

2013/14 Third Quarter Financial Monitoring Report- Health & Wellbeing

Summary

- 1 This report analyses the latest performance for 2013/14 and forecasts the financial outturn position by reference to the service plan and budgets for all of the relevant services falling under the responsibility of the Director of Health & Wellbeing.

Financial Analysis

- 2 The new Directorate of Health & Wellbeing comprises the Adult Social Care budgets formerly within the Directorate of Adults, Children & Education, and the new Public Health budget amalgamated with some sport and active leisure and Drug & Alcohol Action Team (DAAT) budgets formerly within the Directorate of Communities and Neighbourhoods. A summary of the service plan variations is shown at table 1 below.

**Table 1 – Health & Wellbeing Financial Projections Summary
2013/14 - Quarter 3 December**

	2013/14 Budget £000	Projected Outturn Variation	
		£000	%
Adult Assessment & Safeguarding	27,401	+1,542	+5.6%
Adult Commissioning, Provision & Modernisation	23,759	+437	+1.8%
Public Health	826 [*]	-400	-48.4%
Total Health & Wellbeing	51,986	+1,579	+3.0%

^{*} Net of £6.441m Public Health Grant

- 3 The summary shows a net projected overspend for the year of £1,579k. This is an improvement of £170k compared to the £1,749k reported at Quarter 2.

- 4 In Adult Social Services, demographic pressures continue to be evident in relation to demand for care, despite significant investment of £2.5m in the 2013/14 budget. At present, forecasted pressures include a continued increase above forecast level in the number of customers taking up Direct Payments (£227k), increased use of external placements for emergency and short term breaks (£219k) and a higher than budgeted number of customers needing nursing care (£329k).
- 5 As reported at Quarter 2 the Council has seen a small number of nursing homes receive Care Quality Commission (CQC) inspection reports identifying concerns about quality of provision. This has resulted in restrictions at some homes on new admissions funded by the authority, in line with our quality assurance framework, whilst the Council supports the homes to deliver the improvements needed. These homes had been offering placements at the council's agreed fee level. This has impacted on the available market for nursing care provision new placements incurring higher costs, requiring more top ups from the Council, contributing to the forecast overspend. The increased scrutiny from CQC has to be welcomed, and it is clear this is happening across the country as the commission responds to high profile failures of care elsewhere. In addition average customer numbers for the year currently stand at 285 compared to the 271 customers provided for in the original budget.
- 6 Home care budgets are projected to overspend by £190k. Expenditure had been stable for the first four months of the year, but over the summer increased at approximately £1k a week up from £81k to £86k. This has now stabilised again but a review of new care packages coming on to the service continues to show a mix of needs. Hospital discharges and new packages after a Reablement service account for approximately 1/3 of the additional service needs. The other increases have been required to supplement existing packages of care because of issues such as continence, falls, family carers becoming unavailable due to own health needs or growing dementia. This means that a higher number of customers than budgeted for (42 compared to 30) are currently on exception contracts with homecare providers.
- 7 A number of unachievable budget savings also contribute to the forecasted pressure including reablement (£300k), Elderly Persons Homes (EPH) reconfiguration (£175k) and the Night Care team (£135k). With other minor pressures offset by a significant forecasted underspend on External Residential Care (£351k) due to a lower number of required placements than anticipated.

- 8 The Public Health grant for 2013/14 is £6.641m and there is currently a forecast surplus of £458k. It is proposed that £400k of this will be used as mitigation against overspends in adult social care where there are elements that can be funded by the public health grant, particularly around prevention work. The remaining surplus is a contingency for continuing uncertainties around the transferred contracts from the Primary Care Trust (PCT). In addition to this there is a general fund budget for public health of £826k which is primarily for sport and active leisure and some DAAT functions. No significant variations to this budget are currently expected.
- 9 The directorate management team are committed to exploring all options for reducing expenditure in the remainder of the 2013/14 financial year and are therefore continuing to look at the following to further mitigate the current overspend projection:
- Reviewing the most expensive care packages, with a view to exploring all options for delivery of the required care at a lower cost.
 - Reviewing the level of, and securing additional, continuing health care contributions where appropriate.
 - Reviewing the 2014/15 savings proposals with a view to stretching and implementing as many as possible earlier in the 2013/14 financial year.
 - Continuing to hold recruitment to vacant posts wherever possible and safe to do so.

Council Plan

- 10 The information included in this report demonstrates progress on achieving the Council's corporate priorities for 2011-2015 and in particular, priority 4 'Protect Vulnerable People'

Implications

- 11 The financial implications are covered within the main body of the report. There are no significant human resources, equalities, legal, information technology, property or crime & disorder implications arising from this report.

Risk Management

- 12 Adult Social Services budgets are under significant pressure. On going work within the directorate may identify some efficiency savings in services that could be used to offset these cost pressures before the end

of the financial year. It will also be important to understand the level of investment needed to hit performance targets and meet rising demand for key statutory services. Managing within the approved budget for 2013/14 is therefore going to be extremely difficult and the management team will continue to review expenditure across the directorate.

Recommendations

- 13 As this report is for information only there are no specific recommendations.

Reason: To update the committee on the latest financial position for 2013/14.

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**Report
Approved**

Date 25 February 2014

Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers

Third finance monitor for 2013/14, Cabinet 11 February 2014

Annexes

None

Abbreviations

CQC - Care Quality Commission
DAAT - Drug & Alcohol Action Team
EPH - Elderly Persons Homes
PCT - Primary Care Trust