

**Report for:** Adults and Health Scrutiny Panel, 11<sup>th</sup> February 2016

**Item number:** 7

**Title:** Priority Two Budget Monitoring Report – Quarter Three

**Report authorised by :** Beverley Tarka, Director of Adult Social Services

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**Ward(s) affected:** All  
**Report for Key/**  
**Non Key Decision:** Non Key Decision

**1. Describe the issue under consideration**

1.1 This report is to inform the Adults and Health Panel review of the financial performance of the Priority Two Services (Adults Social Care, Commissioning and Public Health). It is based on the financial position as at the end of quarter three (month nine)

**2. Recommendations**

2.1 The Panel is asked to note the estimated outturn position and the action being taken to address it.

**3. Reasons for decision**

3.1 In October 2015 the main Overview and Scrutiny Committee agreed each scrutiny panel could during the course of each year undertake a review of their areas overall service and financial performance, taking into account previous years' performance, the current year's estimated outturn position and future changes as set out in the Council's MTFs.

**4. Alternative options considered**

4.1 No alternative options are required

**5. Background information**

5.1 The main directorates contributing to the Priority Two outcomes are Adults Social Services, Commissioning and Public Health, all of which are reported within the Deputy Chief Executive portfolio.

5.2 There are no significant variances against the Priority Two elements of Commissioning or Public Health. However as reported to Cabinet in January there is a significant forecast out-turn variance for Adults of £12.9m overspend.

5.3 The table below shows how this variance is made up together with a comparison to the previous year:

	2014/15 Budget	2014/15 Outturn	2014/15 Variance		2015/16 Budget	2015/16 Forecast	2015/16 Variance
<b>Adults</b>	£000	£000	£000		£000	£000	£000
LD Day Centres	3,244	3,142	- 102		2,595	3,254	659
Other Provider Services	3,628	3,464	- 164		3,588	3,524	- 64
Assessment, Care Management and Other	14,858	12,591	- 2,267		15,369	14,478	- 891
Care Purchasing - Working Age	30,241	33,486	3,245		27,176	36,304	9,128
Care Purchasing - Pension Age	22,199	24,521	2,322		21,481	25,562	4,081
	74,170	77,204	3,034		70,209	83,122	12,913

### Factors Leading to the Variances

- 5.4 In the original budget planning it had been assumed that the Learning Disabilities day centres would begin to close at the end of the 2015 calendar year and the budget was set on this basis. However the council's commitment to full consultation and co-production has resulted in a change to this timetable with the result that there is an apparent overspend against this service.
- 5.5 There is a significant underspend against Assessment and Care Management and other services. Within this there is a significant overspend within the Safeguarding service relating to the additional requirements for applying the Deprivation of Liberty Safeguards. Additional government funding has been received for this but does not cover the full extent of the cost leaving an overspend of £155k. Offsetting this are underspends in staffing across a number of areas especially Occupational Therapy and Social Workers where we are experiencing difficulties in recruitment. There is also a favourable adjustment relating to disputed costs in prior years which are now resolved.
- 5.6 However the main overspend is in care purchasing where both volume and cost have continued to rise and savings assumptions made in the medium term financial strategy have taken longer to embed and show results than originally estimated. The number of clients continues to increase especially for the working age group where we have seen a 3% increase in the number of care packages since the beginning of the year (so probably a 4% increase over the year.) This is the result both of new clients coming into the service and clients remaining in receipt of care for longer periods of time. This is not unique to Haringey – we are aware that many other boroughs are experiencing similar issues.

- 5.7 Adding to this “volume” pressure there is clear evidence of increasing cost pressures. The average unit cost of services continues to rise and the cost of a new service is over 7.5% higher than the average cost of existing services. This may well reflect the increasing complexity of client needs reported by social workers as well as the costs of providing care in London where both labour and premises costs are high.
- 5.8 Finally it must be acknowledged that there has been slower progress on achieving the transformational changes in social care practice than assumed in the budget although there have also been some successes. In particular there is clear evidence that residential placements are being used much less for new clients with Learning Disabilities and there has been success in moving clients on through the recovery pathway in Mental Health. However, as previously reported to the Panel, numbers of residential admissions for elderly people remain high and have been subject to additional investigation.

### **Action Being Taken to Address the Issues**

- 5.9 Over the course of the year work has been carried out to identify the issues and solutions to them. Actions identified include:
- The development of a recruitment and retention strategy for the Adults workforce (similar to and building on the work in Childrens.) The results of the analysis and the proposed strategy will be shared with the Staffing and Remuneration committee in due course.
  - Additional programme management and other support has been identified within the council to ensure that progress on the savings is accelerated.
  - A Brokerage unit has been established. This team will negotiate individual care packages, both freeing up care management time and ensuring that the cost of care is appropriate and best value.
  - There is a joint project with our Health partners to build an effective Intermediate Care Pathway. This will include our approach to Reablement.
  - Along side this a review of the Reablement Service has been carried out that has identified further potential in this area.
  - We have also commissioned two extra care sheltered schemes that will come into use in the summer. This will offer an alternative to residential care.
  - We are carrying out a review of our “Front Door” to ensure that it is working effectively and that people are getting support that is appropriate to them.
  - We have reviewed our Information, Advice and Guidance delivery model and also relaunched our online Care Directory: HARICARE.
  - Some of the additional funding for Adults as a result of the Care Act will be used to support the Safeguarding team and address pressures in that area.
  - There will also be additional resources to work with Young People in transition and streamline care planning processes across Adults and Children.

- Similarly there will be additional resources to identify clients who may be eligible for Continuing Health Care funding and we are working with Health partners to consider how this can be best managed in future.

## **6. Contribution to strategic outcomes**

- 6.1 This report concerns the delivery of Priority Two: Adults are Enabled to Live Long, Healthy and Fulfilling Lives.

## **7. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **Finance and Procurement**

- 7.1 This report is primarily financial in nature and no additional comments are required from the Chief Financial Officer.

### **Legal**

- 7.2 The Assistant Director of Corporate Governance has been consulted on this report.. There are no specific legal implications arising from this report.

## **8. Use of Appendices**

None

## **9. Local Government (Access to Information) Act 1985**

- a. Priority Two Performance Wheel
- b. Period Nine Budget Monitoring Report to Cabinet.