

Summary of Major Pressures in Medium Term Financial Strategy

CHILDREN AND YOUNG PEOPLE

Early Help / Family Services - This budget pressure is brought as the Troubled Families Grant is expected to cease by March 2020. The Troubled Families Grant income currently totals approximately £2.1m per annum and is received from central government. Cost savings have been identified against this figure by expediting case progression and removing all discretionary functions of the service (and a commensurate reduction in management and infrastructure). The pressure across the MTFS totals £1.2m.

Population Pressures - This pressure is an activity pressure due to expected rises in the general 0-19 population, the volatility of the Looked after Children population and new statutory guidance. There is a reasonable assumption that the number of Looked after Children will grow in future years placing an additional pressure in the Children in Care (Looked After) placements budget. The pressure across the MTFS totals £0.8m.

Demographic Pressures - This is an activity pressure caused by the remodelling and integration of services to children and young people with disabilities. It is based upon trends in relation to the population size who are likely to require an Education Health and Care (EHC) Plan over the financial period 2019 to 2022. The pressure relates to the staffing required to assess, plan and review statutory EHC plans and short breaks. The pressure across the MTFS totals £0.9m.

Re-Basing External Placements Budget - This is an activity pressure due to the effects of the increase in the number of children being taken into the care of the local authority. This is not something that is specific to Nottinghamshire, it is a nationwide issue which is reflected in government-published national data. The pressure across the MTFS totals £3.8m.

Contract Cost Inflation - This is a cost pressure due to the effects of inflation attached to contracts with external providers for Looked after Children residential placements e.g. independent foster agencies and externally managed residential care homes. The contractual arrangements through which the Council secures care-related placements each contain provision for periodic, index-linked price increases that may also take into account the impact of changes in relevant legislation. The pressure across the MTFS total £2.0m.

ADULT SOCIAL CARE AND HEALTH

Younger Adults - Cost pressures are due to new people entering the system with significant needs due to:

- Increased focus on reducing hospital admissions and long stay for people with mental health conditions (particularly for those who also have learning disabilities or autism) meaning increased support for more complex people in the community.
- People living longer – This is particularly true for people with learning disabilities as the life expectancy gap between those with learning disabilities and the general population is narrowing. People with learning disabilities are still 2.5 times more likely to develop health related issues so care and support needs are more likely to increase over time. This gives rise to our predicted needs list as we identify people whose needs are likely to increase.
- Better healthcare in childhood means people with complex physical and learning disabilities are more likely to live into adulthood and while increased numbers of people

with profound disabilities are small, the individual costs can be very high. This impacts on those coming from children's services into adults (transitions).

- Changes in the national funding transfer arrangements and pressures on local Transforming Care Partnerships around funding for prevention services and alternatives to hospital have resulted in an increased pressure for 2019/20. Discharges during 2018/19 were expected to be largely funded by the transfer of money from the closure of hospital beds so giving only a small additional cost pressure, however, the national position has changed so figures have been adjusted to assume only minimal funding is available to offset package costs. This is a time limited programme so that is why the impact drops in later years. The pressure across the MTFS is £9.6m.

Older Adults Demand - This budget pressure is due to increasing numbers of older adults being eligible for social care services, as well as the average size of the care packages required increasing. This is because more people are living longer with increasingly complex needs. Across the country, Clinical Commissioning Groups are developing and implementing plans to support national objectives of speedier discharge from hospital and to support more people with complex needs for longer in their own homes, rather than in acute or institutional health services. This equates to potential increased demand for either short or longer term social care, which is not currently being recognised and addressed in sustainable national funding settlements to social care. The pressure across the MTFS totals £3.0m.

Fair Price for Care - When the new Older Adults Care Home contract was let, the Council agreed to a request from the National Care Association executive that an inflation formula which takes in to account key elements of the homes' costs, be agreed and included in their contracts. This resulted in the agreement to follow the Fair Price for Care inflation calculation. The pressure across the MTFS is £3.8m.

National Living Wage – This pressure relates to cost pressures due to the increase in the National Living Wage (NLW). From April 2016, the government introduced a new, mandatory NLW for workers aged 25 and above. The increase in the NLW has only been applied to the employees' costs and the profit element, and has not included an increase for inflation on other overheads. The pressure across the MTFS is £20.2m.

COMMUNITY AND PLACE

Waste PFI Contract Inflation - The Waste PFI Contract Inflation pressure is driven by contractual agreements and tax levels set by HMRC and is not therefore negotiable or variable. The pressure across the MTFS is £2.7m.