

### OS Committee Budget Group – Adult Services – Summary of Presentation – 21st January 2021

#### Attendance: -

Members	Cllrs A Henley, A Mercer, C Stanbra, R Beeby, M York, L Bunday, S Naden-Horley
Officers	J Gotts, M Dickenson, G Hammons, D Watts, K Brown, J O'Connor, P Goult, F McHugo, J Smith, G Foskett

**Text in BLUE includes information provided after the meeting.**

#### Overview of Presentation

1. The Budget Group received a presentation from officers regarding the Adult Service Budget for 2021/2022). This was based on the Budget Report presented to the Shadow Executive Committee on 7<sup>th</sup> December 2020.
2. The presentation provided an overview of the role and duties of the Adult Services team, its statutory responsibilities, and an explanation of the Target Operating Model (TOM) recently implemented.
3. Adult Services sat within the same directorate as Housing, Community Safety etc and would work closely with Public Health and Children's Services.
4. The disaggregation principles relating to the service were also discussed. Assessment teams were already working in geographic footprints that could be aligned to the 2 unitary authorities. Provider service staff had been disaggregated based on the geographical location of each service. "Ordinary residence" was the primary method used for allocation of cases to teams. Individual contribution income was based on ordinary residence. Other income allocated by Government had been assumed using the methodology as close to that that the Government would use.
5. Details of the spend, income and activity between North and West were provided, based on the disaggregation principles. The Gross Expenditure of NNC would be £128,402m (about 51% of current NCC spend on the service).
6. There was an additional £7.5m built into the 2021/22 budget to allow for the excess costs of CCG CHS discharges. The key savings in 2021/22 were from Strengths Based Working (SWB) and Admission Avoidance which totalled £8.3m countywide.
7. The Group were provided details of how the current services ranked against comparator authorities in relation to expenditure (benchmarking). It was noted that NCC spend on Children's Services was high, with Adult Services spend comparatively low (25<sup>th</sup> out of 26<sup>th</sup> within the benchmarking family group).
8. Details of savings based on the full effect of previous decisions were presented.
9. Details of budget pressures including COVID-19, contract & other inflation, demographic & service demand were highlighted.

10. There was an overview of the Target Operating Model (TOM) which had commenced in October 2020 and was demonstrating positive outcomes.
11. It was noted that the SBW programme was budgeted to save £14m throughout years 2020/21 to 2023/24 countywide with NNC budgeted to save £7.2m over the same period.
12. There was also a summary of the Admission Avoidance scheme, a partnership project with the NHS.

### Questions/Comments

Cllr Hakewill queried at what age does someone fall within “Adult Services”?

Officers – usually about 18 years of age, however Adult Services would be working with Children’s Services and Public Health to ensure that issues encountered by teenagers are dealt with in a cross-service approach. There were issue relating to COVID-19, obesity, mental health etc that may need to be addressed appropriately.

Cllr Hakewill suggested in relation to the benchmarking family group, Leicestershire were not necessarily a good comparator as this excluded Leicester City.

Officers – this also reflected the CIPFA family group.

Cllr Hakewill queried what allowance had been made for bad debt provision and would this be chased up.

Officers – there was provision for bad debts. There would be a review by NNC of debt collection policy. There would be regular reviews of bad debt through budget monitoring. It was noted that £2m of bad debt had already been written-off by NCC. It was noted that £9m of debt was secured against property.

Cllr Stanbra that about £6/7m of fees were payable to Newton Europe and there had been £14m net savings. Who was paying the fees, would it be NNC?

Officers – Fees had been paid from Flexible Use of Capital Receipts (FUCR) monies. The £14m were not just one-off savings but ongoing. The programme was progressing, and further savings would be achieved.

Cllr Mercer wondered why these changes (SWB) and the transformation programme had not been implemented previously?

Officers – the leadership view had changed significantly, and there was strong corporate support for quality improvements and greater efficiency. It was recognised good practise to move to a Strengths Based Working (SWB) model. It was important that the organisation had a stable basis prior to initiating changes and had adequate capacity to implement change. NCC was not more financially stable.

Cllr Mercer raised the impact of the current COVID-19 pandemic and the long-term impact. There was a period of uncertainty ahead.

Officers – agreed that it was a complex picture and difficult to forecast. Changes would be based on trends. There was a continuing objective to transform and improve services. NCC had delivered significant savings over the previous 5-years and reduced costs. There was commitment at the corporate level for this to continue.

Cllr Hakewill queried the “Mental Health Pool”, what was it and who currently provided these services?

Officers – this was a pooled arrangement with CCG. Bringing it inhouse would allow greater control for both NNC & WNC.

Cllr Bunday suggested that without the COVID-19 pandemic costs looked like they were under control.

Officers – it needed to be noted that costs were rising. It was further noted that the NHS had met costs around commissioning care support, due to the need to discharge patients more quickly.

Cllr Stanbra wondered when the Shaw contract was to end?

Officers – There was 16 years remaining on the contract. NNC would need to continue to closely monitor contractor performance. It was recognised that it would be difficult to renegotiate the contract.

Cllr Mercer agreed that there was a need to ensure monitoring and scrutiny of the contract and contractor performance. Cllr Mercer wondered if there was an option to buy out the contractor?

Officers – any alternative option was likely to be expensive. Options going forward would be considered, but any alternative needed to be affordable. Officers recognised the complexity of the current arrangements, and that any alternative option needed careful consideration.

Cllr Naden-Horley agreed that the contractor needed to be monitored, to ensure that NNC achieved value for money. It was noted that some care homes in the county had closed. Was there any scope for NNC to operate any in-house?

Officers – there was national policy to try to move away from residential homes and develop “in the community” care and accommodation.

Cllr Naden-Horley welcomed this and felt NNC needed to try to influence developers to factor this in when considering applications for planning. Having people living in vibrant communities was preferable.

Cllr Henley noted reference under Better Care Funding to £25m being moved “below the line” and sought clarification?

Officers – this was being moved from Adult Services to Corporate.

Cllr Henley noted with reference to benchmarking that Children’s Services funding was significantly better than for Adults. Was Children’s Services over funded?

Officers – It had been recognised given historic poor performance that Children’s Services needed greater investment. This investment had been provided.

Cllr Henley queried whether there was data available on the full benchmarking of services?

Officers – yes, and this could be provided to Democratic Services for distribution.

Cllr Henley sought data on outcomes. This had previously been requested by OS Committee.

Officers – this could be provided but would include some caveats. Performance monitoring was now more robust. It was difficult to compare with previous years.

Cllr Mercer wondered how the 6.4% annual inflation figure had been compiled?

Officers – this included wage inflation, number of clients, types of service required etc. A breakdown would be provided to Democratic Services for circulation.

NASS 6.4% Inflation  
Breakdown

Market Inflation	4.2%
Volume Growth	1.1%
Acuity Driven Inflation	1.1%
	6.4%