

BUDGET MONITORING REPORTS TO CABINET

NARRATIVE RELATING TO SOCIAL CARE

Cabinet 9th September 2004 (Period to end of July)

Social Care

13. The Social Care objective remains that of budget balance. There is a high risk that this may not be achieved, even though every effort will be made to do so. The Social Care budget is under considerable pressure this year from rising demand and costs across both children and vulnerable adults services. Unusual trends are showing at the first quarter.
 - Children's services are experiencing higher costs in both residential and foster placements, including transport.
 - Learning Disability Services have lost Supporting People Grant and have more complex user needs to meet.
 - Mental Health Services (integrated with the Primary Care Trust) are experiencing increased demand.
 - Older People's Services have experienced the same number of requirements to pick up care home funding from people who previously funded themselves in the first quarter as for the whole of last year.
14. The risk assessment suggests a projection of £700,000 over-commitment (including the £245,000 debt carried forward). The underlying trend, if no action was taken, would be for a £1,450,000 over commitment at the end of the year, which is neither acceptable nor sustainable.
15. Robust management action is being taken to rectify the position. This will have an impact on the capacity to deliver services.

Cabinet 25 November 2004 (period to end of September)

Social Care

13. The Social Care objective remains that of budget balance. There is a high risk that this may not be achieved, even though every effort is being made to do so.
14. The Social Care budget continues to be under considerable pressure this year from rising demand and costs across both children and vulnerable adults services, including:
 - Children's services are experiencing higher costs in both residential and foster placements, including transport.
 - Learning Disability Services have lost Supporting People Grant and have more complex user needs to meet.
 - Mental Health Services (integrated with the Primary Care Trust) is experiencing increased demand.

APPENDIX 2

- Older People's Services have experienced an exceptional increase in the number of requirements to pick up care home funding from people who previously funded themselves. This funding issue is causing delays in Community Hospitals.
15. The risk assessment suggests a projection of £740,000 over-commitment (including the £245,000 debt carried forward).
16. Robust management action is being taken to rectify the position, which is beginning to have an impact on the capacity to deliver services. This includes:
- Making a risk assessment of clients in need of care and funding only those in emergency or critical need.
 - Reassessment of care services provided to individuals against existing criteria.
 - Rationalisation of transport provided to individuals against assessed needs.
 - Maximising occupancy levels against block contracts.
 - Identifying all potential areas where costs can be reduced in the short term.

The results of the action are expected to reflect in the monitoring for the next period.

Cabinet 13th January 2005 (period to end of November)

Social Care

18. The projected year-end position for Social Care is an overspend of £740,000. The underlying trend, if no action were taken, would be for an over-commitment of over £1,000,000, which is neither acceptable nor sustainable. The latest budget projection does not show improvement on the previously reported position, despite applying harsh management action. The projection also includes certain assumptions about spending plans over the last four months of the financial year, which carry a potential risk of not being achieved.
19. The considerable pressures have emerged from rising demand and costs across both children and vulnerable adults.
20. The Directorate has held two budget "clinics" to examine each service area in more detail. There was consideration of longer-term financial strategies, and short-term measures necessary to reduce the projected overspend in the current financial year. Every service has been given a "savings plan" to achieve by the end of the financial year. This has led to additional actions being taken, which include:
- Further analysis of those children in residential placements, with specific targets to return some to local provision.
 - Making a risk assessment of those service users in need of care and supporting only those in emergency or critical need at this stage.
 - Reviewing care services provided to existing service users, and making adjustments to the level of care provided where possible to meet the Council's eligibility criteria.
 - Reviewing those service users receiving transport.

- Maximising occupancy levels against block contracts.
 - Reducing the choice for service users in accessing day care.
 - No use of agency staff to cover absence, which has led to cancellation of day care.
 - Reviewing service users potential entitlement to free nursing care (funded by health).
21. Further discussions are also taking place with colleagues across the Council and partner organisations about how the financial risks can be shared.
22. The main risks within the budget include assumptions on:
- Appropriate costs being covered by central Education funding.
 - Continuing Care contributions from the Primary Care Trust.
 - Sharing the financial risks within the pooled budgets with the PCT.
 - Funding of judicial reviews.
 - Interim costs as a result of the delay in the transfer of homes for Older people.
 - Loss of grants, in particular Supporting People grant for Learning Disability services.
23. The Directorate's aim to completely eradicate the "debt" brought forward on the Social Care budget has not proved possible. In addition, the projection makes assumptions about the achievement of targets, which is a risk. Savings targets are being reviewed with managers on a regular basis. Any achievement of savings is at a cost to service delivery.
24. The picture being managed at present is very concerning and the challenges will remain for the remainder of this financial year and 2005/06.

Cabinet 17th March 2005 (period to end of February)

Social Care and Strategic Housing

16. Older People's Services

The increased investment in Older Peoples Services has yielded a number of developments, including:

- The in-house home care service has been reshaped into the STARRS reablement service, with little disruption to service users;
- Secured the Nursing Home Sector being available with the increase in fees;
- Care packages have been reviewed, which has meant resources have focussed on those in highest need;
- Block contracts with independent home care providers have been set up, which has brought stability to the market;

- The numbers of people assessed as needing a service for whom funding is not available has been kept to a minimum.

The projections on Older Peoples Spend indicate a breakeven position.

Children's Social Care

The budget management has secured a hold on expenditure, but given the complex needs and costs of placements, there remains a projected over-commitment of £585,000.

Learning Disabilities

The budget management has not had the same impact as planned in relation to holding the expenditure or taking into account key pressures. The savings plan has not been realised in full and the Continuing Care funding from the Primary Care Trust has been less than assumed. There has been a separate change report to Cabinet which identified significant service challenges. However, given the size of the problem, it has been decided to conduct an external (to the directorate) review of the financial arrangements and spending decisions, in order to have secure budget planning for 2005/06.

Exceptional Items

There have been exceptional items of expenditure, totalling £758,000 which relate to the risks identified, as follows:

- **PCT Contributions to Pooled Budgets** The ongoing negotiations with the PCT on the attributable risk have not reached total agreement. The financial risks on the pooled budgets are now projected as attributable to the partner whose service element the overspend relates to. The Mental Health overspend reported by Social Care, even though the PCT manages the service, is now included in the Social Care projections.

The projected overspend on the pooled budgets increases by £256,000 as a result. The PCT have now agreed to make a contribution of £100,000 towards the overspend on the Council's element of the Mental Health pooled budget. This methodology does not fit a Section 31 pooled budget agreement, in that there must be an agreed risk share in respect of over and underspends. There will be a more robust risk sharing and management accountability agreement for 2005/06.

Continuing Care Contributions for qualifying Learning Disability service users- current projections assume £250,000 contribution from the PCT. This is secure, although the costs attributable had been calculated at approximately £400,000. The PCT has acknowledged this and this will be budgeted for in 2005/06.

- **Statutory Obligations** The Council has needed to review its funding decisions for some individual cases as a result of legal challenge. This has created additional expenditure of £89,000.
- **Loss of Grant** The Directorate has suffered a loss of Supporting People Grant income of £175,000. It has been a challenge to manage commitments within budget.
- **Prior Year Adjustments** Invoices totalling £152,000 have been received, which relate to the 2003/04 financial year.
- **NHS Emergency Support** - Additional funding of £36,000, to enable discharges

from community hospitals to free beds at the Acute Trust, given the pressures in November 2004 and January 2005.

Summary

The projected year-end position for Social Care, is an overspend of £1,514,000, (4.2% of the Social Care budget) with exceptional items of £758,000. This latest budget projection shows a deterioration on the previously reported position, despite applying harsh management action. All efforts possible are being made to sustain this position.