

MEETING:	ADULT SOCIAL CARE AND STRATEGIC HOUSING SCRUTINY COMMITTEE
DATE:	24TH SEPTEMBER 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 July 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 July 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 July is predicting a £2.26m overspend for Adult Social Care and Strategic Housing to come in on budget.

	Annual Budget £000	July10 Net Forecast (Over)/Under spend £000	Budget Virements	Projected Net (Over)/Under spend £000
Older People	15,021	(1,841)		
Learning Disabilities	11,611	(1,380)		
Physical Disabilities / Sensory Impairment	3,895	(694)		
Mental Health	7,407	(111)		
Adults	(2,198)	(151)		
Section 75 Arrangements	936	(55)		
Other Services	201	(48)		
Commissioning Directorate	1,620	0		
Total Adult Social Care	38,493	(4,280)	2,019	(2,261)

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

Adult Social Care

6. The final outturn position for 2009/2010 was an over spend of £2.7 million. This was aided by £800k of Supporting People money to assist with the deficit and £200k of Capital grants. This was a one-off occurrence and thus gives a baseline starting deficit of £3.7m. For 2010/11 these funding issues have been brought forward, although the £2m budget virement will mitigate some of this effect.
7. The Budget for 2010/11 was put together based on the following assumptions:
 - a. 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%. These demographic increase estimations exclude homecare, which has assumed between 5% and 10% rise based on previous year trends. As part of these assumptions any new clients are built in as being offered Personal Budgets.
 - b. 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.
 - c. Financial Resources Model growth increases to the Base Budget include:
 - £279k for Learning Disability transitions from Children's Services.
 - A 4% increase in Older People with dementia £162k
 - £700k for inflation
 - d. FRM savings applied:
 - 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
- e. Area Based Grant was cut by 6% which has an impact of a £194k reduction in grant income for 2010/11.
8. Budget has been identified within the Corporate Budgets for safeguarding (£200k). A business case for the budget virement was submitted and approved. The July position reflects this addition in budget.
 9. The July forecast is a net overspend of £2.26m. This is based on existing commitments projected forward in combination with a realistic forecast of the recovery measures of £929k that has been identified and a further £1m yet to be identified and costed. There is a further £2m of budget to be vired from the corporate centre.
 10. There has been an increase from May's projection due to an increase in respite care predicted to be £105k, connects saving s £151k, £33k due to Hillside overspend, £88k predicted overspend on the Community Equipment Store. Domiciliary care is predicted to rise across all areas, especially in older people of £278k and residential care in older people of £115k. This is offset by some savings in public contact of £56k
 11. Older People predicted overspend is £1,841k.
 - The numbers of residential and nursing care packages are rising and more expensive packages put in place due to more complex needs. Last financial year resulted in an over spend of £221k. It is anticipated that due to demographics the number of older people requiring care will rise and built into the budget is a 3% increase in the number of packages. Year to date there have been 3 new nursing and 10 new residential packages. Predicted over spend £115k
 - Domiciliary care was over spent by £1m last financial year. The budgets assumed a 5% rise on top of the actual spend for last year. Year to date there is an overspend on the budgeted figure of £164k, thus the predicted outturn has been increased to reflect this, a rise of £278k.
 - The number of Personal budgets was expected to be the area to grow. There have been no new packages approved year to date and the forecast has been reduced by £392k to reflect this
 12. Learning Disabilities anticipated to be £1,380k over spend.

The full year anticipated over spend relates to increased costs in:

- 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.
- 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.
- Care homes deregistering. Although it is generally thought that this is cost neutral, during July one client has now become ordinary resident in Herefordshire due to a home deregistering, thus costing £65k this year. There is a danger that this could happen in other homes creating a further pressure on the budget.
- The age of carer's supporting Learning Disability clients. There are currently 17 carers

over the age of 80 and potentially would be unable to care for the clients putting pressure on the Learning Disability budget

Supporting People

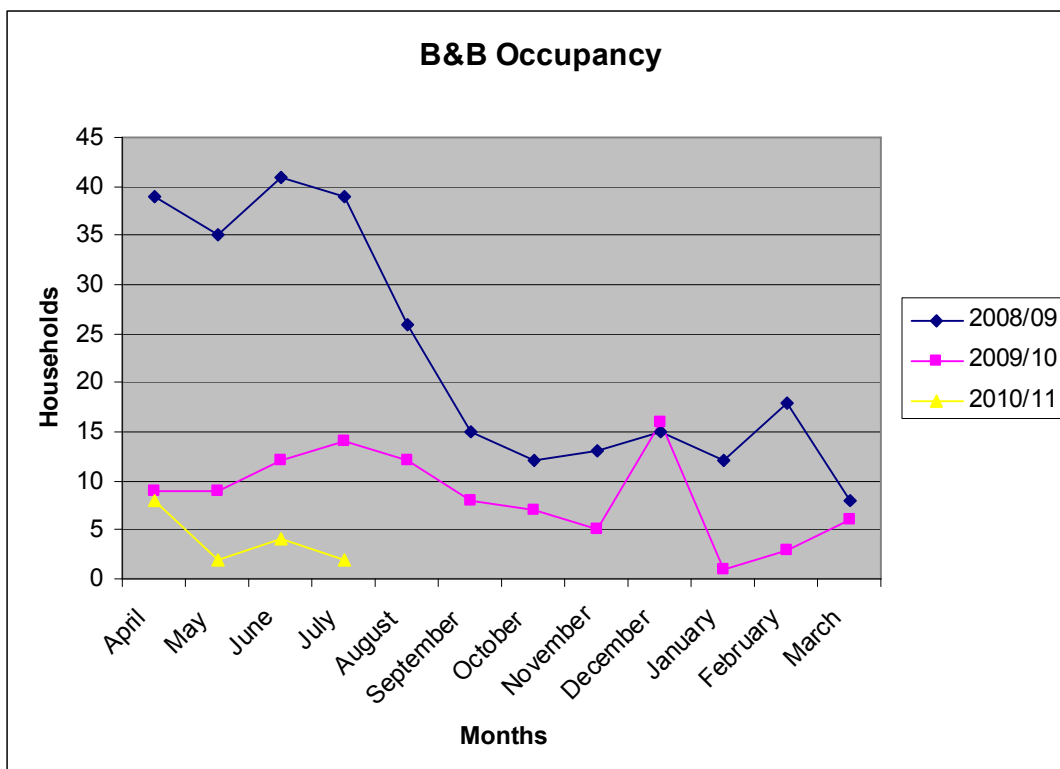
13. The final outturn for 2009/10 gave an underspend of £2,672k which has been carried forward into 2010/11.
14. For 10/11 the underspend will be allocated as follows:

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.
15. 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.
16. The Team are reviewing principles for setting eligibility criteria for Supporting People services, that will mitigate potential overspend in future years.

Strategic Housing

17. The 2010/11 Budget for Strategic Housing remains the same as last reported at £1,809k.
18. Strategic Housing is projected to spend to budget
19. 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 in the first four months of this financial year



20. 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 2010/11. As at the end of July 2 single people were in receipt of bed and breakfast.

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

Adult Social Care Recovery Plans

21. 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. This year reduction in voids has so far given a saving of £60k	Wayne Welsby	Oct-10	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-10	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. Voids currently stand at 43% of contracted places.	Sharon Pugh / Lydia Bailey	Sep-10	18
Surpluses on Direct Payments	The exchequer team is looking at ways of ensuring that direct payment surpluses are collected in a timely manner. Moving to monthly payments instead of quarterly is likely to be implemented from April 2011. Potential for the year could be £100k.	Darren Birch	Sep-10	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, although there is a delay in the implementation of the finance module link with Frameworki	Paul Griffiths	Jan-11	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. Criteria and capacity within the service needs to be assessed. If STARRS cannot meet the criteria for reablement the savings will not be achievable	TBC	Nov-10	159
Review of Out of County Placements	Review process where the OOC placement is higher than in-county. Other forms of care should be explored i.e. move to supported living. One client in Physical Disabilities has been negotiated with a repayment due to £63k. Other areas are being assessed on a regular basis	Service Managers	Sep-10	63
Transitions	Re-assess clients coming through transitions from children's services	LD Area	Dec-10	84
Review procedures for agreeing client top-up payments to reduce the current level of costs	Review of Midland Heart contract	Lydia Bailey	Sep-10	26
Safeguarding	Movement of Budget from Corporate	Finance	Aug-10	200
			Total	929

22. Recovery Plan Actions already achieved include:

- Out of County Placement £63k
- Residential voids within the Shaw contract have reduced from 12% to 10% with a saving of £60k

23. 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. Mental Health has produced a detail report of all Out of County placements. There maybe some clients that could benefit but it is unlikely to produce any savings this financial year.
- 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 the cost of packages to be more effectively and promptly reclaimed.
- 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.
- Charging policy review. The charging group is due to meet in September to review current charging policy and areas that could be considered.
- New ways of working. Telecare and self assessment.

24. Further Pressures

- Safeguarding. £200k budget has been approved to cover the Safeguarding Team. The current cost for the team is estimated to be £230k. There remains a pressure on the social work teams as the numbers of referrals have increased. However it is usual in other areas for other agencies to contribute to the cost of safeguarding and Herefordshire does not receive contributions from other agencies.
- Due to the decrease in grant funding by Central Government the partnership are reviewing all uncommitted Area Based Grant expenditure; Mental Health Capacity £52k, ASC Workforce £100k, LDDF £24k and £330k Supporting People underspend. Which may, be re-allocated to other areas
- 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.
- Reablement The new Hereford Intermediate Care Team has been formed integrating health and social care services. Since the set-up there have been a number of cases where requests have been rejected due to the tightening of criteria. Consequently there has been an increase in the number of homecare packages at panel due to the inability to utilise reablement services.
- Legal challenge for Tenancy Agreements. There is currently a case proceeding through the courts challenging the capacity of understanding of a learning disability client to complete a tenancy agreement. The outcome could set a precedent and the financial impact will mean the inability to claim housing benefit. This will involve the transfer of client back into registered care.
- Reduction in Supporting People Services. Following contract review there has been a reduction in contracted hours for support such as the `shopping service` which has lead to an increase in homecare hours put forward to panel.

There is a robust process in place for reviewing and approving cases at panel each week.

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

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

Legal Implications

26. None

Risk Management

27. 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

28. Not applicable

Appendices

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

Appendix 2 – Activity data relating to Adult Social Care