

Learning Disability – Expenditure Analysis & Financial Governance

This paper provides an analysis of the Learning Disability (LD) social care expenditure for Midlothian Health and Social Care Partnership and the financial governance in place around LD expenditure. It details a breakdown of the expenditure and identifies some of the complexities around managing the total expenditure where the scope for changing individual care packages can be limited.

This report is based on expenditure in FY 19/20. This is due to Covid-19 causing a baseline shift in the cost base of LD services as a result of both upward and downward financial pressures. Consequently it has not been possible to conduct a meaningful analysis of more recent expenditure.

PART A – ANALYSIS OF EXPENDITURE

1. Annual Expenditure

The following table outlines the actual net expenditure on Learning Disability Services for the last five financial years. It also includes details of year on year changes in expenditure and the number of transitions cases contributing to the inflationary pressures. Changes in service provision as a result of COVID-19 mean it is not possible to make accurate year on year comparisons for the Financial Years 20/21. An updated analysis of projected LD expenditure for the FY 22/23 will be prepared early in advance of the next financial year.

	16/17	17/18	18/19	19/20	20/21	21/22
Learning Disability Spend - Gross	15,448	16,257	17,593	19,432	19,114	19,953
Learning Disability Income	-3,238	-3,256	-3,423	-3,334	-3,428	-3,547
Learning Disability Spend - Net	12,210	13,001	14,269	16,098	15,686	16,406
LD Increase		791	1,268	1,829	-412	720
% Increase		6.48%	9.75%	12.82%	-2.56%	4.59%
Budget	10,990	11,335	12,331	13,417	14,922	16,363
% Increase in Budget		3.14%	8.79%	8.81%	11.22%	9.66%
Overspend	1,220	1,666	1,938	2,681	764	4
Total Transition Cases	13	16	18	11	15	4
24/7 Care Transitions	3	4	2	-	1	0

Notes:

- Income includes care charges paid by service user, income from intensive housing management arrangements and resource transfer¹ from the NHS.
- There is reduced expenditure in FY20/21 and to a lesser extent in FY21/22 due to Covid-19 reducing and deferring some expenditure on non-critical care needs

¹ Resource Transfer is a longstanding funding arrangement from NHS that has been in place over 20 years. This arrangement was part of the agreements made during the closure of learning disability hospitals.

- At the end of 2021-22 the budget provision for the Living Wage uplift effective 1/12/21 was still held in a central budget within Adult Social Care therefore this budget is under-stated
- In FY17/18 there were a number of hospital discharges that will have resulted in an increase in LD spend.
- Teviot Court opened in FY 17/18 which resulted in a significant step change of expenditure in this year. Some of this increase had been delayed from previous years as some individuals delayed the transition to independent living until Teviot Court opened.

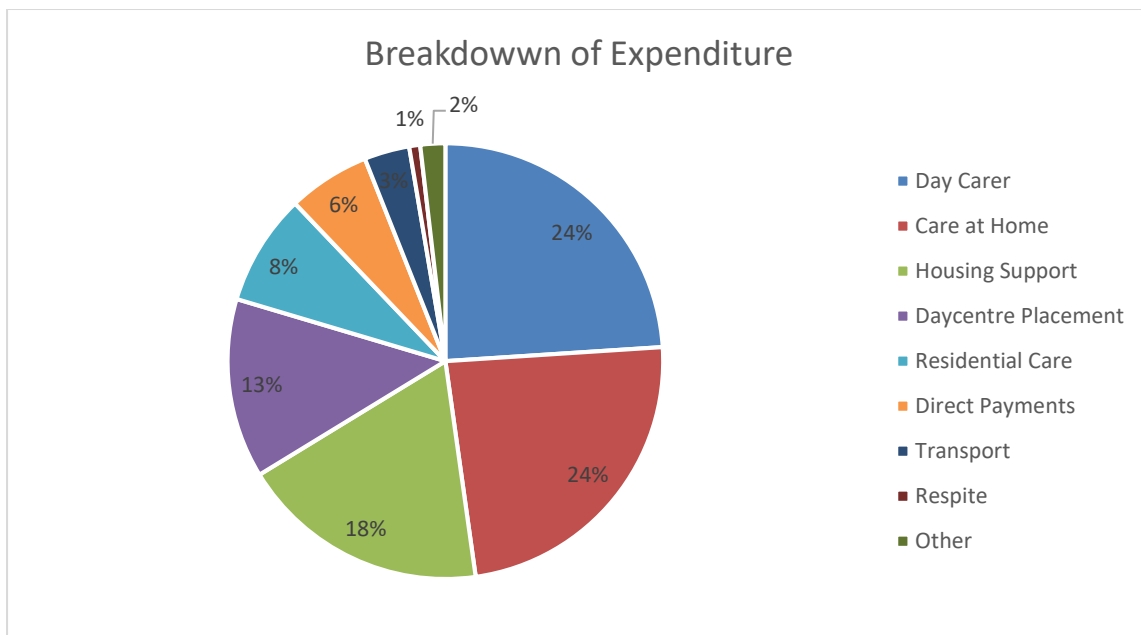
Analysis has been carried out on the increase of £1,876k in FY19/20. The increase is broken down as follows:

- Re-categorisation of clients formally categorised as Physical Disability £705k
- Living Wage increase £333k
- In year effect of this year's transition cases £246
- Year on year increase in taxi spend £77k
- Other increases/decreases £515k
(including full year effect of 2018-19 transitions cases)

2. Overall Expenditure

The total annual expenditure on Learning Disability services is currently around £16.4m. There are currently approximately 400 people with a learning disability who receive funded services from Midlothian Health and Social Care Partnership.

The following graph provides a breakdown of the expenditure in FY19/20. (The analysis has not been undertaken for FY20/21 or FY21/22 as due to COVID these years will not be representative of the ongoing breakdown of expenditure.

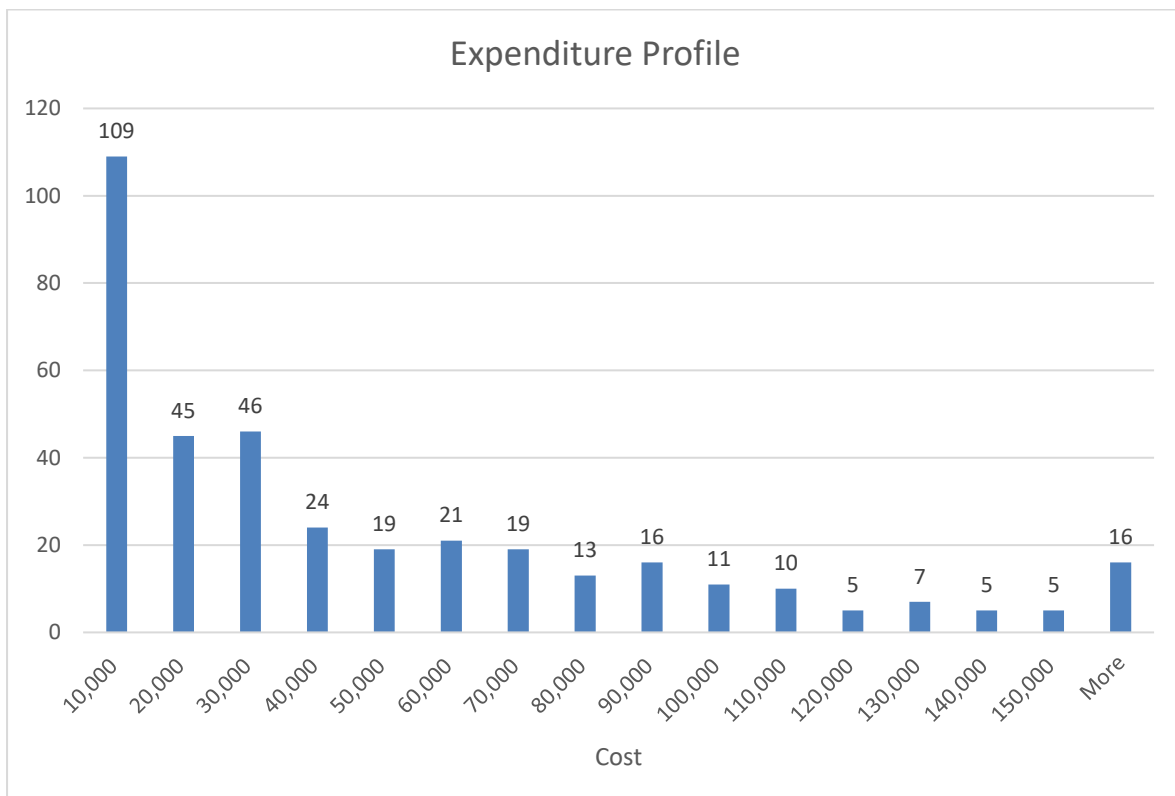


The following points should be noted:

- **Supported Living Services (Care at Home, Day Carer & Housing Support)** accounts for around 65% of expenditure. This reflects the high costs of supporting individuals who cannot live independently without large amounts of support (for example individuals who require 24/7 care)
- **Residential Care** accounts for around 8% of the expenditure. 22 individuals (6%) receive residential care. This is less than the national average of 7.8%.
- **Respite** expenditure is relatively low accounting for only about 1% of the budget however this is expenditure that sustains individuals current care arrangements. There is a risk that non provision or respite services can lead to current packages of care ceasing to be sustainable and more expensive supported living packages of care being required. It should also be noted that individuals will benefit from respite funded out of carer's budget.
- **Day Centre** expenditure accounts for about 10% of all expenditure

3. Breakdown & Profile of Expenditure

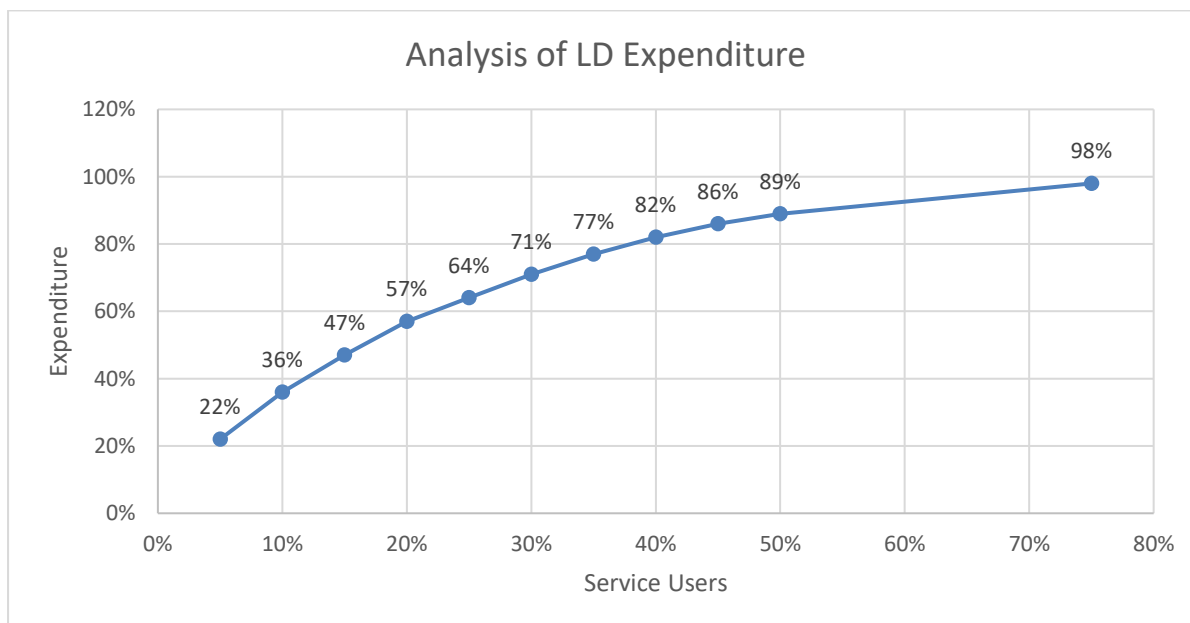
The following graph provides a breakdown of the expenditure profile for all care packages². It highlights that there are a large number of lower cost packages of care relative to a small number of high cost packages of care.



² Excludes individuals with annual expenditure less than £500.

The following table and graph illustrate the proportions of expenditure accounted for by the most expensive packages of care. Each 5% is equivalent to approximately 18 individuals. It can be seen that 20 people account for 25% of the overall expenditure.

Clients	5%	10%	15%	17%	20%	25%	30%	35%	40%	45%	50%	75%
Expenditure	22%	36%	47%	50%	57%	64%	71%	77%	82%	86%	89%	98%
Threshold (£k)	£142	£114	£93	£87	£80	£66	£57	£50	£39	£31	£26	£7



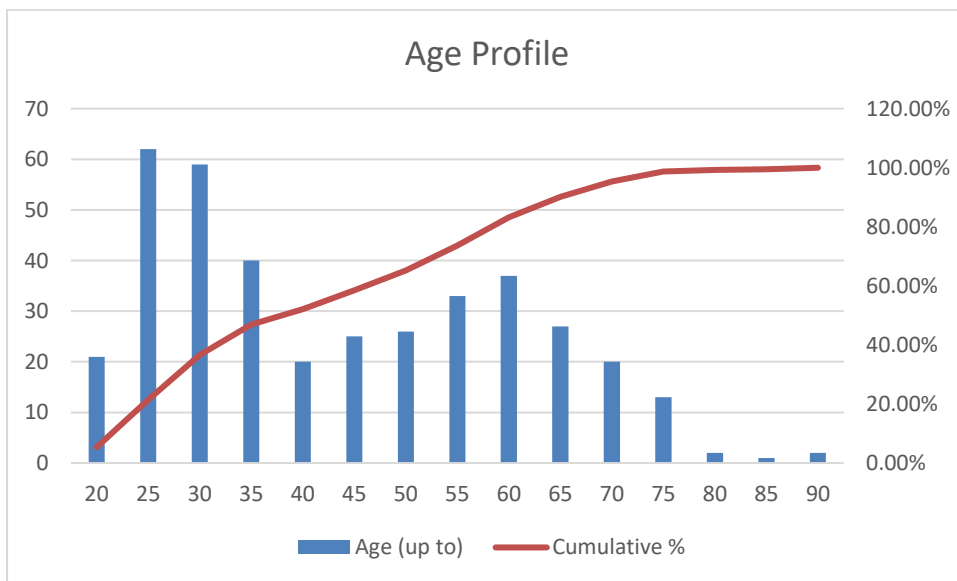
These figures demonstrate a need to consider how the expenditure on individual packages contributes to the overall expenditure.

- High Expenditure** – Around 17% (62) of care packages account for 50% of all expenditure. The individuals in receipt of these care packages have complex needs of requiring high staff ratios. These packages are subject to increased scrutiny and while reducing the costs of some of these packages can have a significant impact on the overall budget in reality there is often little scope for changing making any significant changes to these packages of care.
- Mid Expenditure** – The 125 packages costing between £26k and £87k account for 33% of all care packages and 39% of all expenditure. Arguably there on average slightly more scope to make changes to packages of care in this price range that could have some degree of impact on the overall budget. Consequently there is need to ensure scrutiny and to avoid drift in reviews of care packages in this expenditure range.
- Low Expenditure** – The least expensive packages account for 50% of packages of care but only about 11% of expenditure. While there is scope to manage costs of individual packages in this area it does have a relatively smaller effect on the overall budget. (e.g. if the cost of these individual packages of care were reduced by 5% the overall budget would only decrease by 0.6%). The general characteristic of these packages therefore is diminishing returns with large amounts of effort to require to change packages of care would only result in relatively small reduction in costs.

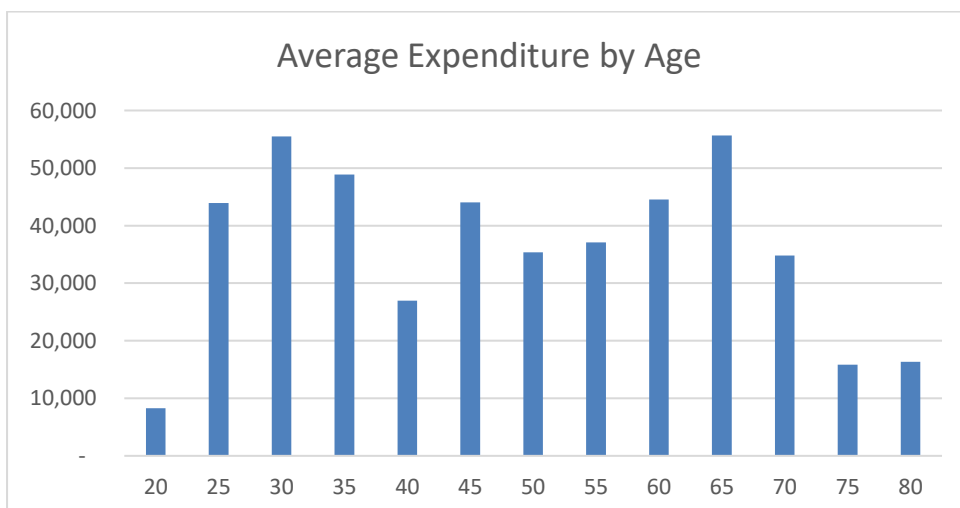
4. Age Profile of Service Users

An area of financial pressure is the increasing number of young adults who have a learning disability. The graph below displays the age profile of individuals receiving a Learning Disability service in November 2021. It shows an age profile with a large number numbers of young adults with a learning disability (37% are under 30) although there is a noticeable rise in the number of individuals aged between 50 and 65.

It should be noted the number of people with Learning Disability over the age of 65 may be understated as some care provision may be allocated to the older people cost centre. The data included here are clients whose costs are attributed to the learning disability cost code.



The following graph displays the average expenditure by age. There does seem to be a consistency on the costs by age, although there does seem to be evidence of reduced average expenditure in the 35-55 age range. Again the expenditure on people aged 65 or over may be understated with some costs assigned to older people.



5. Transitions from Children’s Services – Future Financial Pressure

It is estimated that there will be a financial pressure in future years resulting from the transition of young people from Children’s to Adult Services.

- **FY 23/24** **£605k**
- **FY 24/25** **£945k**
- **FY 25/26** **£380k**
- **FY 26/27** **£240k (excludes med & low level care needs)**

There is evidence of an increasing number of young people with complex needs related to learning and or physical disabilities living in Midlothian and these figures are estimates based on knowledge of the individual young people who will transition to adult services. With the exception of young people who are looked after responsibility for the provision of social care generally transfers to Adult Services when the young person leaves school. This section sets out the estimated number of people transitioning to Adult Services up to FY 26/27 and the estimated of meeting their care needs.

It should be noted that the estimated and actual cost of care packaged can vary significantly for the following reasons and there is a high probability the actual financial pressure will vary from the estimates:

- The care needs of young people can change considerably in teenage years meaning the actual care an individual requires when they are 18 may differ significantly from what is estimated based on their care needs at an earlier age
- Estimates will exclude children with care needs who move into the Midlothian area
- As funding responsibility changes when young people leave school the timing of transitions can change, although there is now expectation that most young people with care needs will attend school until the completion of 6th year

School Leavers

The following table sets out the estimated number of school leavers and the additional financial pressure this will place on adult services.

	FY23/24	FY24/25	FY25/26	FY26/27
Low / Med Care Needs	15 (£375k)	5 (£125k)	4 (£100k)	5 * (£125k)
High Care Needs	1 (£80k)	4 (£320k)	1 (£80k)	3 (£240k)
Estimated Annual Cost	£455k	£445k	£180k	Upwards of £240k

Notes:

- The number of people with low / med care needs in FY26/27 is an estimate based on historic usage.

- There are a high number of transitions in FY23/24 due to a change in practice in Saltersgate School resulting in pupils attending for a 6th year and deferring their transition to Adult Services.
- The number of people with low medium care needs is likely to be under estimated as more pupils with increasingly complex needs are supported in mainstream schools. (Work is ongoing to identify pupils in mainstream schools with additional care needs.
- The estimated cost for low level care is £25k per year. Typical packages of care for this age group range from £15k (3 days at day service + transport) to £35k (5 days at day service + transport + some respite care)
- The estimated cost for the high level care is £80k per year. The main driving factor in relation this is whether or not individuals can remain in the family home. Typical packages of care for this age group range from £55k (5 days enhanced day service + transport + respite) to £155k (1-1 care 24/7)

Looked After Young People

The following table sets out the estimated number of looked after young people and the additional financial pressure this will place on adult services. For confidentiality no detailed breakdown of costs is provided in this report.

	FY23/24	FY24/25	FY25/26	FY26/27
Number	1	3	1	-
Estimated Annual Cost	£150k	£500k	£200k	

Notes:

- There is one young person in a high cost out of area placement where ordinary residence is being disputed that may transition to Adult Services.
- The exact time of transition may change dependent upon circumstances and availability of appropriate placements.

6. Social Care Spend – National Comparison

Data from 2019³ shows that Midlothian has a higher than average incidence of individuals with a learning disability compared with the Scottish Average. The table below compares each of the Lothian's Local Authorities and the national average.

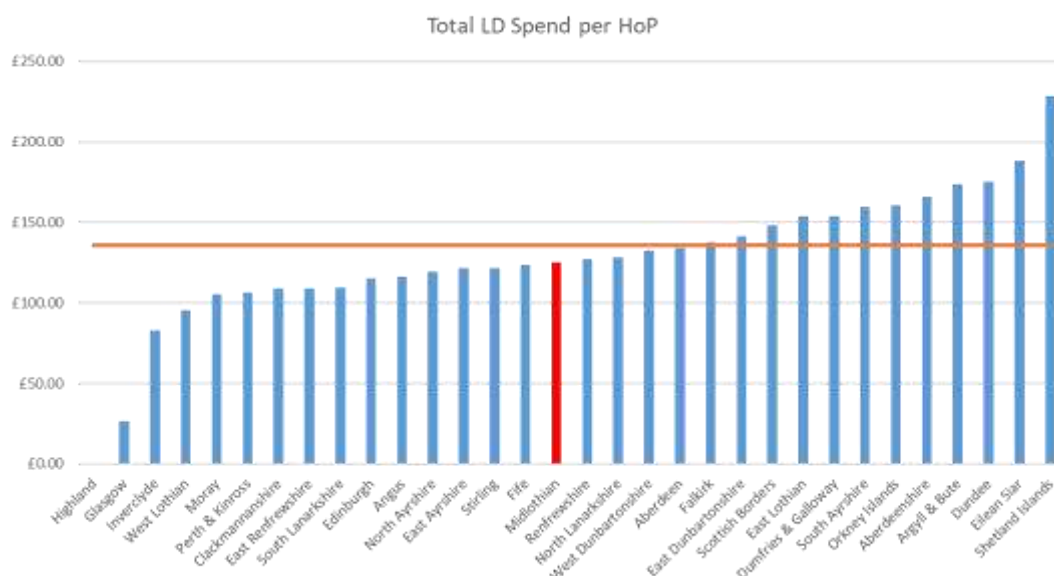
Adults with Learning Disability known to Local Authority⁴

Authority	Number / 1000 or Population	Rank of all Scottish LAs
East Lothian	7.3	4
Midlothian	6.3	9
Edinburgh	5	22
West Lothian	4.7	27
Scottish Average	5.2	-

³ CIPFA Analysis – 2019 data is the most recently available data, more recent data would inaccurate due changes in expenditure patterns during covid-19

⁴ SCLD Learning Disability Statistics Scotland, 2019

The following diagram provides the most recently available comparison of social care spend per head of the population for all Scottish Local Authorities. The source of this data is the CIPFA social care statistic – 17/18 actuals. More recent information is not available.



This shows that the Learning Disability spend per head of population for Midlothian is £125.35. This compares to national average of £135.60.

The above graph generally correlates with the SCLD figures on number of adults with learning disabilities, (i.e. local authorities with greater number of adults with learning disabilities have a greater spend per head of the population. It is notable that while Midlothian has an above average incidence of individuals with a learning disability it has a below average spend per head of population.

7. Lothian Wide Comparison

The following table provides a Lothian wide comparison of Health and Social Care Expenditure. It shows that when health costs are taken into consideration Midlothian’s spend per head of population is relatively low.

The position with respect to West Lothian seems unclear. While they appear to have a lower incidence of individual’s with a Learning Disability than the wider population their costs also seem to be significantly lower than other Local Authorities suggesting there may be a systemic reason for this difference with a likely reason being the data collection methodology.

	Population	Social Care LD Spend /HoP	Inpatient bed usage	Inpatient Spend / HoP	Total H&SC Spend / HoP
East Lothian	103,100	£153.61	5.85%	£4.77	£158.38

Edinburgh	498,000	£114.98	79.82%	£13.44	£128.42
Midlothian	87,400	£125.35	0.28%	£0.27	£125.62
West Lothian	178,600	£95.23	11.32%	£5.33	£100.56

Notes on the above figures:

- Figures for population and LD Spend are from CIPFA social care statistic – 17/18 actuals
- % LD bed usage is calculate based on use in 2018 and 2019
- Inpatient annual spend is £8.4m per year
- 2.73% inpatient bed usage for non-Lothian patients

PART B – FINANCIAL GOVERNANCE

8. Changes to Care Packages

Over a normal year there will be a significant number of changes to care packages as a result of:

- Increased / reduced support needs due to changes in circumstances / conditions
- Life events such as transitioning from school, leaving home, growing old
- Changes to shared living services that can effect shared support

The table below highlights the number of resource panel requests agreed in the past three years. This highlights a significant level of oversight activity given there are around 400 individual with a Learning Disability in receipt of a package of care. It also highlights the volume of changes to packages of care in any year and the level of ongoing assessment & review activity taking place each year with each resource panel request being signed off by a Service Manager. The resource panel includes team leaders from both health and social care and a finance representative ensuring there is robust review of the decision making. The increased volume in FY21/22 will reflect changes in care packages to accurately reflect care being provided during covid remobilisation.

<u>Panel Requests Type</u>	<u>FY 19/20</u>	<u>FY 20/21</u>	<u>FY 21/22</u>
Non-Residential Resource Request *	229	143	383
Non-Residential Decrease/Change of use	21	49	<i>tbc</i>
Residential Resource Request	27	26	44
Total	277	218	427

** It should be noted that the reductions in service can also be included in Non-Residential Resource Request.*

9. Reviews

A key are of governance around packages of care is the completion of regular reviews or care provision. The following table outlines the key measures in place to track performance and the actual performance as of March 2022

Cases with Assessment / Review	% of Cases	% of Expenditure
Within the previous year	49%	49%
Within the past two years	65%	66%

Work continues to improve the timescales since the last assessment / review, but this has been challenging for the following reasons:

- **Covid-19** – This put additional pressures on the team to respond to operational demands to ensure the continued provision of critical services which led to reviews taking a lower priority. There were also practical issues completing thorough reviews while covid-19 restrictions restricted direct work with clients and limited opportunities to explore alternative and more cost effective options for service provision.

- **New referrals** – There has also been a steady flow of new referrals to the LD team. These are frequently associated with changing care needs and / or incidents (including ASP) that require a social work response. Responding to these referrals can impact the capacity to take on reviews however the risk of not responding promptly to these referrals is that care provision is increased by default without robust scrutiny.
- **Review Complexity** – Where care packages have not been reviewed for a significant period of time there is frequently a complexity about the reviews that mean they can take additional time to resolve. A dedicated worker has been progressing completing reviews focused on the cases with the greatest length of time since the last review and this work is now making an impact on the average time since the last review for all cases.

10. Managing Overall Expenditure

An area for consideration is the amount of scope there is in practice for managing the overall expenditure on Learning Disability service provision. The following table outlines some key points for consideration.

Area	% of exp.	Scope for Change & Risk	Actions to Manage Expenditure
20 most expensive care packages (cost greater than £139k)	25%	The 23 most expensive packages all cost in excess of £139k and account for 25% or overall LD social care spend.	Individual scrutiny of packages of care
Packages between £88k and £139k	25%	Approx. 37 packages that cost between £88k and £139k account for 25 % of all expenditure	Consider extending individual analysis of these care packages
Respite provision	4%	While there is scope for reducing this area of expenditure there is a risk of unintended consequences. One or two placement breakdowns would more that negate any savings in this area.	Continue to ensure respite provision is aligned to risk of placement breakdown
Packages under £27k	10%	Scope of change but little influence on overall bottom line	Continue to manage through reviews process / resource panel
Day Service Provision	11%	Review service provision as part of covid remobilisation	Work is being progressed with day service providers both individually and collectively

11. Transformation Projects

In addition to reviewing individual packages of care it is recognised there is a need for transformational initiatives that will result in changed models of care that facilitate more cost effective service provision.

- **Extra Care Housing** – The planned provision of extra care housing will provide increased opportunities for shared support for individuals in their own tenancies.
- **Day Service Provision** – Covid-19 has had a significant impact on the day to day delivery of day services. Despite this work is continued to ensure that as part of the remobilisation of day services there is an element of reconfiguration to ensure more cost effective provision.
- **Positive Behavioural Support (PBS)** – The disaggregation of PBS services is allowing more targeted responses when individuals present challenging behaviour. There is evidence of this already starting to have a positive response and ensure that increased staffing ratios does not become the default response when individuals display challenging behaviour.
- **Transport & Taxi Provision** – Work is being undertaken to prepare for the recommissioning of transport provision which should lead to more consistent and cost effective pricing structure.

While these project will aim to reduce overall financial commitment there is a risk of any reduction in commitment being offset by financial pressures arising from transitions from Children’s services the demographic pressure of an aging learning disability population. As part of the new proposed reporting arrangements work will be done to assess the financial impact of these new transitions.

12. Future Actions

It is recognised that there is an ongoing need to understand the cost base of LD services. It is therefore proposed that work is carried out to understand the budget for the FY 22/23 and compare it to the analysis of expenditure pre-covid. The analysis will aim to identify and quantify any changes in the underlying cost of LD services. This will include a more detail analysis of the impact of recent and future transition cases and how any change in the underlying costs could be contributing to ongoing financial pressures.

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05/08/22