

ADULT SOCIAL CARE AND HEALTH PORTFOLIO**KEY ISSUES – MONTH 3**

The Portfolio is currently forecast to over spend by **£394,900** at year-end, which represents a percentage over spend against budget of **0.8%**. This forecast takes into account the wider Portfolio and corporate view, adjusting the baseline forecast constructed from the bottom up through discussions with individual budget holders, as shown below:

	£000's	%
Baseline Portfolio Forecast	2,719.9 A	5.6
Remedial Portfolio Action	0.0	
Risk Fund Items	2,325.0 F	
Portfolio Forecast	394.9 A	0.8
Potential Carry Forward Requests	0.0	

The **CORPORATE** issues for the Portfolio are:

ASCH 1 – Adult Disability Care Services (forecast adverse variance £1,143,900)

There is a significant projected over spend of £536,400 on Residential Care, £454,800 on Domiciliary and £159,300 on Nursing Care which includes the loss of income in respect of agreements for the provision of Nursing services with the PCT, £120,000.

Forecast Range not applicable.

Residential care is forecast to over spend by £536,400. This is mainly due to:

- The transfer of eight unbudgeted clients, over the age of 65, currently being paid for within mental health community care at a forecast cost of £50,300.
- Additional costs of £500,000 are expected in relation to clients that have already transferred to Adult Disability Care Services pending the planned closure of two SCC homes.

It should be noted that there is provision within the Risk Fund to help meet this over spend.

Domiciliary Care is forecast to over spend by £454,800. This is in part due to an increase in the number of clients which is linked to an increase in acute activity arising from the risk in potential delayed transfer fines. This issue is anticipated to cost an additional £188,300. In addition, following the migration to framework agreements for the 'spot' purchase of domiciliary care, it was agreed that £80,000 TUPE costs would be payable in 2010/11 for staff that transferred under these agreements.

A forecast to meet these costs has now been included and work is in place to clarify the actual cost in year. Extra care provided under contract with Southampton Care Association is forecast to cost an additional £186,500. This was assumed to be funded by a matched reduction in general domiciliary care provision, however year to date figures do not indicate that this will be achieved.

Nursing is forecast to over spend by £159,300. This is mainly due to new client packages (£39,300) and a net loss in SCPCT income (£120,000). SCPCT closed a hospital ward of 26 beds at the Tom Rudd Unit located in the grounds of Moorgreen Hospital. This resulted in a net saving to SCPCT but increased the community care costs of the Council and SCPCT therefore agreed to transfer funds for the provision of ten nursing home beds in the community. The initial agreement covered the three year period of 2006/07 to 2008/09 for which the monies were paid. However, it was assumed by SCC Managers that the agreement would continue beyond this period and after considerable discussions with SCPCT colleagues it is clear that they do not intend to renew the agreement which leaves a shortfall in budgeted income of £200,000.

This has been offset in part by additional funds being received for the provision of Older Persons Mental Health Respite Services. Following the closure of a hospital based mental health ward (Bartley Ward) three years ago, the PCT have agreed to enter into a contract, initially for five years (2009/10 to 2013/14) to pay a contribution of £80,000 per annum to the Council for the provision of Older Person Mental Health Respite Services. The agreement is in the process of being signed but the PCT have re affirmed their intention to meet this cost. The sum of £80,000 was accrued in the 2009/10 accounts and an adjustment has been made to the current year forecast to reflect this increase in income.

The following table demonstrates the effect of these forecast changes on the equivalent number of units:

	10/11 Net Budget	10/11 Unit Prices	10/11 Budgeted Units	10/11 Forecast	10/11 Forecast Units	Difference (units)	Variance to Budget
Day Care	236,900	£57 Per Day	4,156	231,200	4,056	(100)	(5,700)
Direct Payments	2,536,200	£9.47 Per Hour	267,814	2,535,300	267,719	(95)	(900)
Domiciliary	3,900,500	£12.85 Per Hour	303,541	4,355,300	338,934	35,393	454,800
Nursing	4,592,500	£46.26 Per Day	99,276	4,751,800	102,719	3,443	159,300
Residential	4,915,900	£36.86 Per Day	133,367	5,452,300	147,919	14,552	536,400
Total	16,182,000			17,325,900			1,143,900

ASCH 2 – Learning Disabilities (forecast adverse variance £2,022,900)

This variance was predicted and relates to a number of issues including; increases in the cost of existing client packages, and the rising needs or unavoidable contractual cost increases, a net increase in demand and thus packages during the year, the full year effect in 2010/11 of new packages during 2009/10, and a withdrawal in funding by Southampton Primary Care Trust, (SCPCT) for clients previously assessed to have a Continuing Health Care need.

Forecast Range £2,700,000 adverse to £2,000,000 adverse.

Based on current forecasts it is anticipated that there will be an adverse variance of £296,300 for clients transferring into this client group from Children's Services.

In addition, the cost in 2010/11 for new clients at the end of the previous year and new clients in 2010/11, including clients previously recorded as transition clients, is £500,500, whilst savings from clients no longer receiving a service is £84,100. This generates a net pressure in the year of £416,400.

During 2009/10 the SCPCT reduced funding for clients after a determination about the levels of care and needs that should be categorised as Health. In 2009/10 23 clients were transferred to SCC without funding. The original 16 clients that transferred during 2009/10 were anticipated to create a full year cost pressure of £600,000 but are now forecast to cost £800,000 in 2010/11. In addition, provision has not been made in the current year's budget for the seven client transfers agreed at the end of 2009/10. The forecast has been amended for the anticipated full year cost of £580,000. Progress is now being made on agreeing the basis for joint commissioning of services, with pooled budgets, for LD clients with the SCPCT which will address the risk of this issue occurring again in the future.

Offsetting the pressures there are a number of other minor efficiencies within the Service Activity totalling £69,800.

It is intended that this forecast over spend will be met in part from the allocation within the Risk Fund for Learning Disabilities which does not allow for £200,000 of the cost of former SCPCT clients as stated above.

The OTHER KEY issues for the Portfolio are:

ASCH 3 – Mental Health and Substance Misuse (forecast favourable variance £48,000)

New clients and increased costs of existing client packages £221,000 offset by efficiency savings in provision of Mental Health Services £120,000.

Forecast Range £50,000 adverse to £100,000 favourable.

There is a general upward trend in demand for care packages within this service activity. This is evidenced by six new residential mental health clients with a forecast cost of £144,800. This has been offset in part by minor savings on Day Care Services and further efficiency savings of £120,000 which have been achieved as the result of the transfer of three staff members under TUPE to the Hampshire Partnership Foundation Trust following a successful bid by them for the provision of Harm Reduction Services.

ASCH 4 – Adult Social Care Learning and Development (forecast favourable variance £100,000)

A new and additional saving target has been set for the Training Budget to deliver in order to help offset other forecast pressures on the Portfolio.

Forecast Range not applicable.

The Head of Service has agreed to set a target saving of £100,000 within the staff development training budget to offset pressures within other services within the Portfolio.

ASCH 5 – In House Care Services (forecast favourable variance £157,300)

Staff vacancy savings and savings on the running costs of two in house care homes which are likely to close earlier than expected.

Forecast Range nil to £250,000 favourable.

A savings proposal was approved in February 2010 which identified an approach in which domiciliary care is accessed. The new refocused service provides short term enabling and crisis support which aims to enable clients to care for themselves at home as part of reducing ongoing requirements for care and support packages. Posts were held vacant in 2009/10 within the city care teams to help facilitate the movement to a new staffing structure being adopted to implement this saving. The plan was for the structure to be fully staffed by 1st April 2010 but there has been a planned delay whereby the remaining vacancies will be filled by September 2010 giving a forecast saving of £86,000 to offset the pressures in the Portfolio.

In addition, there have been further minor staff vacancy savings (£18,700) and due to an anticipated earlier closure of Whitehaven and Birch Lawn in house care homes than planned, there is an expected saving on running costs of £55,300.

Summary of Risk Fund Items

Service Activity	£000's
Adult Disability Services – Increasing Elderly Population	350.0
Adult Disability Services – Impact of In-house home closures	200.0
Learning Disability Services – Increase in client numbers and aging population	490.0
Learning Disability Services – Client Transfers	1,285.0
Risk Fund Items	2,325.0