

MEETING:	ADULT SOCIAL CARE AND STRATEGIC HOUSING SCRUTINY COMMITTEE
DATE:	6TH DECEMBER 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 the Committee of the financial position for Adult Social Care and Strategic Housing revenue budgets for the period to 30th September 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) **Ensure that the delivery of the recovery plan to mitigate the level of overspend takes place.**

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 30th September 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 September is predicting a £3.81m overspend for Adult Social Care and Strategic Housing to come in on budget.

	Annual Budget £000	Sept 10 Net Forecast (Over)/Under spend £000
Older People	13,190	(2,016)
Learning Disabilities	11,612	(1,607)
Physical Disabilities / Sensory Impairment	3,896	(1,293)
Mental Health	7,407	(917)
Section 75 Arrangements	936	(69)
Adults	(160)	2,093
Commissioning Directorate	1,620	0
Other Services	2,032	(5)
Supporting People	0	0
Total as per finance ledger	40,533	(3,814)
Anticipated Budget Allocation (ABG)	2,864	0
Total	43,397	(3,814)

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

Adult Social Care

6. The September forecast is a net overspend of £3.81m. This is based on existing commitments projected forward in combination with a realistic forecast of the recovery measures of £2.008m (see Appendix 3). During August virements from corporate were undertaken, £200k was transferred for safeguarding, which is included in the 'Other Services' area above and £2.019m budget was transferred which is included in the 'Adults' section in the above table. This will be allocated to the service areas.
7. The new standard rate for residential care has now been implemented. The payments to providers have been backdated to the 1st April 2010. This resulted in a further in year cost pressure of circa £500k. which was to be funded by the reduction of voids and use of contract inflation built into the budget setting.
8. **Changes since the last report.**

There has been an increase from July's projection by £1.554m, this is due to:

Older People increase of (£11k):

- Increase in Domiciliary care packages approved (£113k),
- Increase in the number of residential (8) and nursing care packages (4) costing (£103k),
- Staffing costs have increased due to agency staff employed to cover vacancies (£17k) over and above the vacancy budgets,
- Savings in Personal Budgets, no new packages have been taken up, resulting in a saving of £222k

Learning Disabilities increase of (£325k):

- Increase in Domiciliary care hours approved above those included in the budget (£318k),
- There has been 1 residential package approved not originally included in the budget. This was a high value transition service user (£74k),

- 7 new Personal Budgets have been approved above budget (£102k)
- There have been savings in the block contracts £122k. As homes deregister, clients are reassessed and their contributions have increased,
- Savings in contracts placed with voluntary organisations £47k due to contracts ending.

Physical Disabilities increase of (£323k):

- Increase in Domiciliary care packages (£303k),
- Increase in the approval of Carer's breaks (£45k)
- Increase in 1 direct payment after a review of a client (£12k)
- Increase in the standard rates for residential & nursing care homes (£14k)
- There is a saving of 1 package in supported accommodation £19k. The non take up of a head injuries place has saved £24k. Personal Budgets have been less than originally included in the budget, thus saving £8k

Mental Health increase of (£845k):

- Increase in Domiciliary care packages (£314k). This includes some expensive intensive care packages with 'action4housing'. These will be reviewed on a regular basis.
- Increase in the number of residential and nursing care packages has not reduced by the number anticipated in the budget, thus overspend anticipated (£121k). At the start of the year there were 209 packages, anticipated to fall to 186 by the end of September. The actual number has fallen to 202, 16 clients above budget. Part year backdated packages totalled (£46k)
- Increase in the standard rates for residential and nursing care homes (£327k)
- There has been an increase in the use of respite (£38k)
- The number of Carer's breaks provided has increased (£72k)
- Personal budgets are 3 below the budget at the end of September, saving £41k, there is also a £32k saving for 1 drug and alcohol package not utilised.

Section 75 increase of (£9k):

- Increase in purchase of equipment for the Community Equipment Store (£9k)

Other (£41k) increase:

- The implementation of the EMS system was included in the recovery plan assuming a saving this financial year of £120k. Because of the phased set up and implementation, the savings are more likely to be realised next financial year. Thus the recovery plan was reduced by (£120k)
- There was an increase in budget from reserves to cover the payment of the Supporting People OCC maintenance £18k
- Savings have occurred due to the delay in filling the Self Directed Support Officer post, £26k, and vacant posts within the Intermediate Care Team £35k.

Full Year Projections include:

9. Older People predicted overspend for the year is £2,016k.

- The numbers of residential and nursing care packages are rising over and above the

expected demographic increase of 3% and more expensive packages put in place due to more complex needs. Last financial year resulted in an over spend of £221k. Year to date there have been 4 new nursing and 8 new residential packages resulting in a predicted overspend of £160k.

- Domiciliary care was over spent by £1m last financial year and therefore 2010/11 base budgets were increased to reflect this plus an additional 5% was built in for demographic increase. The year to date overspend is £161k, which is a result of an increase in homecare hours delivered by 25% compared to the same period last year. It is anticipated that these packages will continue resulting in an overall overspend of £391k.

10. Learning Disabilities anticipated to be £1,607k over spend.

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

- The use of expensive packages for clients with more complex needs. This was a burden last financial year and these packages will continue. It is assumed an 8% increase in the number of clients supported in the 2010/11 budget along with the assumption that there will be additional transitions packages. There is an, underspend anticipated of £138k due to the expectation that more clients would move into Supported Accommodation and their contributions increased. During September there were 2 high value packages approved costing (£192k) for the rest of the year. The full year projection is now predicting an overspend of (£54k)
- As the Personalisation Programme is more widely known and promoted allowing greater choice and flexibility to meet care needs, there has been an increase in the number of new clients choosing to take personal budgets. In 2009/10 the number of clients taking up personal budgets increased from 36 to 53. The increase built into the assumption for 2010/11 is for a further 15%, increasing the number to 61 packages. The number has already reached 73, 16 above budget giving an overspend of (£145k). Direct Payments are predicting £33k underspend. Direct Payment packages are costing less than anticipated year to date with surpluses being refunded.
- Domiciliary Care. Packages have increased year to date. Year on year the number of hours has increased by 38% to September, therefore the yearly forecast has been adjusted to reflect this, predicted (£277k) over spend.
- There are currently 17 long term carers over the age of 80 supporting Learning Disability clients and potentially would be unable to care for the clients putting pressure on the Learning Disability budget. Potential pressure of (£78k) for future years
- The impact of the changes in criteria for ILF funding has been built into the projections. It has been assumed that no new cases will gain funding and no inflation will be applied to current packages, built into the forecast (£43k)

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:

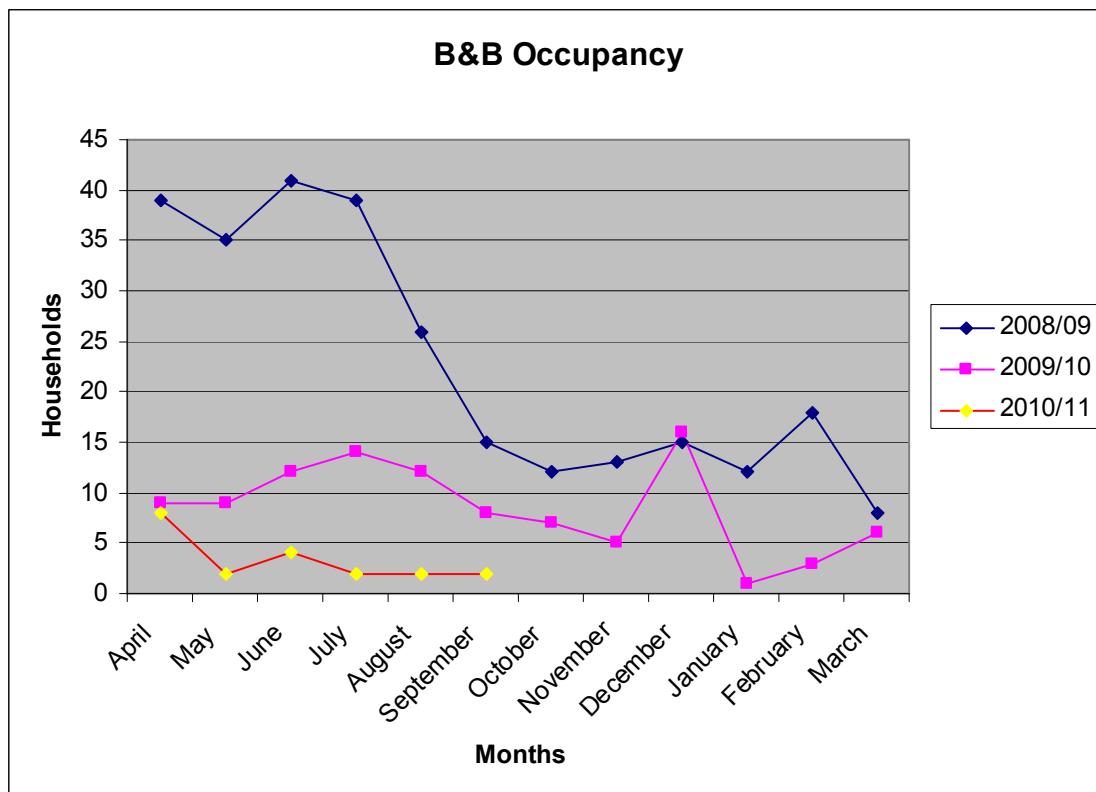
Pilot Projects	£542k
Social Care SLA	£500k
Additional Social Care SLA	£595k
Shortfall in current commitments	£735k

This leaves an underspend of £300k. The Council is reviewing current expenditure to ensure it maximises funding from Supporting People and it is currently underway.

13. Integrated Commissioning are met with providers at the Supporting People forum on the 11th November 2010 and will be working with the providers to assess existing contracts, analyse impact of any proposed changes in service and develop commissioning intentions from 2011/12. This will be done closely with Transition Board and the Herefordshire Partnership Working Groups.

Strategic Housing

15. The 2010/11 Budget for Strategic Housing has increased by £37.5k to £1,846k. This is due to the receipt of the general contribution from Social Care towards the running costs of the Handyman Service, which sits within the Private Sector Housing Team. The work undertaken by this team enables and supports people to remain in their own homes. Examples of the work undertaken by this team include the fitting of grab rails and showers and the carrying out of minor repairs and security improvements.
16. Strategic Housing is projected to spend to budget.
17. 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 six months of this financial year compared to the same period in either 2008/09 or 2009/10.



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 September 1 family with children and 1 single person were in receipt of bed and breakfast.

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

Adult Social Care Recovery Plans

21. **Recovery Plans for 2010/11:**

Detailed Recovery Plan is included in Appendix 3

22. Recovery Plan Actions already achieved and within projections include:

- Capitalisation of Community Equipment £4k
- Surpluses regained from deferred payments £43k

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.
- 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. The Telecare Steering Group is looking at modelling the service within all service areas, investigating areas that would benefit from extra capacity.
- Charging policy review. The charging group met in September to review current charging policy and areas that could be considered. A proposal is being written for review.
- New ways of working. Telecare and self assessment.

Further Pressures

- Safeguarding. £200k budget has been approved to cover the Safeguarding Team. The current cost for the team is estimated to be £248k. 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

- 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 result in 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 led to an increase in homecare hours put forward to panel.

A recovery plan of £2.008m was developed by the Acting Director of Adult Social Services to support the delivery of the current overspend.

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 30th September 2010

Appendix 2 – Activity data relating to Adult Social Care

Appendix 3 – Adult Services Recovery Plan 2010/11