

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Adult Social Care		
<b>Date:</b>	17 December 2010		
<b>Title:</b>	Budget, Performance and Workforce monitoring 2010/11 – period - 1 April 2010 to 30 September 2010.		
<b>Reference:</b>	2313		
<b>Report From:</b>	County Treasurer and Director of Adult Services		
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#### 1. Introduction

1.1. This section sets out the contents of the report:

- Executive Summary (paragraphs 2.1 to 2.6)
- 2010 Revenue summary as at 30 September 2010 (Period 6) and movements since 31 July 2010 (Period 4) (paragraphs 3.1 to 3.36)
- Update against management actions being undertaken to manage the budget pressure (paragraphs 4.1 to 4.4)
- Updates on the following:
  - Client care packages and average weekly cost analysis (paragraphs 5.1 to 5.7)
  - Income analysis (paragraphs 6.1 to 6.10)
  - Workforce including update on sickness absence and recruitment (additions and reductions) (paragraphs 7.1 to 7.7)
  - Performance (paragraphs 8.1 to 8.19)
  - Bad debt write offs (paragraphs 9.1 to 9.3)
  - Capital Programme (paragraphs 10.1 to 10.3)
- Recommendations (section 11)

## **2. Executive Summary**

- 2.1. The purpose of this paper is to set out for the Executive Member for Adult Social Care the current budget forecast outturn position and associated performance improvements along with a workforce update as at the end of September 2010.
- 2.2. This report seeks to:
- Explain the forecast outturn position as at 30 September 2010 (Period 6) including movements between Period 4 and Period 6 and the main reasons for these movements (section 3)
  - Set out the operational pressures faced by the department
  - Provide progress against the management actions detailed in Period 4 report (sections 3 and 4)
  - Report the progress on workforce management (section 7)
  - Identify key performance achievements (section 8)
- 2.3. The report sets out the key financial pressures faced by the department in 2010/11 relating primarily to activity-led areas (i.e. OPPD purchased services £4.865m, Learning Disabilities purchased services £4.931m and Mental Health £1.053m), currently resulting in an underlying gross pressure of £5.696m. Actions of £2.5m (OPPD purchased services £345,000, Learning Disabilities purchased services £1.755m and Mental Health £400,000) are underway to achieve a net forecast position of £3.196m overspend.
- 2.4. In addition to the above, further actions of £2.885m (OPPD purchased services £1.0m, Learning Disabilities purchased service £1.605m and Mental Health £280,000) agreed as part of the Period 4 report are being taken to reduce the overspend to £311,000 at the end of financial year. There still remains a high risk on delivery of some of these actions mainly due to time left in the financial year.
- 2.5. Table 1 provides a breakdown of the underlying position and actions taken to reduce overall overspend. Actions included in the forecast (£2.5m) and those not included in the forecast (£2.885) are explained in section 3 and section 4 respectively.

<b>Table 1- Detail of underlying position and actions to reduce overall overspend</b>					
	Underlying (Over/(Under) Spend Position	Actions In the Forecast	Forecast (Over/(Under) Spend Position	Further actions - Not in the Forecast	Expected Overspend/ (Underspend) Position
	£'000	£'000	£'000	£'000	£'000
Director and Performance & Business Management	(1,469)	0	(1,469)	0	(1,469)
Commissioning & Partnerships	(1,863)	0	(1,863)	0	(1,863)
OPPD-Purchased	4,865	345	4,520	1,000	3,520
OPPD and LD In- house	(167)	0	(167)	0	(167)
LD-Purchased	4,931	1,755	3,176	1,605	1,571
MH	1,053	400	653	280	373
Contingency	(1,654)	0	(1,654)	0	(1,654)
<b>Total</b>	<b>5,696</b>	<b>2,500</b>	<b>3,196</b>	<b>2,885</b>	<b>311</b>

2.6. The current forecast position represents an overall decrease of £1.517m in the pressure since the position reported for Period 4 to the Executive Member in October 2010. The decrease consists of a reduction in forecast expenditure of £1.106m combined with an increase in forecast income of £411,000 as detailed in Table 2.

### **3. 2010/11 Revenue budget summary as at 30 September 2010 (Period 6) and movement since 31 July 2010 (Period 4)**

- 3.1. Over this period the cash limit has remained unchanged at £314.400m.
- 3.2. Following the restructure of In-House services, Older People Physical Disabilities (OPPD) and Learning Disability (LD) Purchased services are shown separately and combined In-house services (OPPD and LD) are shown in one line in Table 2.
- 3.3. The variance and movement reported for each client group is shown in Table 2 below and is explained in the following paragraphs.

Care Group	Budget as at Period 6	July (P4) Net Variation	September (P6) Net Variation	Movement between P6 & P4		
				Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000
Director and Performance & Business Management	21,692	(845)	(1,469)	(598)	(26)	(624)
Commissioning and Partnerships	48,788	(763)	(1,863)	(948)	(152)	(1,100)
Older People / Physical Disability (Purchased)	135,526	4,403	4,520	427	(310)	117
Older Persons and Learning Disability In House	40,191	(143)	(167)	169	(193)	(24)
Learning Disability (Purchased)	54,536	2,724	3,176	347	105	452
Mental Health	11,888	689	653	(201)	165	(36)
Contingency	1,779	(1,352)	(1,654)	(302)	0	(302)
<b>Grand Total</b>	<b>314,400</b>	<b>4,713</b>	<b>3,196</b>	<b>(1,106)</b>	<b>(411)</b>	<b>(1,517)</b>

3.4. Areas that contribute to the pressure position are OPPD purchased services, Learning Disabilities purchased services and Mental Health. These pressures are partially offset by underspends in Director and Performance & Business Management, Commissioning & Partnerships, OPPD & LD In-house services and Contingency.

#### **Director and Assistant Director Performance & Business Management**

3.5. The underspend for this area has increased to £1.469m, an increase of £624,000 since Period 4. This increase is due to savings achieved over this period in the following areas:

- review of Hampshire Model project scope and cost (£220,935); Business Process Innovation (BPI) (£92,500), Self Directed Support (SDS) (£50,635), Programme Office (£40,000), Direct Payments Improvements (£32,800) and Knowledge base (£5,000).
- reduction of £306,100 in L&D 2010/11 programme; £37,300 against courses for Health & Safety, First Aid, Food Hygiene and all statutory and mandatory requirements across the departments, £138,800 against courses for specialist Work Force Development for LD, Safeguarding, Mental Capacity Act and Mental Health and £130,000 against Professional & Management development programme.
- further savings of £96,965 as a result of vacancy management, reduction in expenditure on seminars and workshops and other efficiency measures.

### **Commissioning and partnerships**

- 3.6. The £1.100m increase in the underspend reflects savings against the Learning Disabilities Campus Re-provision grant (£1.0m), the part year effect of the termination of the mental health contracts (£80,000), savings in administration costs for the well-being and partnership team (£50,000) and the cancellation of the Counsel and Care contract (£41,000). These savings were partially offset by an additional pressure identified in the YOU Telecare project (£60,000) and other pressures (£11,000).
- 3.7. The Supporting People programme has a planned carry forward of £3.5m, which is planned to be utilised over the next three years to allow for the transition to reduced programmes across the three clusters and to reduce the impact on care budgets. This is planned to smooth the reduction in funding for contracted services across the next three years (as contracts are eligible for renegotiation). Should this not be available, the reductions in each cluster would have to be greater to compensate and any funding shortfall for contracted services would have to fall to Adult Services.

### **Older People / Physical Disability (OPPD) – Purchased Services**

- 3.8. The OPPD purchased services are currently showing an underlying pressure of £4.865m. With management actions of £345,000 in relation to vacancy management (with delivery of £100,000 savings from £445,000 reported in Period 4) the final position is a £4.520m pressure, which is an increase of £117,000 over the Period 4 position. Table 3 shows the breakdown of this movement across care types.
- 3.9. There are further actions of £1.0m in place (detail in section 4). With these actions OPPD are expecting to reduce the overspend to £3.520m. As explained in Period 4 report the overspend is mainly due to the demographic pressures which have primarily impacted domiciliary care and direct payments due to personalisation as more clients choose and are enabled to live at home for longer.
- 3.10. Continuing health care funding for clients has been difficult to secure however any risk associated with this funding is being managed through meetings with Health.

<b>Table 3 – Older persons/Physical disabilities movement between Period 4 and 6</b>				
<b>Care Group</b>	<b>Budget as at Period 6</b>	<b>July (P4) Net Variation</b>	<b>September (P6) Net Variation</b>	<b>Movement Net</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Older people and physical disabilities – Purchased Services</b>				
Assessment & Care Management	22,274	2	0	(2)
Purchased nursing	23,940	643	375	(268)
Purchased residential	27,478	(1,786)	(1,582)	204
Direct payments	7,763	1,539	1,752	213
Purchased day care	4,475	(404)	(412)	(8)
In-house domiciliary care	8,927	124	116	(8)
Purchased domiciliary care	36,313	4,321	4,251	(70)
Management & Support	2,625	147	142	(5)
Other	1,731	(183)	(122)	61
<b>Total</b>	<b>135,526</b>	<b>4,403</b>	<b>4,520</b>	<b>117</b>

3.11. The growth in activity is reflected in an increase in the pressures of £427,000, offset by increase in forecast income of £310,000, resulting in a net increase of £117,000.

3.12. The decrease of £268,000 in purchased nursing is mainly due to additional income, partly from processing financial assessments and partly from deferred income which has led to an increase in average weekly contributions.

3.13. The purchased residential forecast has increased by £204,000 mainly due to an additional 25 client care packages for this care type.

3.14. Direct Payments spend has increased by £213,000 due to 32 additional direct payments client care packages since Period 4.

#### **OPPD and LD in-house services**

3.15. This is first time the OPPD and LD in-house service are being reported together in the Executive Member report. Overall there is a slight increase in the underspend of £24,000. Table 4 below shows the Period 6 position for OPPD and LD in-house services and the movement since Period 4.

<b>Table 4 – Older persons/Learning Disability In House movement between Period 4 and 6</b>				
<b>Care Group</b>	<b>Budget as at Period 6</b>	<b>July (P4) Net Variation</b>	<b>September (P6) Net Variation</b>	<b>Movement Net</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Operations Director residential and nursing</b>				
In-house Nursing	10,778	375	247	(128)
In-house Residential	13,695	149	(71)	(220)
In-house Day Care	2,402	(155)	(97)	58
Management & Support	954	(295)	(2)	293
Other	2,709	(76)	(38)	38
<b>Sub total residential and nursing</b>	<b>30,538</b>	<b>(2)</b>	<b>39</b>	<b>41</b>
<b>Learning Disability residential and nursing</b>				
In-house Nursing	0	0	0	0
In-house Residential	3,377	756	672	(84)
In-house Day Care	6,276	(896)	(878)	18
Management & Support	0	0	0	0
Other	0	(1)	0	1
<b>Sub total residential and nursing</b>	<b>9,653</b>	<b>(141)</b>	<b>(206)</b>	<b>(65)</b>
<b>Total</b>	<b>40,191</b>	<b>(143)</b>	<b>(167)</b>	<b>(24)</b>

### **OPPD – In-house Services**

3.16. Although there is no significant change in OPPD in-house services since the position reported in Period 4, there have been some movements between care types. The significant movements are against in-house nursing, in-house residential and management & support.

3.17. These movements are due to the allocation of staffing budgets from management and support budgets for recruitment to vacancies in nursing and residential units where cost is being incurred as part of their day to day management. Additionally, there has been an increase in staffing cost particularly night care.

### **LD – In-house Services**

3.18. The underspend for this area has increased by £65,000 since Period 4. The Residential Services Manager's in depth review of client provisions has resulted in savings for residential units of £84,000 partially offset by an increase in in-house day services of £18,000.

### **Learning disabilities – Purchased Services**

3.19. The learning disability purchased sector is currently showing an underlying pressure of £4.931m. This has been partially offset by

management actions of £1.755m to provide a forecast pressure of £3.176m, an increase of £452,000 over this period. The increasing pressures are due to demography coupled with a low rate of attrition, full year effect of Ordinary Residence clients from 2009/10, and increasing risk from Continuing Health Care cases (£1.695m - some of which span multiple financial years and may not be fully achieved).

- 3.20. On the basis of time left in the year, further management actions agreed for learning disabilities as part of the Period 4 report have been reduced to £1.605m (detail in section 4) to achieve an overspend of £1.571m by the end of financial year. If none of the actions mentioned above are achieved the worst case scenario for learning disabilities would result in a pressure of £4.931m.

Care Group	Budget as at Period 6	July (P4) Net Variation	September (P6) Net Variation	Movement Net
	£'000	£'000	£'000	£'000
Assessment & Care Management	2,937	(105)	(140)	(35)
Purchased nursing	656	174	136	(38)
Purchased residential	29,873	(856)	(576)	280
Direct payments	3,836	1,336	1,379	43
Purchased day care	2,878	182	194	12
Purchased domiciliary care	13,167	1,987	2,108	121
Management & Support	771	27	30	3
Other	418	(21)	45	66
<b>Total</b>	<b>54,536</b>	<b>2,724</b>	<b>3,176</b>	<b>452</b>

- 3.21. The £280,000 increase in residential care mainly reflects an increase in client care packages of ten over the period (£187,000) as well as £78,000 relating to a client provision that was agreed at panel at the start of the financial year that was not previously on SWIFT. Packages agreed at panel are now input by Provision Support Officers so this issue should not recur.
- 3.22. The £121,000 increase in the domiciliary care pressure is the result of increased client care packages (+11) of £80,000 and increasing needs for existing clients (£252,000). There were a number of large provisions agreed by panel totalling £154,000 dating back to the start of the financial year that had not been put onto SWIFT. In addition, the pressure increased as a result of adjustments made for a £42,000 expected Ordinary Residence income, which is not expected to be achieved and the double-counting of income of £78,000 in relation to LD commissioning funding transfer from Health. These pressures were partially offset by savings due to the postponement of the strategic re-provision project for a number of supported living schemes (£487,000) to allow us to bring the project in line with the wider LD housing strategy in Andover.

- 3.23. Direct payments client care packages continued to increase this period (+16) which accounts for the £43,000 increase in the forecast.
- 3.24. The £28,000 balance of the movement in the period is mainly due to an increase in the forecast for client transport based on an update on actual spend from the central passenger transport section.
- 3.25. To ensure robust challenge is found in the provisioning of service a county panel now meets weekly to consider all packages for approval. This greater scrutiny ensures that presentations to panel are very carefully considered before the panel meets. Unfortunately it is not possible to quantify this change because only the presented and approved values are recorded (not the adjustments prior to that point). However, the managers involved in the county panel report a significant improvement in the quality and defensibility of the care/package plans being presented. Team managers review all new, ended and amended packages at their budget meetings to ensure changes they are expecting can be seen in a timely fashion. They also review all commitments for clients that are expected to join the service to ensure these remain accurate.

#### **Mental Health (including Safeguarding and Professional Leads)**

- 3.26. The Mental Health sector is currently showing an underlying pressure of £1.053m. With management action of £400,000 the final position is £653,000 pressure which is an improvement of £36,000 over the Period 4 position. However, there is a risk that the £400,000 will not be achievable in the remaining months of the financial year, investigation will be carried out in period 7 after which the overspend will reflect the full pressure.

Care Group	Budget as at Period 6	July (P4) Net Variation	September (P6) Net Variation	Movement Net
	£'000	£'000	£'000	£'000
Assessment & Care Management	5,556	5	(205)	(210)
Purchased nursing	363	(143)	10	153
In-house Residential	0	0	0	0
Purchased residential	2,017	606	875	269
Direct payments	805	(150)	(377)	(227)
In-house Day Care	66	(3)	(2)	1
Purchased day care	262	(59)	(6)	53
Purchased domiciliary care	763	18	73	55
Management & Support	1,334	219	84	(135)
Other	722	196	201	5
<b>Total</b>	<b>11,888</b>	<b>689</b>	<b>653</b>	<b>(36)</b>

- 3.27. There was a decrease in the gross pressure forecast for mental health of £201,000, partially offset by a reduction in income of £165,000 to give a net decrease of £36,000.
- 3.28. The assessment and care management decrease of £210,000 is largely as a result of staff vacancies in operational budgets.
- 3.29. The purchased nursing forecast has increased by £153,000 due to new care provisions. The cost of these provisions is £167,000, which is offset by £14,000 client contributions. The majority of this increase is attributable to two new client care packages.
- 3.30. The purchased residential care forecast has increased by £269,000. This is due to 12 new client care provisions at a cost of £273,000 offset by client contributions of £4,000.
- 3.31. The forecast against direct payments has reduced by £227,000 due to a reduction in forecast spend against the Direct Payments Support Contract. This sits within the Safeguarding and Professional Leads budget.
- 3.32. The projected spend against purchased day care has increased by £53,000, as a result of nine new client care provisions.
- 3.33. There have been five new client care provisions against purchased domiciliary care, resulting in an increase in cost of £47,000. The balance of £8,000 increase is due to reduced income as a result of less client contributions against existing client care provisions following reassessments.
- 3.34. The projected spend against Management and Support has decreased mainly due to a reduction of £110,000 in the revised staff forecast.
- 3.35. Mental Health managers have highlighted a possible £780,000 potential pressure (not reflected in the outturn) from additional section 117 cases, although robust action is being taken to ensure any cost incurred is a realistic reflection of social care need. Senior management within Mental Health are looking to effectively manage the social care input to S117 packages (on a case by case basis), have S117 notifications discharged where appropriate and ensure care plans are realistic and contain SMART outcomes for clients.

### **Contingency**

- 3.36. The underspend in this area has increased by £302,000 to £1.654m. This is mainly as a result of a review by an external legal advisor of the financial risk of backdated Section 117 costs within this area (relating to the £475,000 provided for at the end of 2009/10). On the basis of legal advice, it is unlikely that the £475,000 will be fully realised. At this stage £300,000 of this provision has been released against the overall pressure. Updates on the residual risk will be given in future reports.

#### **4. Progress on further actions agreed as part of Period 4 report**

4.1. This section outlines the progress against further management actions of £2.885m (as detailed in Table 1) to reduce the overspend from £3.196m to £311,000. These actions are not included in the forecast and there still remains a high risk on delivery of some of these actions due to timing.

##### **Older People / Physical Disability – Purchased Services**

4.2. OPPD Purchased services are forecasting a pressure of £4.520m and with further actions of £1.0m they are expecting to achieve £3.520m overspend.

- Budget Challenge - Senior managers including the Assistant Director OPPD have attended some panel meetings to confirm the progress made against this action. However, the actions must be seen in the context of a statutory duty to provide care for people meeting our eligibility criteria and increasing demand has meant the overspend has actually increased. On the basis the financial target was over and above the reassessment work carried out by the reassessment team, this has now been removed.
- Central assessments - Although the reassessment team was set up from 1 October, necessary training meant the actual work did not start until the end of October. On the basis of the time left in the financial year this target has been reduced to £200,000. The project is targeting overdue reviews and therefore a high proportion of records will need updating to reflect other new procedures e.g. consent to share information. The outcome is being monitored and will be included in the next report.
- Contract reviews - DMT has recently approved the creation of negotiating teams from within the existing resources to drive this forward centrally. At a local level the District Service Managers (DSM) are already taking this forward. £200,000 was achieved against this action during Period 5 however due to increased demand in Period 6 it has been adjusted by £100,000 giving a balance of £800,000 to be achieved for rest of the year.

##### **Learning Disability – Purchased Services**

4.3. The forecast pressure for Learning Disabilities Purchased Services is £3.176m. With further actions of £1.605m they are expecting to achieve an overspend of £1.571m. Even if all management actions could be achieved it is unlikely at this point in the year that a breakeven position could be achieved by the end of the financial year, as the impact of any actions becomes relatively less as the year progress and new pressures are still emerging.

- One of the single biggest risks around the management actions is the achievement of Continuing Health Care funding for clients. A total of £1.7m of care has been identified as suitable for this

funding. However, this is currently considered high risk and as such only £695,000 has been forecast as achievable within the year; the balance has been left as a potential action.

- Savings achieved between Period 4 and 6 include £999,000, mainly around reviews and reassessments (£479,000), Transformation (£250,000) and commissioning (£175,000). Therefore a realistic position at the end of the financial year is expected to be £1.571m overspend if Continuing Health Care can be achieved.

### Mental Health

4.4. Following the savings achieved over this period, MH are expecting to reduce their forecast overspend to £653,000. With further actions of £280,000, it is expected to achieve overspend of £373,000.

- Budget Challenge - All relevant cases are now being jointly reviewed at panel (to ensure appropriate funding splits). Contract reviews and SWIFT data accuracy work are being undertaken to ensure forecasts remain robust.
- The only risk to the forecast position is S117 cases. Over the past two months several large packages have come to light and up to another £780,000 may end up being realised this financial year. Robust action is being taken in this area, but it is still considered high risk and may be subject to further change. £780,000 is not included in the forecast.

## 5. Client Care Packages and Average Weekly Cost Analysis

5.1. As at September 2010 there are 18,847 client care packages, which is an increase of 113 since July 2010. This equates to 1% (128) over the budget for the year. Table 7 provides a summary of position by client group as at Period 6 and movement since Period 4.

**Table 7 - Client Numbers Summary 2010/11**

Client Numbers	10/11 Budget	10/11 P4	10/11 P6	10/11 Variance		10/11 Variance	
				P6 - Budget	P6 - P4	P6 - Budget	P6 - P4
OP Total	12,604	12,382	12,402	(202)	20	(2%)	0%
PD Total	1,898	1,930	1,954	56	24	3%	1%
LD Total	3,564	3,678	3,714	150	36	4%	1%
MH Total	653	744	777	124	33	19%	4%
<b>Grand Total</b>	<b>18,719</b>	<b>18,734</b>	<b>18,847</b>	<b>128</b>	<b>113</b>	<b>1%</b>	<b>1%</b>

5.2. Table 8 provides a summary of the position at the end of financial year 2009/10. The department was supporting 18,516 client care packages at the end of the 2009/10 which was 158 (1%) over the revised budget and

1,453 <sup>1</sup>(9%) over the original budget. Whilst the number of packages was over the budgeted activity, the pressure was absorbed within the budgets by achieving one off in-year savings. This however has put a pressure on the activity numbers for 2010/11 as the starting position for 2010/11 was 158 higher than planned.

**Table 8 - Client Numbers Summary 2009/10**

Client Numbers	09/10 Original Budget	09/10 Revised Budget	09/10 P13	09/10 Variance		09/10 Variance	
				P13 - Original Budget	P13 - Original Budget	P13 - Revised Budget	P13 - Revised Budget
OP Total	11,385	12,359	12,171	786	7%	-188	-2%
PD Total	1,629	1,873	1,881	252	15%	8	0%
LD Total	3,424	3,473	3,730	306	9%	257	7%
MH Total	625	653	734	109	17%	81	12%
<b>Grand Total</b>	<b>17,063</b>	<b>18,358</b>	<b>18,516</b>	<b>1,453</b>	<b>9%</b>	<b>158</b>	<b>1%</b>

5.3. Whilst activity is continuing to increase, the complexity of the care packages being provided is causing further pressures on the budgets. Examples of this can be seen where there is an increase in the average weekly costs against budgeted average weekly costs.

5.4. For 2010/11 the main areas of movement are explained below:

#### **In House Services**

- Day Care – OP client care packages are under budget (12%) with Mental Health showing client care packages but having no budget. This is due to the budget for day care capacity being held within the OP client group, while day care is accessed by all client groups.
- Domiciliary Care – this is showing the number of packages of care provided by our Community Response Team (CRT), for which the demand varies month on month.

#### **Purchased Care**

- OP Day Care has reduced by 1% in client care packages since period 4. However the average weekly cost has increased by 15% since period 4.
- LD Nursing Care has seen a reduction in client care packages between Period 4 and 6 of 7%. However the average weekly cost has increased by 7%. This area has seen a reduction of 10% in client care packages against budget but the average weekly cost has increased by 48% against budget.

<sup>1</sup> This position was reported in the Final Accounts and Performance 2009/10 and Budget and Performance Monitoring 2010/11 - Period 01/04/2010 to 31/05/2010 taken to the Executive Member for Adult Social Care on 23 July 2010.

- PD and LD Direct Payments are both showing an increase in client care packages of 4%. However both are showing reductions in the average weekly costs of 1% and 3% respectively. Currently against budgeted client care packages and average weekly costs both areas are showing increases, with LD average weekly cost being 33% higher than the budgeted average weekly cost.
- MH Direct Payments have seen a reduction of 10% in client care packages since Period 4. This client area supports a smaller number of clients and equates to 3 care packages in total.

### **Learning Disabilities**

5.5. The LD client group has seen a large rise in average weekly costs as well as client care package numbers against their budgeted figures. Analysis of reasons for these changes has been undertaken and further detail is listed below:

- Nursing – although there are fewer client care packages than budgeted the average weekly costs for some of the clients are treble the budgeted amount, due to the complexity of their care. A review to reassess all nursing care packages has been undertaken to ensure that eligible needs are met in the most cost effective way.
- Residential – again, this area is showing fewer client care packages than were budgeted for which reflects the strategy of keeping clients in their own homes with Dom Care or Direct Payments. The clients that remain in residential care have higher needs hence the average weekly cost being 11% higher than budgeted.
- Domiciliary Care – the transfer of commissioning from the PCT has meant that over 60 additional clients with expensive packages of care have transferred to Adult Services. Although funding has transferred from the PCT client activity and average weekly costs are affected. In addition to this the removal of Independent Living Fund (ILF) has also impacted on average weekly costs.
- Direct Payments – Client care packages have increased in this area month on month for the past two and a half years and a large increase was seen at the end of 09/10 reflecting the fact that clients with higher needs are now taking these up. Whilst the average weekly cost has remained stable it is still above the budgeted figure for the year by 33%.
- LD has found it difficult to secure Continuing Health Care funding for its clients. This has therefore increased the average weekly costs across all care types.

### **Progress made against future changes in reporting**

5.6. The review of client care package analysis is underway. The first area identified was to be able to better analyse movements in the client care

packages and the financial impact. Specifications have been passed to IT services and a report is being developed that will enable reporting on:

- the number of unique clients against the client care packages
- the number of clients/packages and cost to the department of new clients in a month
- the number of clients/packages and cost to the department of clients who have not had a package of care in the month
- the number of clients/packages and cost to the department of changes to existing packages.

5.7. This work will allow more detailed analysis of movements in spend and client numbers/packages of care. The Performance Team and Devolved Finance Unit (DFU) are continuing to work closely on this and other areas to ensure that there is consistency of movements and ownership of analysis across the department. Updates will follow as this becomes clearer. Subject to successful parallel testing of the new report during December it is expected the changes will be implemented from January 2011.

## 6. Income analysis

6.1. The Period 6 income forecast is £701,000 over budget compared to the Period 4 forecast of £290,000 over budget, a movement of £411,000.

<b>Source of income</b>	<b>Revised Budget 10/11 as at P6</b>	<b>Variation P4</b>	<b>Variation P6</b>	<b>Total Movement</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Non residential charging	8,094	773	682	(91)
Client contributions to residential and nursing care	45,991	360	1,117	757
Health	36,344	(840)	(1,323)	(483)
Grants (exc. Health)	44	48	54	6
Recharges (To other Departments)	1,458	(61)	162	223
Other income	33	10	7	(3)
<b>Total income before Interdepartmental Recharges</b>	<b>91,964</b>	<b>290</b>	<b>699</b>	<b>409</b>
Recharges (Interdepartmental)	0	0	2	2
<b>Total income including Interdepartmental Recharges</b>	<b>91,964</b>	<b>290</b>	<b>701</b>	<b>411</b>

- 6.2. **Client Contributions** - The client contributions forecast has increased by £757,000 mainly due to:
- £370,000 increase in OPPD purchased care including:
    - £244,000 increase due to the processing of a backlog of 2010/11 financial assessments. This backlog was addressed during Period 5 and there is expected to be no further action required in the future.
    - £88,000 increase is due to out of date assessed rates in SWIFT. A correction of assessment rates was made in Period 5. A reconciliation will be produced each month to monitor this in future.
    - increased income of £38,000 from one client who is now being charged as a self-funder.
  - £234,000 is due to OP/PD In House service realignment of annual projection. Of which, £94,000 was due to an increase in the amount of income receivable from other Local Authorities for clients in Hampshire Nursing Homes. The remainder £140,000 is based upon an increase in occupancy which is currently around 90% for the sector.
  - £153,000 relating to DAAT expenditure had been recorded against income during Period 4. This has been corrected in Period 5 and it had no impact on the bottom line position.
- 6.3. **Health**, income from the health sector is lower than budgeted (£1.323m). The under achievement has increased by a further £483,000 since Period 4. This is mainly as a result of the loss of income due to a decrease in Continuing Health Care claims being approved. Therefore the original savings target for this area cannot be fully achieved.
- 6.4. **Recharges**, are higher than budgeted (£162,000). This is an increase from period 4 of £223,000 due to the treatment of a recharge between purchased and in-house services. This increase is offset by a corresponding increase in expenditure and it had no impact on the bottom line position.
- 6.5. As part of the revised budget process, income budgets are being realigned on the basis of average weekly client contribution multiplied by client activity. This will also increase the budgeted average weekly cost per client to a more realistic level. These adjustments will have no impact on the bottom line.
- 6.6. **2010/11 Additional Health Funding**
- 6.7. In relation to the additional Health funding announced in the current financial year for reablement, good progress is being made with an additional 25 reablement beds being agreed in Winchester, Basingstoke

and the South East with an estimated additional health investment of £266,000. Discussions are also ongoing to secure funding for additional beds in the South East and Frimley. Additional beds are being provided in the West at Forest Court Nursing Home and Health are providing support in utilising them.

- 6.8. Also negotiation continues to secure an estimated additional funding of £450,000 from Hampshire Community Health Care for additional social care capacity to support admission avoidance to hospitals.
- 6.9. There are also ongoing discussion occurring in relation to agreeing additional joint funding for Integrated Community Equipment Stores (ICES) of £250,000 due to pressures on the Joint Equipment Store. Adult Services' £150,000 contribution would be funded from the capital programme.
- 6.10. All of these investments both from Health and Adult Services will have a positive impact on winter pressures.

## **7. Workforce including update on sickness absence and recruitment (additions and reductions) to approved posts**

- 7.1. Plans are in hand to secure the corporate target of a 25% reduction in senior management headcount by the start of the next financial year. Current indicative costs of the associated redundancies are a maximum of £600,000. Corporate support for the enhanced elements is not included in that figure. The full year savings from this exercise will be realised in 2011/12 and are indicatively £1.3m.
- 7.2. **Staff Sickness**
- 7.3. Sickness absence is assertively addressed in Adult Services as part of the County Council's absence management policy. A new 'Improving Attendance Toolkit' has been developed to assist managers reduce the levels of absence in their teams. The Human Resources performance management team produce monthly reports which are provided to departmental HR Business Partners and managers to help them support staff when they reach absence trigger points. Each department also has individual departmental absence targets.
- 7.4. In common with most social care departments across the country, absence levels will be higher than other council departments due to the risks of cross-infection between front line staff and the very vulnerable adults they work with. Sickness absence levels in the Department are currently 13.8 days FTE compared to the Departmental target of 12 days per FTE.
- 7.5. Absence levels due to sickness within the Council's care homes and day services are being robustly managed due to previously high levels and the costs of agency staff to provide cover, and this is a key aspect of the management actions in place to balance the budget, and achieve the £1.2m reduction against OP/PD in-house spend in the previous financial

year. As at the end of September, the performance of services for older people and those with physical disabilities was 1.48 per FTE, a slight increase on 1.24 FTE in August. Services for people with learning disabilities had absence levels of 1.06 per FTE; this is the lowest it has been since April 2010.

- 7.6. In recognition of the costs to the Council in employing agency staff, the Department has introduced stretched targets of 3% absence of all planned care hours for in-house care home and day services. As at the end of September, services for older people and those with physical disabilities were 6.78% of care hours, an increase of 0.95% on August. Services for people with learning disabilities was 4.8%, the lowest since April 2010. Maternity leave is a significant factor and represents 1.58% of all absence hours. This has achieved a reduction in the use of agency staff from 25,000 hours in June 2009 to 3,700 hours in September 2010, and has contributed to in-house services forecasting a balanced budget at Period 6.
- 7.7. It is intended to develop this section of the Budget report for the next quarter to provide an overview of Adult Services workforce performance and improvement action.

## **8. Performance**

### **8.1. National Performance Indicators - current trends**

- 8.2. The Adult Information Management Suite (AIMS) is updated monthly and provides a view of the Department's performance against national indicators and locally developed measures. Performance also continues to be monitored against some of the former 'PAF' indicators that are useful to councils and benchmarked with our comparators. These are included below:
- 8.3. **C72 Older People new admissions to residential or nursing care** has improved on year end with a reduction in the number of new placements from 65.7 in August to 60.6 per 10,000 population in September. Over the 12 months to September this equates to 1,445 older people being placed into permanent care; 5 fewer than during the 12 months to August. In total; Overall performance across all 3 Areas continues to improve with a reduction in placements in all areas, except Rushmoor, Fareham, Test Valley and new for September Winchester.
- 8.4. **C73 Younger Adults new admissions to residential or nursing care** has also improved from 1.33 at end of year to 1.11 per 10,000 population, with 87 people being placed over the 12 months to September. In Winchester, Havant and Rushmoor the rate of placements is increasing. Basingstoke, Hart, and Fareham have reduced the number of new admissions.
- 8.5. **D40 The percentage of clients with a review in the last year** has fallen from 74% at year end to 71.2% in September. Over the last quarter performance has remained consistent at 71%. LD continue to have the

lowest review rate. Performance is expected to improve from October as the work of the centralised reviewing team starts to take effect.

- 8.6. **CQC PI** Waiting times for equipment or small adaptations improved in September to 1.2 weeks and is now better than the end of year plan of 1.4 weeks; an improvement on 1.6 weeks in March 2010. The percentage of items of equipment or adaptations delivered in 10 days improved in September to 53% of items, but still is lower than the end of year performance.
- 8.7. DMT Priority **Compliments and Complaints**. Activity is monitored by the Complaints Team and reported in AIMS by care group and service type. There is a slow upward trend in the number of complaints and concerns received this year; averaging at around 34 per month. In September 23 complaints were received compared to 21 in August, whilst the number of concerns reduced to 18, from 23 in August. The main areas of complaint and concern over the year related to residential and nursing care and occupational therapy; although only 3 OT complaints have been received over the last 3 months. It is anticipated that the general number of concerns and complaints will increase over the next few months. This is due to the public consultation exercise on the proposed contributions policy which runs from October to December. Such exercises are known to increase concerns amongst service users and carers. Further increases in activity are expected as national and local budget reduction plans are announced.
- 8.8. NI 125 The percentage of **people who use reablement services and are living at home 3 months later** has fallen slightly from 77.6% at year end to 77.2% in September, although this is an improvement on the 75.1% in August. Performance across districts and areas is mixed with improved performance in Basingstoke, Rushmoor & Hart, Gosport and Test Valley. Some of these areas have significantly improved but this is counter balanced by poorer performance in other areas such as Winchester.
- 8.9. This indicator is also used to measure the success of the Crisis Response Services which provide reablement for up to 6 weeks, and is reported in AIMS by service provider. This shows that the Community Response Team have continued to improve their performance with over 74% of clients remaining at home after 3 months. This compares to SCA 88%; and the Time to Think (T2T) (in-house) beds performance of 47%.
- 8.10. In order to improve the performance and management of the T2T beds a lot of work has been undertaken by Business Management Information Team (BMIT), in conjunction with the Strategic Commissioning Manager, to develop a dedicated performance scorecard. Once the scorecard has been signed off by the Free Crisis Board it will become a standard performance report published in AIMS.
- 8.11. NI 130 The percentage of **people using Self Directed Support**

In 2008, the DH/ADASS agreed a target that 30% of all service users would be using SDS by March 2011. In Hampshire this would have been 30% of 90,000 service users (30,000 people). However in 2009/10 the national return was benchmarked with other councils and a decision was made by DMT to exclude clients solely receiving equipment from the Integrated Community Store (ICES). This had the effect of reducing the number of reported service users to 45,000. This had a beneficial effect on NI 130 and improved Hampshire performance to 6.9%.

There is a now also a greater understanding of the benefits of SDS and the people it best supports; and in Hampshire this is closer to a total of 22,000 service users. A local target has therefore been set that 8,000 people with long term/stable needs, will be using SDS by the end of 2010/11. This is equivalent to **40%** of service users for whom SDS is appropriate and will be a mix of new clients and those transferred onto SDS through a review of their needs.

8.12. Implementation is on target as at the end of September 4,852 (4,298 August) people using a Personal Budget (10.3% of all service users) and represents just over half of the 8,000 target for 2010/11. All care groups are showing increases, with the OT service achieving a significant improvement in performance. The total number of OT service users with a personal budget is 1,782, an increase of 17% on the previous month.

8.13. NI 131 The average number of **people whose discharge from hospital is delayed** improved in July from 9.4 to 9.0 people per 100,000 population. This is across both acute and community hospitals. Since August the NHS STEIS national database system stopped reporting monthly NI 131 performance information and at present in year performance monitoring is still not possible.

8.14. NI 132 The percentage of **new people with a completed care managed assessment** (in less than 28 days) has fallen from 88.9% at year end to 83.8% in September; OP have the highest performance with 86%. Hampshire remains in the top quartile performance but current performance is below the Department's stretched target for 2010/11 of 90%. The AIMS report includes the high and poor performing teams for management action.

8.15. NI 133 The percentage of **people who received a service within 28 days of their assessment** has fallen from 90.2% at year end to 86.8% in September. Performance across OP/PD teams has remained constant at 86% since year end. LD currently have the lowest performance at 28%; down from 32% in August. The AIMS report includes the high and poor performing teams for management action.

8.16. It should be noted that performance in both NI 132 and 133 can be impacted by SDS as service users take more control over assessments and choosing assessments; and have been dropped as national indicators; although the data is still collected nationally.

- 8.17. NI 135 **The number of carers using services** as a percentage of service users has increased to 11.7% in September, with 92 more carers benefitting from a service. The number of principal carers recorded in SWIFT also increased by 77 in September taking the total to 1,294.
- 8.18. It is *recommended* that DMT continue close monitoring of increases in carers using services as it is not yet clear whether the improvements in performance are related to increased demand causing budget pressures, improved recording, or a combination of both.
- 8.19. NI 136 **The number of people helped to live at home** (all care groups) was reported as 4,185 per 100,000 population at year end, above the 3,400 comparator average. Performance at the end of September was 3,941 people per 100,000 population, slightly down on August. Due to the nature of this indicator in year monthly performance reporting also is always lower than at end of year.

## 9. Debt Write offs

- 9.1. Four debts over £5,000 totalling £36,482 were written off as part of Period 4 Executive Member report. In addition to this, there are six debts over £5,000 of £42,799.02 that have been recommended for write off by the panel during October, as these have been deemed to be irrecoverable. Detail of the cases is contained in Appendix 1.
- 9.2. Further action is being undertaken by the Department to strengthen the debt recovery process where the client lacks the mental capacity to manage their own affairs so that from as early as possible there is a responsible person in place managing the finances with the proper legal authority. This will reduce the likelihood of debts for these clients requiring write off.
- 9.3. So far this year 185 debts with an individual value under £5,000 have been written-off, totalling £106,700. This is comparable with the same time in the previous financial year.

## 10. 2010/11 Capital Programme Position

- 10.1. The total capital cash limit for 2010/11 is £8.412m as set out in Table 10 below. £3.405m was committed by the end of September 2010.
- 10.2. A major scheme of improvements at Thurlston House in Fleet was approved by the Executive Member for Adult Services on 29 October 2010. This will be the last of the major refurbishments funded from this budget.
- 10.3. The Department of Health have contacted Adult Services about a review of the CAF project, which is seeking to identify savings / efficiencies within the demonstrator sites with the aim of reducing Department of Health support for the project. It is not currently envisaged that Adult Services will be required to return any of this funding. The timescale for the review is not yet clear but further updates will be provided as more information becomes available.

<b>Table 10 - Capital Programme 2010/11 - Position as at -</b>	<b>September</b>
<b>Resources</b>	<b>£'000s</b>
2010/11 Capital Programme	3,243
Balance of Cash Limit brought forward from 2009/10	4,169
Mental Health SCE (credit approval) brought forward from 2009/10	432
Social care Reform Capital Grant	568
<b>Capital Cash Limit 2010/11</b>	<b>8,412</b>
Schemes committed (at contract prices)	3,405
Schemes not yet committed (at latest approved prices)	5,007
<b>Total schemes</b>	<b>8,412</b>

## 11. Recommendations

- 11.1 The forecast position as at the end of September 2010 be noted (section 3)
- 11.2 The progress against management actions (sections 3 and 4) be noted
- 11.3 The risk to delivery of a balanced budget be noted
- 11.4 The workforce and Performance update as detailed in the report are noted (sections 7 and 8)
- 11.5 The write off of six bad debts totalling £42,799.02 as set out in section 9 be approved
- 11.6 The capital programme position as at the end of September 2010 be noted (section 10).

## Appendices

Appendix 1 –Detail of debts over £5,000 recommended for write off

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	yes
Corporate Business plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Business plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	no
Corporate Business plan link number (if appropriate):	

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1. The Department's budget and performance strategies are developed in accordance with the Council's Equalities Policy and target the most vulnerable in society.
- 1.2. How budgets are used has a significant impact on the most excluded. The operational directors have lead responsibility to ensure that impact assessments take account of the needs of these groups. The Head of Finance is a member of the Department Management Team, and part of her role is to contribute to these impact assessments. This budget monitoring report provides information on the progress of spending plans of the Directorate and will contribute to better outcomes for all.
- 1.3. The Equalities Impact Assessment (EIA) on the management actions detailed in the report, will be carried out by the Operational Directors.

### **2. Impact on Crime and Disorder:**

The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no proven impact on the prevention of crime.

### **3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

All relevant developments within the revenue budget and capital programme are subject to specific, detailed assessments. Energy conservation, and where applicable enhancing biodiversity, are priorities for all major building schemes and the revenue budget includes an allocation to specifically encourage sustainability initiatives.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Where appropriate capital schemes are planned with adaptation to climate change in mind, such as the inclusion of passive cooling through building design, rain-water and grey-water harvesting, drought resistant planting etc.

Where appropriate revenue efficiencies have been identified with climate change in mind, this includes travel, food wastage in in-house homes.

**Appendix 1 – Detail of debts over £5,000 recommended for write off****Client One (£ 5,985.18)**

This invoice was raised in June 2003 and relates to the charges for the period between April 2002 and July 2003. The client disputed the charges and following unsuccessful attempts to recover the money, the case was referred to the Panel in February 2005. Income and Legal have been in contact with the client. The client and relative have no money or recoverable assets and they do not have capacity regarding their finance. On the basis it is unlikely to be recovered, the Panel agreed to refer it to the Executive Member for agreement to write off.

**Client Two (£6,016.97)**

Debt accrued from 2007 until the client died in February 2010. The client was awarded Independent Living Fund (ILF) and became convinced this was a benefit for the client to spend, as opposed to using it for care. Eventually the situation was clarified and the client agreed to a repayment plan. Repayments continued up until client's death. However, as there was still an outstanding balance and the amount could not be recovered from the client's Estate, write-off is requested.

**Client Three (£5,762.67)**

Debt accrued from 2003 until the client died in 2008. Between 2006 and that point, Care Management, Legal and FAB had been in dialogue with the client to maximise the client's income and try to recover the money. Following the client's death money could not be recovered from their Estate and therefore write-off is requested.

**Client Four (£7,425.20)**

Debt accrued during 2009 when the client entered residential care and allowed a relative access to their finances. The relative used the money for their own purposes and did not pay contribution invoices. This was taken up with the client, who recovered control of the finances, removed the relative's access and is paying contributions. However, the client is reluctant to press police charges against the relative. Therefore a write-off is requested.

**Client Five (£11,930)**

Debt accrued between 2008 and 2010, when the client entered residential care and a relative took over management of their affairs. The client contribution was not paid and this was followed up repeatedly. Initially a payment was established and when this fell into arrears legal proceedings were started against the relative, as no enduring power of attorney could be established. The client died before the proceedings could recover the debt and there is no Estate against which to lodge a claim. Therefore the case is recommended for write-off.

**Client Six (£5,679)**

Debt accrued between 2002 and 2006, when the client entered residential care and the family took over management of their financial affairs as appointees. When client contributions were not made, Hampshire County Council applied to the Department of Works and Pensions (DWP) for appointeeship to be revoked but this was not actioned. Legal advice was sought and proceedings were started. The client passed away, however, and Legal did correspond with the relative for some time before it became apparent that the debt was not going to

be recovered from the Estate and the Panel therefore recommended the debt to be written off.