

MEETING:	ADULT SOCIAL CARE AND STRATEGIC HOUSING SCRUTINY COMMITTEE
DATE:	21ST MARCH 2011
TITLE OF REPORT:	REVENUE BUDGET MONITORING REPORT 2010/11
PORTFOLIO AREA:	ADULT SOCIAL CARE, HEALTH AND WELLBEING

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To advise the Committee of the financial position for the Adult Social Care and Strategic Housing revenue budgets for the period to 31st January 2011. 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

- 1 To enable the Committee to carry out its function in relation to the Adult Social Care and Strategic Housing revenue budget for 2010/11.
- 2 A detailed Budget Monitoring Report to 31st January 2011 is attached at Appendix 1 for Members' consideration.
- 3 The Adult Social Care budget sits within the Integrated Commissioning Directorate whilst the Strategic Housing budget sits within the Sustainable Communities Directorate.
- 4 The forecast outturn for January is predicting a £3.81m overspend for Adult Social Care and an underspend of £50k for Strategic Housing. The summary position for Adult Social Care is set out in the table below, and provides the current view of forecast outturn which was predicted throughout the year.

Annual Budget £000	January 11 Net Forecast (Over)/Under spend £000
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Older People	13,471	(1,844)
Learning Disabilities	12,389	(319)
Mental Health	7,442	(996)
Physical Disabilities / Sensory Impairment	4,660	(934)
Commissioning Directorate	1,693	0
Section 75 Arrangements	939	(59)
Adults	665	(125)
Other Services	2,081	464
Supporting People	4,913	0
Sub Total	48,253	(3,813)
Supporting People Budget anticipated allocation	344	0
Total	48,597	(3,813)

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

Adult Social Care

- 5 The January 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 £474k still to be delivered (see Appendix 3 for recovery plan totals).
- 6 Appendix 2 shows current year activity and projection compared with previous years activity.
- 7 The new standard rate for residential care has 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 budget setting of which £76k has been achieved year to date.

Changes since the last report (November).

- 8 There have been changes to the Budget as follows (accounted for within previous reports):

	Budget Changes £k
Property budget allocation from corporate	26
Area Based Grant allocation	425
Supporting People allocation	1,306
Total	1,757

- Budget from corporate has been allocated to match current year to date spend on property maintenance.
- The Area Based Grant of £425k has been received to match expenditure between October and January.
- Supporting People allocation (SP) £1,306k has been received.

The new Total Net Budget is £48.3m. Additional budget allocation is anticipated of £344k for Supporting People programmes.

Changes in the Services Areas Forecast include:

9 Older People:

Older People	Changes November to January £k
Residential / Nursing	44
Domiciliary Care	(90)
Personal Budgets / Direct Payments	127
Other	(31)
Total	50

- The decrease in the projection for residential and nursing care is partly due to the reduction of 20 packages, 12 nursing and 8 in residential saving **£94k**, offset by 1 package approved at panel costing **(£23k)** for the year, and an increased in respite of **(£27k)**.
- Domiciliary Care packages have increased over the past 2 months, increasing the projection by **(£90k)**.
- There has been a reduction of 2 Personal Budgets since November. The numbers are below budget and thus creating a saving of **£114k**. Surpluses on Direct Payments received total **£13k** in the past 2 months.
- Within 'Other', there are transport projections that have increased by **(£20k)**, the number of Carer's breaks approved have increased, increasing the projection by **(£19k)**, but offset by savings in Hereford Homecare seconded staff **£8k** due to less than anticipated additional hours provided.

10. Learning Disabilities:

Learning Disabilities	Changes November to January £k
Residential / Nursing	81
Domiciliary Care	61
Personal Budgets / Direct Payments	(46)
Daycare Centres	30
Other	(24)
Budget allocation from corporate	19
Total	121

- During January, it was agreed that 1 residential client was eligible for CHC funding and the bill was raised for **£71k** backdated to October 2010. There was a saving of **£15k** due to 1 client being admitted to hospital and 1 new client was approved costing **(£5k)** for the remainder of the year
- There has been a drop in Domiciliary Care hours approved, thus anticipating a saving of **£61k**
- 2 new Personal Budget packages were agreed at panel costing **(£46k)** for the remaining part of the year.
- Day care services projection has decreased. Within the recovery plan was included **£15k** expenditure on the Ryefield's Day Centre kitchen. This has now been removed from the revenue projections, improving the position. Vacant posts are not expected

to be filled in this year saving **£11k**. Anticipated income has increased after review and is expected to be **£4k** more than last month.

- 'Other' includes agency staff costs of **(£11k)** covering for vacant posts. There has been an increase of **(£3k)** in the block contracts due to less than anticipated income and an increase in transport costs of **(£10k)**.
- 'Budget changes' include corporate allocation for property maintenance **£19k**.

11. Mental Health:

Mental Health	Changes November to January £k
Domiciliary Care	64
Residential Care	(13)
Nursing Care	(87)
Personal Budgets	4
Carer's breaks	(16)
Total	(48)

- Domiciliary Care payments and hours have reduced, decreasing the projected forecast by **£64k**.
- Residential Care projection has increased due to an increase in respite packages approved **(£65k)**, There has been a reduction in the number of clients by 6 (net) saving **£38k**. 1 client has been reassessed and their client contribution increased and backdated, anticipated to be **£14k** extra income this year.
- Nursing care has increased due to a net increase of 2 nursing care packages thus the projection has been adjusted by **(£31k)** Respite has increased and is now predicted to be an over spend of **(£51k)**. 1 clients' package has been reassessed costing a further **(£5k)** this year
- Personal Budget forecast has decreased by **£4k**. After discussions with the Service Manager the assumptions have been changed and 1 new client removed. There still remains projection for 2 new clients in the remainder of this financial year.
- Carer's breaks have also increased in the past 2 months, effecting the projection by a further **(£16k)**, the forecast assumes the packages continue for the remainder of the year.

12. Physical Disabilities:

Physical Disabilities	Changes November to January £k
Domiciliary Care	31
Personal Budgets/ Direct Payments	14
Carer's breaks	(8)
Residential Care	(41)
Other	10
Total	6

- Domiciliary Care has improved by **£31k** as the invoice payments had reduced in January
- There has been a Personal Budget surplus refunded of **£3k** and one new package

has been approved costing (£19k) for the remainder of the year. Following discussions with the Service Manager, it was agreed to reduce the assumptions for the rest of the year from 6 more packages to 3, reducing the forecast by £19k. Direct Payments has received a surplus refund of £7k and 1 package has ceased, saving £4k.

- The Carer's breaks projection has increased by (£8k) following package approvals at panel.
- Residential Care projection has increased due to respite packages approved (£3k) and 1 new client approved and backdated to September costing (£38k).
- Included in 'Other' above is a reduction in the Teams projection due to delay in employing agency staff cover £12k saving and 1 additional Supported Accommodation package costing (£2k).

13. Other' forecast decreases totalling £312k

- Intermediate Care saving due to care assistants vacancies of £26k.
- Anticipated slippage within the Transformation Grant totals £250k.
- Within Provider Services, the safeguarding team has transferred staff after the reorganisation saving £12k and welfare rights had a recharge from ABLE to cover 2 agency staff posts. £24k.

14. Recovery Plan

Recovery Plan Actions achieved during December and January include:

- Shaw contract voids. Reduction in residential care voids over the year £76k.
- Surpluses regained from deferred payments £77k.
- In year underspend on Transformation Grant £250k.

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

15. Older People predicted overspend for the year is (£1,844k). (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 268 packages but has now fallen to 248. Predicted over spend (£304k). Client numbers are projected to continue with greater emphasis on personal budgets.
- Domiciliary care was over spent by (£1m) last financial year. The budgets assumed a 5% rise on the actual spend for last year. It is assumed there will be an additional overspend of (£386k). 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.

16. Supporting People

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

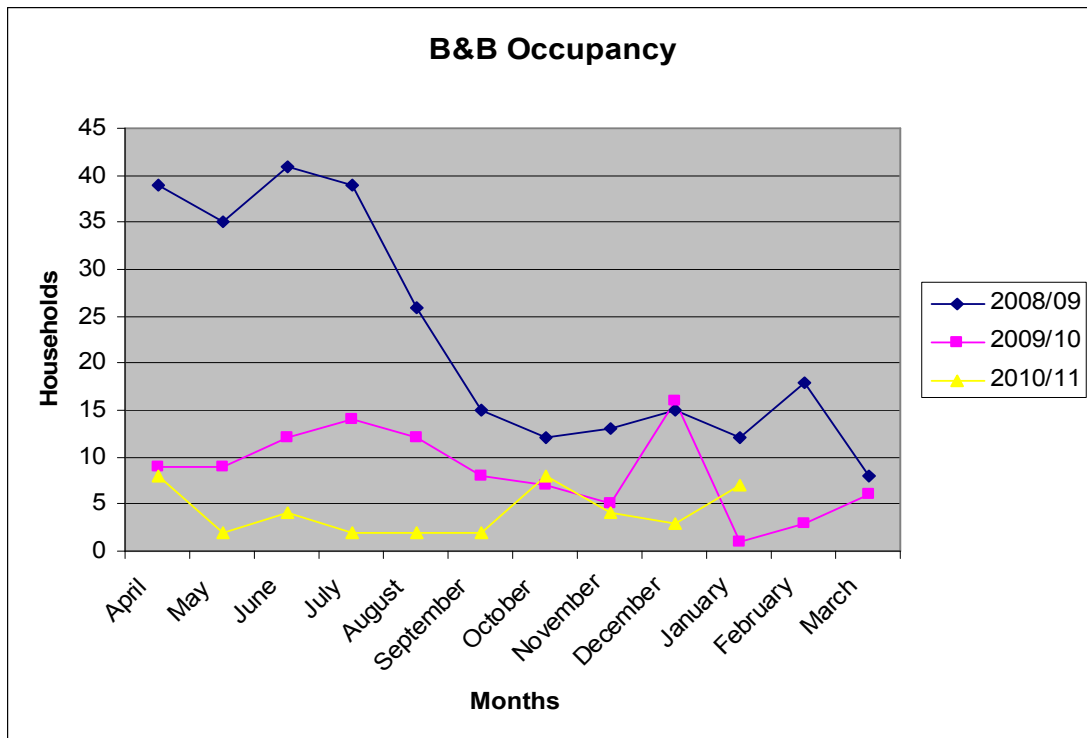
For 2010/11 the underspend will be allocated as follows:

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

- The Supporting People Grant allocation for 2011/12 was approved at Council on 4th February within the overall budget setting process. The impact is a substantial reduction in funding and as a result the largest proportion of savings will be made by further efficiencies in the way we work. Commissioning intentions and procurement timetable will be in place by the end of February 2011. Completion of the procurement for new services is due to be finalised in September 2011.

17. Strategic Housing

- The 2010/11 Budget for Strategic Housing remains the same as period 9, December 2010, at £1,853k.
- Strategic Housing is projected to underspend by £50k. This is due to vacant posts being held on Private Sector Housing and receipt of income from Supporting People in respect of work completed by the Handyperson Team.
- 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.

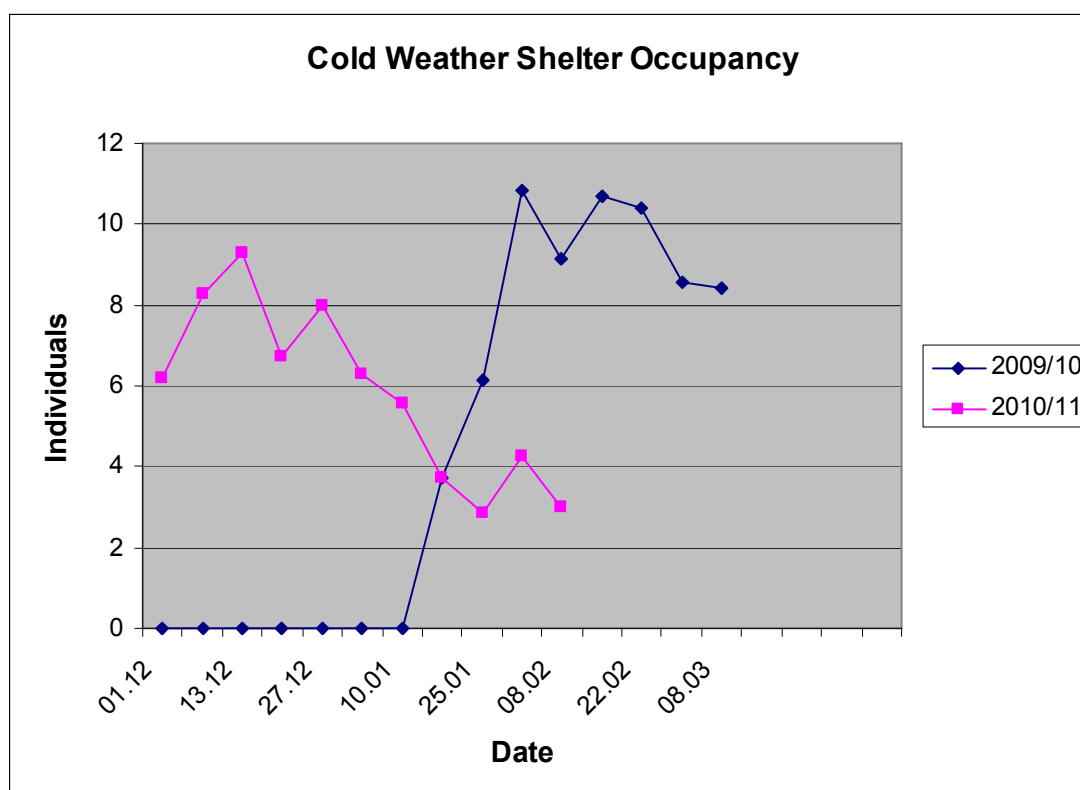


- The following table illustrates that the reduction in total B&B numbers which started in the latter half of 2008/09 was sustained through 2009/10 and into 2010/11. However, there has been a recent rise in the number in B&B in February 2011 and an increase in demand for Homelessness services.

Category	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Families with children	1	1	1	0	0	1	0	1	1	2
Other(couples, siblings)	0	0	0	0	0	0	0	0	0	0
Single	7	1	3	2	2	1	8	3	2	4
Total	8	2	4	2	2	2	8	4	3	6

22. The Winter Shelter that was set up in St Peter's Church Hall in 2009/10 continues to be used in this financial year. The cost to provide this service is covered by a range of funders including the council which provides a grant by way of a one off payment. No further financial liabilities are incurred. However, in the event of significant ongoing cold weather a request for grant support could be forthcoming and would be considered on its merits, having regard to available funding. A payment of £20k was paid by Herefordshire Council in 2010/11.

23. The graph below shows the average use in 2010/11 compared to 2009/10.



24. Herefordshire Home Point is the agency which manages Herefordshire's Housing Waiting List and advertises available affordable homes on behalf of Herefordshire Council and the majority of the county's Housing Associations.

Home Point is projected to spend to budget in 2010/11.

The following table breaks down the current Homepoint - waiting list by priority

Classification	QTR1 2010/11	Qtr2 2010/11	Qtr3 2010/11	Jan 2010/11	Feb 2010/11
Priority Status	111	105	108	112	112
Gold Applicants	807	837	799	821	822
Silver Applicants	2,206	2,143	2,071	2,091	2,042
Bronze Applicants	1,928	1,898	1,861	1,883	1,853
Total	5,052	4,983	4,839	4,907	4,829

(Please note includes February figures)

The following table breaks down the current Homepoint - waiting list by bedroom requirement :

Bedroom Requirement	QTR1 2010/11	Qtr2 2010/11	Qtr3 2010/11	Jan 2010/11	Feb 2010/11
1 Bedroom	2,732	2,719	2,663	2,702	2,674
2 Bedrooms	1,436	1,412	1,364	1,381	1,358
3+ Bedrooms	884	852	812	824	797
Total	5,052	4,983	4,839	4,907	4,829

(Please note includes February figures)

25 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. The detailed Recovery Plan is included in Appendix 3

26. Recovery Plan Actions already achieved, totalling £1,534k are included within projections and include:

- Supporting People Grant (SLA) **£895k.**
- Capitalisation of Community Equipment **£51k.**
- Shaw contract voids. Reduction in residential care voids over the year **£76k.**
- Surpluses regained from deferred payments **£201k.**
- Day care services within Learning Disabilities **£61k.**
- In year underspend on Transformation Grant **£250k.**

This leaves a remaining balance of £474k to be achieved. Updates on the remaining projects are as follows:

- Schemes 1-3 .The review team are currently being recruited. The target still remains at **£130k.**

- Scheme 4. Future capitalisation of community equipment is underway to achieve a further **£61k**.
- Scheme 6. Savings from reablement of **£50k**.
- 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. Spend has been confirmed and a bill will be raised in February.
- Additional Scheme 22. Review of discretionary top-ups within residential care with a potential saving of circa **£100k** in 2010/11.
- Leaving a remaining **£50k** to be identified. Potential savings are due to be achieved via EMS (Electronic Monitoring System) and a hold on all non-essential spend.

27. Further measures identified for present and future financial stability include:

- 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.
- 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.

28 Further Pressures

- 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” was due to be finalised by the end of December 2010 will be the catalyst for change in the way people with dementia are viewed and cared for. We are awaiting an update on the outcome.

Financial Implications

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

Legal Implications

30. None

Risk Management

31. 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

32. Not applicable

Appendices

Appendix 1 - Revenue Budget Monitoring Report for 2010/11 Period to 31st January 2011

Appendix 2 – Activity data relating to Adult Social Care

Appendix 3 – Integrated Commissioning Cost improvement Plan 2010/11