

<b>MEETING:</b>	<b>ADULT SOCIAL CARE AND STRATEGIC HOUSING SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>24<sup>TH</sup> JANUARY 2011</b>
<b>TITLE OF REPORT:</b>	<b>REVENUE BUDGET MONITORING REPORT 2010/11</b>
<b>PORTFOLIO AREA:</b>	<b>ADULT SOCIAL CARE, HEALTH AND WELLBEING</b>

**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 30<sup>th</sup> November 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 30<sup>th</sup> November 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 November is predicting a £3.81m overspend for Adult Social Care whilst Strategic Housing will come in on budget.

	Annual Budget £000	November 10 Net Forecast (Over)/Under spend £000
Older People	13,469	(1,498)
Learning Disabilities	12,370	(443)
Physical Disabilities / Sensory Impairment	4,659	(926)
Mental Health	7,442	(952)
Section 75 Arrangements	936	(22)
Adults	240	(124)
Commissioning Directorate	1,620	0
Other Services	2,153	151
Supporting People	3,607	0
<b>Sub Total</b>	<b>46,496</b>	<b>(3,814)</b>
Supporting People Budget anticipated allocation	1,650	0
Anticipated Budget Allocation (ABG)	425	0
<b>Total</b>	<b>48,571</b>	<b>(3,814)</b>

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

## Adult Social Care

- 6 The November 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 £876k still to be delivered (see Appendix 3 for recovery plan totals).
- 7 Appendix 2 shows current year activity and projection compared with previous years activity.
- 8 The new standard rate for residential care has now been implemented. The payments to providers have been backdated to the 1<sup>st</sup> 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.

## 9 Changes since the last report (September).

There have been changes to the Budget as follows:

- A virement of the £2.019m from Corporate was moved to the relevant Service Areas during November.
- The Area Based Grant of £2,415k has been received to match year to date expenditure to the end of October.
- Supporting People Programme Grant (SP) £3,607k has been received. This was transferred to each of the Service Areas as income. This was already included within the recovery plan.
- Connects savings for mileage has been transferred back to Corporate Budgets (£21k).

The new Total Net Budget is £46.5m. Additional budget allocation is anticipated to be £2,075k

There has been no change in the overall outturn position since September's projection and remains at a predicted overspend of £3.81m

## **Changes in the Services Areas include:**

### **10 Older People:**

- The increase in the projection for residential and nursing care is due to 17 new packages (net) approved at panel, 5 nursing and 12 in residential (**£187k**)
- Domiciliary Care packages have increased in month approved at panel, increasing the projection by (**£61k**).
- 1 vacant post within the Hospital Team we are now assuming will not be filled this financial year, creating a saving of **£17k**. **£2k** saving is relating to saving in agency staff costs.
- There have been 2 new Personal Budgets approved since September, this is below the number budgeted (7 per month) thus forecast has been adjusted to reflect this, saving **£139k**. The Direct Payments forecast has been increased by (**£9k**) due to the reassessment of 1 client and a reduction in the package.
- The Shaw contract for residential care has decreased due to reassessments that have taken place of clients and the anticipated increase in client contributions **£70k** for the year.
- Within other changes there have been savings within Hereford Homecare seconded staff have reduced by **£73k** due to less than anticipated additional hours provided.

### **11 Learning Disabilities:**

- Budget changes include a reduction of £25k which was uncommitted expenditure within the Area Based Grant for Learning Disabilities Development fund (LDDF).
- Increase in Domiciliary care hours approved have dropped, thus anticipating a saving of **£100k**.
- There have been 2 residential packages approved since September that were not originally included in the budget, totalling (**£40k**). 3 clients have been reassessed, 1 now being 100% CHC funded saving **£60k** and the other costing a further (**£34k**). 1 client previously thought to have ceased has paperwork updated and backdated costing a further (**£6k**).
- 2 new Personal Budget packages were agreed at panel costing (**£15k**) for the remaining part of the year. 3 clients moved from Direct Payments to Personal Budgets, net saving of **£15k** and 1 client was reassessed with a saving of **£6k**.
- Supported Accommodation forecast has been decreased due to a rate decrease of **£7k**, higher than anticipated SP Grant of **£31k** and a saving of **£5k** due to 1 client moving out of county and the reassessment of 1 client costing (**£15k**) due to decrease in client contribution.
- Day care services projection has increased due to less income anticipated on sales of goods of (**£11k**) and the continuation of costs of agency staff due to a vacant post (**£11k**).
- As part of the recovery plan for the management team **£31k** was identified as an in year saving for the Income and Grants Officer post not being filled and **£12k** for employment support. Offset by an increase in agency staff costs of (**£6k**) covering for vacant posts.
- There has been an increase of (**£7k**) in the block contracts and an increase in transport costs of (**£13k**).

## 12 Physical Disabilities:

- Domiciliary Care has increased by **(£3k)** due to new packages approved.
- 1 Personal Budget client has terminated saving **£24k** offset by an increase in 1 package after reassessment **(£4k)**. Direct Payments has 2 increases in packages **(£3k)** for the remains of the year offset by a surplus refunded of £4k.
- The increase in the Nursing projection is due to the transfer of one client from residential care **(£13k)**. Residential projections have decreased by **£16k** due to the transfer of a client into nursing care. Residential projections have increased by **(£22k)** due to more respite packages approved at panel.

## 13 Mental Health:

- Residential care has increased since September due to a net increase of 4 residential care packages thus the projection has been adjusted by **(£16k)** to account for these extra packages. Respite has also increased and is now predicted to be an extra **(£40k)** and the reassessment of a client has increased their package by **(£6k)**, offset by an increase in client contributions of **£9k**.
- Nursing care has increased due to a net increase of 2 nursing care packages thus the projection has been adjusted by **(£28k)** to account for these extra packages this also includes the assumption that the number of packages will not fall as originally predicted anticipating a **(£14k)** increase due to lost savings. Respite has increased and is now predicted to be an extra **(£32k)** offset by an increase in client contributions of **£9k**.
- There has been an increase in client contributions within Direct Payments of **£4k** after financial assessments were completed.
- Carer's breaks have also increased in month, effecting the projection by a further (£12k); the forecast assumes previous year's trends.
- Direct payments have increased by **(£1k)** due to an additional carer's direct payment

## 14 Section 75:

- The Community Equipment Store has capitalised **£41k** of high value equipment, reducing the overspend and the assumption of a contribution by the PCT to the £101k overspend as part of the risk sharing agreement of **£50k**

## 15 Other £156k decrease:

- Intermediate Care savings are due to care assistants staff vacancies of **£34k**.

## 16 Adults

- Increase of (£12k) due to higher costs in the Stakeholder Involvement budget, including fees **(£9k)** and agency staff **(£3k)**.
- Increase of **(£10k)** due to 'Just Checking' now expected to spend to budget on telecare equipment.

## **Full Year Projections for the major areas of spend within Adult Social Care**

### 17 Older People predicted overspend for the year is (£1,498k). (including recovery action)

- 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). At the start of year there were 242 packages, this rose to 255 in July, dropped to 250 in August, and is currently 268 packages. Predicted over spend (£347k). Client numbers are projected to continue with greater emphasis on personal budgets. Contracts with care home providers were changed to facilitate reablement rather than long-term care packages.

- Domiciliary care was over spent by (£1m) last financial year. The budgets assumed a 5% rise on the actual spend for last year. Year to date there is an, overspend on the budgeted figure by (£210k), thus the predicted outturn has been increased to reflect this (£452k). The Supporting People Grant transferred during October of £155k offsets some of this, overspend. Projections are based on a consistent level of spend based on last year trends with an additional 10% increase in the number of clients from 2009/10.

18 Learning Disabilities anticipated to be (£443k) over spend. (including recovery action)

- The Budget for residential and nursing care includes increases in the cost of packages where there are more complex needs. There was an overspend in 2009/10 of £1m at year end, thus this is included in the budget assumptions for 2010/11 along with the assumption that there will be 1 additional package from children's. Until August there was an, underspend anticipated due to the expectation that more clients would move into Supported Accommodation, reducing from 24 clients to 21 by the end of November. Since August there were 2 high value packages approved costing £192k for the rest of the year and 3 smaller packages totalling £46k, at November there are 22 packages. The full year projection is now predicting an overspend (£74k).
- 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 of packages is currently 78, 19 above budget. 3 Direct Payment packages have been transferred to Personal Budgets and have created a saving with the Direct Payments budget. The extra packages are anticipating additional costs of (£192k), but there have also been surpluses refunded £17k year to date.
- 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 (£158k) over spend.
- 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

- 19 The final outturn for 2009/10 gave an, underspend of £2,672k which has been carried forward into 2010/11.

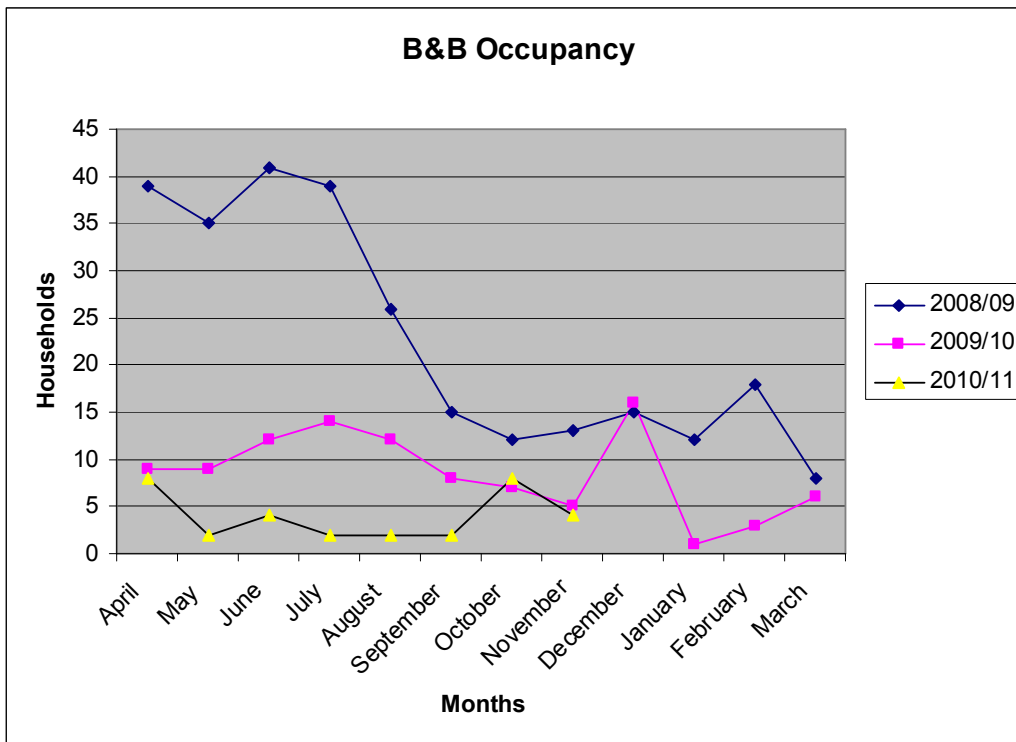
20 For 10/11 the underspend will be allocated as follows:

Pilot Projects	£542k
Social Care SLA	£500k
Additional Social Care SLA	£595k
Further Social Care SLA	£300k
Shortfall in current commitments	£735k

- In light of the uncertainty of the continuation of funding for the Supporting People Programme prior to the Comprehensive Spending Review, the Supporting People Transition Board gave six months notice on all contracts to cease on 31<sup>st</sup> March 2011. This decision was taken as a result of great financial uncertainty facing the public sector and the resources available to Herefordshire Council.
- An impact assessment was conducted in December 2010 of the entire programme. The £6.5 million investment is currently supporting 4556 people with a range of needs including ex-offenders homeless families and people with learning disabilities.
- The commissioning intentions will be finalised and the information shared with stakeholders by the end of January. Procurement of services is expected to commence by April 2011 and be phased over six months. There will be a programme of procurement and an utilisation of some of the resource short term to bring about transformation required to actualise the commissioning intentions.

### **Strategic Housing**

- 21 The 2010/11 Budget for Strategic Housing has increased by just under £7k to £1,853k.
- 22 Strategic housing has received a one off contribution of £8k towards the cost of preparing the Older Persons Housing Plan. This involved the commissioning of consultants to undertake key research into the future housing and support needs of the growing older population across the county. Budget has reduced by £1.2k in relation to Connects savings that were achieved in 2009/10 by the introduction of the Electronic Employee Mileage Claim Forms.
- 23 Strategic Housing is projected to underspend by (£30k). This is due to vacant posts being held in the Private Sector Housing Team.
- 24 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. The highest demand for B&B so far in this financial year has been in April and October. However, as can be seen the use of B&B is still significantly lower in the first eight months of this financial year compared to the same period in either 2008/09 or 2009/10.



25 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 2010/11. As at the end of November 1 family with children and 3 single people were in receipt of bed and breakfast.

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

26 The Cold Weather shelter that was set up in 2009/10 in St Peter's Church Hall has again been used in the recent cold spell. In the last week of November there were 3 clients using this facility.

27. **Integrated Commissioning cost Improvement Plan for 2010/11:**

A recovery plan of £2.008m was developed by the Acting Director of Adult Social Services to support the delivery of the current overspend of £3.81m. Detailed Recovery Plan is included in Appendix 3 which includes a target of £2.008m.

28. Recovery Plan Actions already achieved, totals £1,132k and are included within projections include:

- Supporting People Grant (SLA) £895k
- Capitalisation of Community Equipment £51k
- Surpluses regained from deferred payments £125k
- Day care services within Learning Disabilities £61k

29. This leaves a remaining balance of £876k to be achieved. An update on the projects are as follows:

- Schemes 1-3 .The review team are currently being recruited. The target still remains at **£129k**.
- Scheme 4. Future capitalisation of community equipment is underway to achieve a further **£61k**.
- Scheme 6. Savings from reablement of **£50k**.
- Scheme 8. Further work in reviewing the Shaw contract with an expected saving of **£76k** for 2010/11.
- Scheme 9. Additional **£50k** one off Supporting People Grant income from underperformance of contracts.
- Scheme 12. The PCT are due to transfer **£33k** in respect of employment support to offset a current contract.
- Scheme 16. Further recovery of direct payment surplus' is expected to achieve a further **£28k**.
- Additional Scheme. Review of discretionary top-ups within residential care with a potential saving of circa **£200k** per annum.
- Leaving a remaining **£249k** to be identified. Potential savings are due to be achieved via EMS (Electronic Monitoring System) and a hold on all non-essential spend.

30. 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 and contract for shared hours.
- 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 detailed 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.
- Review financial assessment process for residential and homecare charging in order to reduce the time taken and improve debt collection. This will maximise the charging period and reduce the level of bad debts.
- 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 has completed a report which is due to be reviewed by the Interim Director of Adult Social Services.
- New ways of working. Telecare and self assessment.



### 31. Further Pressures

- Contractual issues with a residential home may lead to a further pressure as a result of potentially having to move some clients. This is estimated to be circa £15k. This is based on the 10 clients extra costs incurred at the standard contract rate plus the penalty risk of paying the home 1 month's notice.
- 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 the 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.
- 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
- There are greater than anticipated increases in demand from dementia clients. There is a present lack of treatment and care for individuals affected and lack of support for their carers. The Joint Commissioning Plan "Living well with dementia in Herefordshire" is due to be finalised by the end of December 2010 and will be the catalyst for change in the way people with dementia are viewed and cared for.

### **Financial Implications**

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

### **Legal Implications**

33. None

### **Risk Management**

34. 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**

35. Not applicable

### **Appendices**

Appendix 1 - Revenue Budget Monitoring Report for 2010/11 Period to 30<sup>th</sup> November 2010

Appendix 2 – Activity data relating to Adult Social Care

Appendix 3 – Integrated Commissioning Cost improvement Plan 2010/11