First, providing an enhanced carers offer and developing additional bed capacity (discharge to assess).
74. To support this agenda, delivery of the Leicestershire BCF is constructed using the following themes:
- Unified Prevention Offer;
 - Home First;
 - Integrated Housing Support;
 - Integrated Domiciliary Care;
 - Integrated locality teams;
 - Integrated Urgent Response;
 - Assistive Technology;
 - Data Integration;
 - Integrated Commissioning;
 - Falls Prevention.

Other External Influences

75. There are a number of areas of funding that influence the achievability of the MTFs for the Department. For example:

- a) The Care Act 2014 initiated a number of changes to social care legislation that were due to take effect from April 2016. These changes have now been postponed until 2020. A Green Paper is expected, but at present there is no clarity concerning what this will cover or likely funding arrangements.
- b) The profile of the Adult Social Care precept was 3% in 2018/19 and will be 1% (£2.7m) in 2019/20. It is proposed to invest this funding in accommodation for adult social care.
- c) A review of the existing fee model for residential and nursing care commenced during 2018 focusing on providing quality based model which may increase the cost of placements paid to providers. The scope of the fee review consultation includes changes to the current arrangements for local authority payments to residential and nursing care providers in Leicestershire and some out of area placements. This is for working age adults (18-64) and older adults (65 +). It is estimated that the additional cost will be between £5m-£10m for 2019/20.

Other Funding Sources

76. For 2019/20, 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 in 2019/20 which provides support packages, usually alongside local authority funding, to help disabled people live independently in the community;
- Service users eligible for Continuing Health Care - £13.6m through the Learning Disabilities Pooled Budget and for non-Learning Disability service users (£2.9m);
- Social Care in Prisons Grant - £102,000 which is anticipated to be ongoing;
- Local Reform and Community Voices Grant - £51,000 for Deprivation of Liberty Services in Hospitals;
- War Pension Scheme Disregard Grant - £103,000;
- Funding to support Adult Learning from Skills Funding Agency £3.4m and Education Funding Agency £86,000 in 2018.

Capital Programme

77. The draft Adults and Communities capital programme totals £21m. The main external funding for the programme is the BCF grant programme (£15m), which is pass ported to District Councils to fund major housing adaptations in the County. The balance of the programme (£6m) is discretionary funding. The various schemes are outlined below and summarised in Appendix D.

78. The capital programme for the Department has traditionally been relatively small, however, there are a number of future projects being developed with a focus on delivering long term revenue savings/operational improvements:

- a) *The Trees Refurbishment (£600,000)* – The project involves internal reconfiguration and refurbishment of Cedarwood and Beechwood units at The Trees in Hinckley. These two units are dated in terms of their facilities and equipment, with internal rooms sizes becoming challenging to provide support for people with complex and multiple needs. A Care Quality Commission inspection of The Trees highlighted issues relating to the standard and quality of the accommodation.

- b) *Development of Hamilton Court/ Smith Crescent site in North West Leicestershire (£3.7m)* - The project involves moving existing tenants and residents to alternative properties/services, demolishing the existing buildings and redeveloping purpose built supported living, short breaks and CLC on the site.
- c) *Refurbishment of Brookfields, Great Glen (£2.5m)* – Site acquired in 2018/19 to provide supported living accommodation and project involves refurbishment of facilities.

Future Developments

79. 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) *Collections Hub (£17m or £35m dependent on scheme approved)* - To co-locate the Council's collections and archives into a single facility. This would enable a restructure of the heritage and learning service which would achieve a cashable saving of £350,000 to meet Communities and Wellbeing savings target (AC12) . This forms part of the Communities and Wellbeing Strategy to reduce the number of collection locations and ensures provision of adequate storage capacity to meet future need for the Record Office only.
- b) Other potential accommodation opportunities are being investigated which may require capital investment.

Background Papers

None.

Circulation under local issues alert procedure

None

Equality and Human Rights Implications

80 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.

81. 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.

82. 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 2019/20
Appendix B – Growth
Appendix C – Savings
Appendix D – Capital Programme 2019/20 – 2022/23