

MEETING:	ADULT SOCIAL CARE AND STRATEGIC HOUSING SCRUTINY COMMITTEE
DATE:	26 JULY 2010
TITLE OF REPORT:	REVENUE BUDGET MONITORING REPORT 2010/11
PORTFOLIO AREA:	ADULT SOCIAL CARE, HEALTH AND WELLBEING

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

- 1 To advise members of the committee of the financial position for Adult Social Care and Strategic Housing revenue budgets for the period to 31st May 2010. The report lists the variations against budget at this stage in the year and a projected outturn for the year.

Recommendation(s)

THAT

- (a) **the report be noted;**
and;
- (b) **areas of concern continue to be monitored.**

Reasons for Recommendations

- 2 To enable the Committee to carry out its function in relation to the Adult Social Care and Strategic Housing revenue budget for 2010/11.
- 3 A detailed Budget Monitoring Report to 31st May 2010 is attached at Appendix 1 for Members' consideration.
- 4 The Adult Social Care budget sits within the Integrated Commissioning Directorate whilst the Strategic Housing budget sits within the Sustainable Communities Directorate.
- 5 The summary position is set out in the table below, and provides the current view of forecast outturn which was predicted throughout the year. The forecast outturn for May is predicting a £1.5m overspend for Adult Social Care and Strategic Housing to come in on budget.

	Annual Budget £000	May 10 Net Forecast (Over) or Under spend £000
Older People	14,820	(709)
Learning Disabilities	11,562	(540)
Physical Disabilities / Sensory Impairment	3,896	(256)
Mental Health	7,402	0
Commisioning Directorate	1,620	0
Section 75 Arrangements	936	0
Adults	(2,215)	0
Other Services	274	0
Total Adult Social Care	38,295	(1,505)
Strategic Housing	1,809	0
Total	40,104	(1,505)

Note: Other Services include Public Contact, Provider Services, Needs Analysis and Transport.

Adult Social Care

6 The Budget for 2010/11 was put together based on the following assumptions:

- i) Demographics. The number of clients within Older People is based on an increase of 18% over the next 5 years as stated in the JSNA. For all other client groups the percentage rise is based on prior year trends. Learning Disabilities will rise by 8% where it is anticipated clients transferring from Children's Services will have more expensive packages. Physical Disabilities will increase by 23% .All these percentages exclude homecare, which has assumed between 5% and 10% rise based on previous year trends. As part of these assumptions any new clients built in as being offered Personal Budgets.
- ii) Inflation. There is no inflation on basic pay but 4.08% on superannuation. 2% client income. Provider contracts have been budgeted using new provider rates or contracted rate where known.
- iii) Financial Resources Model increases to the Base Budget include:
 - £279k for Learning Disability transitions from Children's Services.
 - A 4% increase in Older People with dementia £162k
- iv) Savings measures
 - Reduction in the number of contract voids by 35% within older people £450k
 - Use of STARRS service to put in reablement and reduce the need for long-term homecare £159k
 - 30% saving on packages transferring from Transitions £84k following re-modelling of care packages from Children's Services.
 - Reduction of 5% in supplies and services non-pay budgets (excluding. Equipment, voluntary organisations and supporting people) £74k
 - Disinvestment in Meals on Wheels £60k

- v) Area Based Grant will be cut by 6% which has an impact of a £194k reduction in grant income for 2010/11. Due to the decrease in grant funding by Central Government the partnership are reviewing all uncommitted grant expenditure; Mental Health Capacity £52k, ASC Workforce £100k, LDDF £24k and £330k Supporting People underspend. Which may, be re-allocated to other areas.

7 The Net Budget is set out in Appendix 1.

8 2009/10 was the first full year of the implementation of Personal Budgets. Clients have been encouraged to take Personal Budgets where appropriate and there has been a 134% increase in take up in 2009/10. This trend is likely to continue into 2010/11 and there is an overall target of 30% of clients to receive a Personal Budget by November 2010.

9 A key area of overspend is Learning Disabilities (anticipated to be £709k).

- The full year anticipated over spend relates to increased costs in:
 - a) The uses of expensive packages for clients with more complex needs. This was a problem last financial and these packages will continue. It is assumed an 8% increase in the number of clients supported in the 2010/11 budget.
 - b) An increase in the number of new clients choosing to take personal budgets. In 2009/10 the number of clients taking up personal budget increased from 36 to 53. Increased awareness of Putting People First programme will allow greater choice and flexibility of care delivered to meet assessed need. The increase built into the assumption for 2010/11 is to increase by a further 15% to 61 packages.
- Service managers are currently reviewing the suitability of care provision and where possible the implications of transfer to a more independent lifestyle. This may involve, the de-registration, of registered care homes or the transfer of clients into supported accommodation. . Also the suitability of transferring clients placed 'Out of County' is being reviewed. Although, it is a long process involving families, clients and the relevant local authority where benefits are not often realised for a period of time.
- The Independent living Fund have recently announced the withdrawal to accept any new applications for funding in order to protect existing claims and also there will be no inflation increases. Grant payments will remain at the 2009/10 rates. The impact of loss of new claim income would be £43k for the year depending on the start date for ILF.
- There will be an increase in spend due to the transition of clients from children's services which if transferred at current cost level will have an impact of £279k in 2010/11. There is a further pressure due to the reduction of Learning and Skills Council funding for those clients going into further education.

10 Older People overspend is (£540k).

- The numbers of residential and nursing care packages are rising and more expensive packages put in place due to more complex needs. It is anticipated that due to demographics the number of older people requiring care will rise and 3% increase in the number of packages 2010/11 budget.
- Domiciliary care was over spent by £1,023k last financial year. The number of hours and packages is expected to continue to rise and built into the 2010/11 budget is an increase of 10%.

- The number of residential voids as a percentage of contracted places dropped during 2009/10 to 10% at the end of March 2010. At the end of May 2010 the level of voids had not changed. Based on an average cost of £530 per week, the annual value of unused residential voids would be £577k. Actions to tackle this are dependent on renegotiation of the Shaw contract, now underway
- Day care voids have reduced to 37% of the total number of places at the end of March 2010. Based on an average of 30% voids for the year, the annual value of unused day care voids is £400k. Actions to tackle this are dependent on renegotiation of the Shaw contract, now underway
- A target for the level of voids is set at 5%. Part of the recovery plan includes a reduction in voids of 40% for 6 months of the year.

Supporting People

- 11 The final outturn for 2009/10 gave an, underspend of £2,672k which has been carried forward into 2010/11.
- 12 For 10/11 the underspend will be allocated as follows:
- | | |
|----------------------------------|---------|
| Pilot Projects | £627k |
| Social Care SLA | £500k |
| Supported Lodgings (SHYPP) | £95k |
| Shortfall in current commitments | £1,120k |
- This leaves an, underspend of £330k which has been used to cover the cut in the ABG.
- 13 The Grant is now part of the Area Based Grant and is assumed in the Budget to be top-sliced by 6% (£336k) leaving £5,257k.
- 14 The Team are reviewing principles for setting eligibility criteria for Supporting People services.

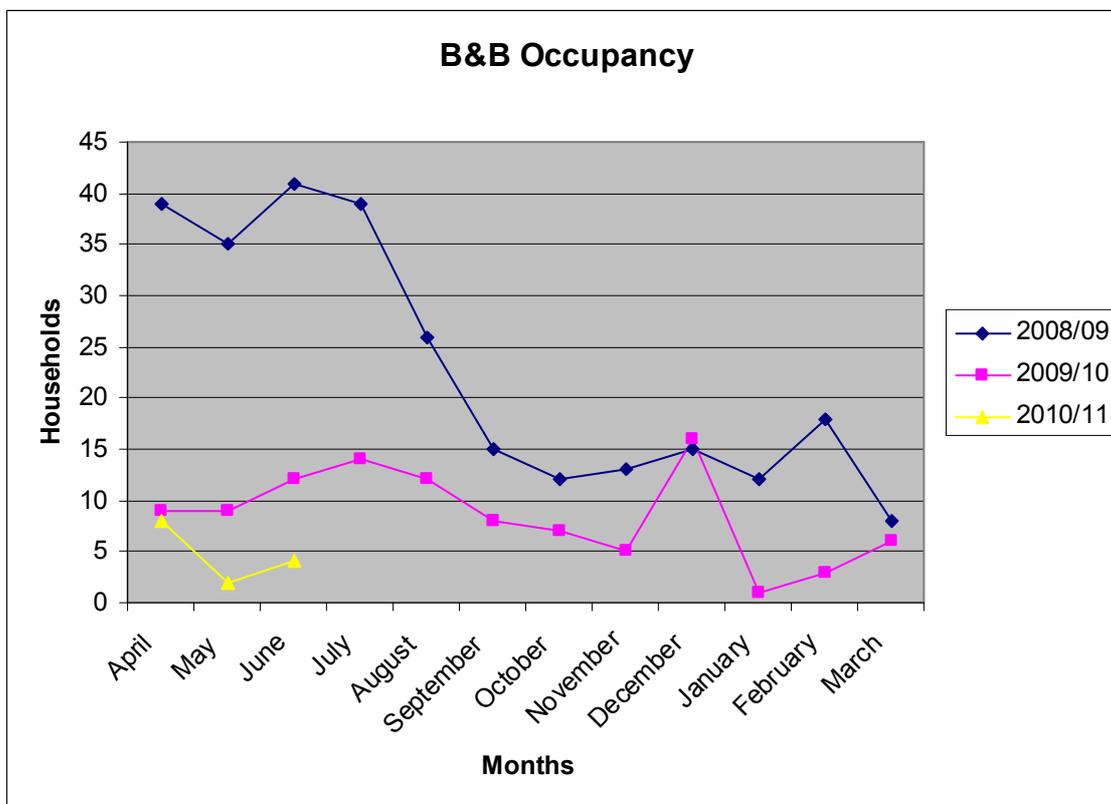
Strategic Housing

- 15 The 2010/11 Budget for Strategic Housing is £1,809k.
- 16 The Medium Term Financial Strategy approved by Council sets the broad framework for service revenue budgets for 2010/11 and onwards. Inflation was added to direct employee pension costs and income target for client and customer receipts were increased by 2%.
- 17 The strategy also made assumptions in relation to council tax increases and levels of formula grant funding over the next three years, the impact of these assumptions translated into specific savings targets for Directorates.
- 18 The current budget savings are identified in the table below :

Budget Description	Savings
Homelessness	-64,080
Housing Needs Development Team	-11,100
Head of Strategic Housing	-15,000
Private Sector Housing	-34,820
Total	-125,000

5. An additional budget of £20k has been received to finance the increased contribution to West Housing Market Partnership – this links into the work being done with Shropshire County Council.

6. There has also been a £10k reduction in budget for Connects in respect of the Homelessness Module of Abrisas that has been purchased. It is envisaged that efficiency savings will be made from having this system which is theoretically paperless.
7. Following the general election the new coalition government has strongly indicated the scale of future reductions in public sector funding and the savings targets are certain to increase following the upcoming budget announcement. The strategy for managing this is currently being considered by the Joint Management Team.
8. Strategic Housing is projected to spend to budget.
9. The graph below shows the occupancy of Bed and breakfast at the end of each month in 2008/09, 2009/10 and 2010/11 to date. As can be seen the use of B&B is significantly lower at the beginning of this financial year compared to both previous financial years..



The following table illustrates that the reduction in total B&B numbers which started in the last half of 2008/09 was sustained through 2009/10 and into the beginning of this financial year. As at the end of June 1 Family and 3 single people were in receipt of B&B.

Category	April	May	June
Families with children	1	1	1
Other(couples, siblings)	0	0	0
Single	7	1	3
Total	8	2	4

Adult Social Care Recovery Plans

Recovery Plans for 2010/11:

Objective	Progress to Date	Lead	Deadline Date	Potential Saving £k
Review of voids in existing contracts to ensure maximum value is being achieved.	There is currently a review of the Shaw contract. It is assumed that if voids are reduced by 40% for 6 months following the review the saving will be £129k.	Wayne Welsby	Oct 2010	129
Review of voids in existing contracts to ensure maximum value is being achieved.	The contracting team are to review the services contained in all block contracts (excluding Shaw) to ensure that the services contained are still required by clients. A new post for brokerage support is to be advertised which will help with specialism for Learning Disabilities	Martin Smith	Oct 2010	30
Review of daycare services .	Renegotiation of contracts after review of service which is due in September 2010. Daycare voids reduction assumed to be 40% for 6 months would be a saving of £18k	Sharon Pugh / Lydia Bailey	Sept 2010	18
Surpluses on Direct Payments	The exchequer team is looking at ways of ensuring that direct payment surpluses are collected in a timely manner, with the possibility of moving to monthly payments instead of quarterly. In the first 2 months of 2010/11, surpluses recovered amounting to £17k. Based on this potential for the year could be £100k.	Darren Birch	Sept 2010	100
The implementation of electronic monitoring	This is in order to ensure that more verification and payment of actual hours delivered during 2010/11 for homecare. Other authorities have realised a saving of 5% on home care. Following this implementation with full working from January 2011, this could be a saving of £120k this financial year.	Paul Griffiths	Jan 2011	120
Use of STARRS service to put in reablement and reduce the need for long-term homecare.	Savings figure is based on the reduction of unit cost within the STARRS service (from £70ph to £45ph) and therefore reducing the need for Spot purchase homecare. £159k	TBC	Nov 2010	159
			Total	556

Further measures identified for present and future financial stability include:

- Supported Living - A review of costly Learning Disability packages where opportunities exist to transfer clients into supported living.
- Review all expensive out of county placements - Service Managers are currently working on agreeing clients that may meet the criteria and review high cost packages that may benefit

from other care options.

- Review Personal budgets where costs exceed previous client packages.
- Charges on property - The exchequer team is looking at ways of ensuring that the charges on property are attributed effectively and efficiently. The team are implementing processes for the automatic default to legal charge on property on admission to residential care. This will assist, in the reimbursement of cost of packages to be more effectively and promptly reclaimed.
- Charging Policy review - Paper will be presented to Cabinet for changes to the charging policy including whether some services could become chargeable.
- Review in-house services - Plans to improve efficiency and value for money for all Council provided services.
- The new standard rate for residential care is being rolled out to providers and due to become effective on 1st April 2010. Contracts are currently working with providers where they are providing information on an open book basis in order to establish a new standard rate.
- Training on the fair funding calculator is underway with care managers and social workers. This will assist them in having more accurate cost information on what type of package cost should be appropriate for a specific clients need. This is likely to achieve cost savings in 2010/11.
- Extensive use of telecare as a first response to reduce the dependency on personal care.

Further Pressures

- Safeguarding. There has been an increase in the number of safeguarding referrals over the past 12 months as there has been greater awareness of the team. This has led to an estimated increase in activity of 50% and has impacted on the workload for social workers and safeguarding team. The team has been set up but currently no budget is allocated. £230k is the cost of the current Safeguarding Team for the 2010/11 financial year.
- The Area Based Grant has been top sliced by 6% thus reducing the Mental Health Capacity Act Grant, Mental Health Grant, Preserved Rights and Carers Grant for next year. The Acting Director of Adult Social Services is putting in a bid to gain the shortfall in funding, in order that it minimises the impact on service provision.
- Recent changes to the ILF criteria will reduce the number of clients that can claim this funding. No more applications will be approved and inflationary increase to current awards will also not be applied. Potentially this could impact by £43k dependant upon when it applies from.

An action plan to implement, monitor and review the recovery actions is in place and is regularly reviewed by senior management and financial services.

The Director is currently working on the identification of where further savings will be made within the service. This will be reflected in future reports.

Financial Implications

30. These are contained in the body of the report.

Legal Implications

31. None

Risk Management

32. The risks are set out in the body of the report in terms of the potential over spend. The report notes the actions planned to address this potential overspend.

Consultees

33. Not applicable

Appendices

Appendix 1 - Revenue Budget Monitoring Report for 2010/11 Period to 31st May 2010