



Derby City Council

**ADULTS & HEALTH SRUTINY REVIEW  
BOARD  
Date 16 April 2019**

# ITEM 7

Report sponsor: Kirsty McMillan  
Report author: Alison Parkin

## Adult Social Care Funding

### Purpose

- 1.1 The financial outlook for the Council continues to be extremely challenging with Government austerity measures confirmed as continuing into the medium term. At this stage there is no certainty as to what will happen to local government funding over the next few years following the Government's commitment to a Fair Funding Review within the next Spending Review scheduled for 2019. It is important that the Council robustly plans ahead in this medium term to ensure ongoing financial sustainability.
- 1.2 Our Medium Term Financial Strategy is shaped by the national context but also by the need to respond to increasing service demands from our communities at the local level coupled with our ambitious improvements and maintenance through capital investment in order to stimulate growth and inward investment across the city.
- 1.3 There are pressures outside of our control which are driving demand across adults and children's services and we are experiencing year on year demand for statutory services. Within adult services, the over 85s population is rising annually by 3%, coupled with the Council supporting more adults of working age with eligible social care needs. In 2017/18 there was a 10% increase in the numbers of adults of working age with severe and chronic learning and/or physical disabilities supported by adult social care. By 2030, over one quarter of the adult population of Derby shall be aged 65. In addition, Derby has the widest gap in life expectancy between the most and least deprived across the East Midlands.
- 1.4 There has been national investment into the health and adult social care systems, the sector is awaiting sustainable funding plans to reform the social care system for adults of all ages.

### Recommendation(s)

- 2.1 To note the additional funding allocations made in Adult Social Care over recent years.
- 2.2 To note the risks to the Council's Medium Term Financial Plan in that the funding for future years is not confirmed and no sustainable model for the funding of Adult Social Care has been confirmed.

## **Reason**

- 3.1 Future spending plans are shaped by the funding made available to Councils. The pressures in Adult Social Care are of a national concern and a future sustainable model of funding has yet to be confirmed.

## **Supporting information**

- 4.1 The crisis in Adult Social Care Funding has been part of national debates recently and has been a feature of significant investment in recent Government Budgets; changes to Council Tax increases for Councils, one off specific grants to local government and the introduction of the Improved Better Care Fund following the already established Better Care fund of June 2013.
- 4.2 The Implications for Derby are significant and have been a feature of its Medium Term Financial Plan (MFTP) with circa £21 million of funding identified from within these sources, rising to circa £25 million in 2019/20. To safeguard this investment made into Adult Social Care the Government have laid down specific conditions associated with these funding streams detailing the governance arrangements and the outcome metrics to be achieved through the additional investment.
- 4.3 The adult social work service in Derby is under considerable strain from demographic, legislative and health and care system pressures. Managing demand strategies are in place but can only deal with lower end need and risk. Urgent and complex cases require an appropriate and proportional response and this invariably involves on-going provision for frail elderly people and younger adults with long term conditions.
- 4.4 Adult Social Care (ASC) Additional Funding Sources

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000	£000
ASC Precept	2,466	2,094				
ASC Grant	1,154	717				
BCF Existing	11,322	11,322	11,322	11,322	11,322	11,322
IBCF (Nov 16)	832	5,118	8,918	8,918	8,918	8,918
IBCF (March 17)	5,265	3,280	1,624	1,624	1,624	1,624
ASC Winter Pressures		1,149	1,149			
Additional Adults and Children's Funding			1,960			
<b>Total</b>	<b>21,039</b>	<b>23,680</b>	<b>24,973</b>	<b>21,864</b>	<b>21,864</b>	<b>21,864</b>

To note that 2020/21 and beyond the Better Care Fund allocations are unconfirmed.

Local authorities were able to raise council tax by up to 2.99 per cent if they provided social care services. However, they could not exceed an increase of six per cent in the social care levy over the three-year period from 2017/18.

#### 4.5 Adult Social Care Budget 2019/20

For the financial year 2019/20 ASC budgets has increased by £4.218 million; £2.4 inflationary increases including the National Living Wage increases, £1.493 million permanent Better Care Fund Investment which includes Home First and Hospital to Home Team investment and additional investment for winter pressures and increases for demographic growth.

- 4.6 General service pressures relate to service activity arising from the Care Act, Cheshire West Deprivation of Liberty judgement, Hospital Discharge activity, cost pressure from the care market and standards. Within adult services, the over 85s population is rising annually by 3%, coupled with the Council supporting more adults of working age with eligible social care needs. In 2017/18 there was a 10% increase in the numbers of adults of working age with severe and chronic learning and/or physical disabilities supported by adult social care. By 2030, over one quarter of the adult population of Derby shall be aged 65. In addition, Derby has the widest gap in life expectancy between the most and least deprived across the East Midlands.

- 4.7 Due to the well- publicised pressure in hospitals and on primary care there has been a significant additional response requirement from adult social care to discharge and arrange packages of care quickly to keep the local health and care system flowing. We have had to rise to this in support of the system by introducing a specific hospital discharge social work team. Currently this has been sourced from the existing locality teams but has left a significant shortfall in those teams to deal with referrals arising from the community and stage 2 safeguarding cases. Delayed transfers of care due to social work reasons for the Derby Royal are low, which is the expectation from the local health community. In order to permanently support this arrangement an investment has been made to comply with the BCF objectives.
- 4.8 The SEND reforms have impacted on the transitions team where Adult Social Care staff are contributing to Education and Health Care plans for disabled younger adults. Whilst this has been limited to the more complex level 3 and 4 cases, nevertheless there has been a significant impact. This was picked up in the recent Peer Review of the transitions service. Additional temporary staffing of 2.5 FTE was introduced to the service to reduce unallocated cases and waiting times to an acceptable level.

### **Public/stakeholder engagement**

- 5.1 All proposals within the budget planning process follow due process in terms of public consultation and engagement.

### **Other options**

- 6.1 Not applicable

### **Financial and value for money issues**

- 7.1 Additional funding allocations have been made available for Adult Social Care as detailed in the body of this report. Future allocations beyond 2019/20 are yet unconfirmed.

### **Legal implications**

- 8.1 The utilisation of the funding is governed through the policy framework, Section 75 of the National Health Services Act 2006 and Section 31 Local Government Act 2003 grant conditions. It is for the Council to determine the use of the Improved Better Care Fund allocations although these must be ring-fenced for Adult Social Care use.

### **Other significant implications**

9.1 None

**This report has been approved by the following people:**

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Olu Idowu	5 April 2019
<b>Finance</b>	Alison Parkin	5 April 2019
<b>Service Director(s)</b>	Kirsty Macmillan	5 April 2019
<b>Report sponsor</b>		
<b>Other(s)</b>		

<b>Background papers:</b>	
<b>List of appendices:</b>	None