

<b>4 September 2012</b>		<b>ITEM 8</b>
<b>Health &amp; Wellbeing Overview &amp; Scrutiny Committee</b>		
<b>Adult Social Care Financial Outturn 2011/12</b>		
<b>Report of:</b> Roger Harris – Head of Commissioning and Mike Jones – Group Finance Manager		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> No	
<b>Accountable Head of Service:</b> Roger Harris – Head of Commissioning Les Billingham – Head of Adult Social Care		
<b>Accountable Director:</b> Jo Olsson – Director of People’s Services		
<b>This report is Public</b>		
<b>Purpose of Report:</b> To inform Scrutiny Committee of the financial outturn for Adult Social Care in 2011/12		

**EXECUTIVE SUMMARY**

Adult Social Care reported a £ 223,780 underspend for 2011/12 on a net budget of £33,190,682 - .6%. On the gross budget of approximately £ 40m the percentage underspend would be .5%

**1. RECOMMENDATIONS:**

**1.1 Scrutiny Committee is asked to note the report**

**2. INTRODUCTION AND BACKGROUND:**

2.1 Adult Social Care faces many challenges in its managing its budget. There are growing demographic pressures as people are living longer, service user expectations are growing and certain pressures on the service are clearly growing – there are more people with either autism, dementia or challenging behaviour coming to our attention. The Council did put demographic growth of £ 1m into the budget and we received a further £ 430k reablement funding from the Primary Care Trust (in addition to the existing £ 2.2m). We feel that to manage the budget to a half of one percent underspend was excellent finance and demand management.

### 3. ISSUES AND/OR OPTIONS:

3.1 Detailed below is a short summary of the budget spend by group headings :

Adult Social Care – Outturn for 2011/12	REV BUD	Revised Outturn	Revised Variance
Contract Management	331,843	372,426	40,582
Directorate Management (Social Care Reform Grant income loss)	(622,941)	(162,772)	460,169
External Purchasing - Learning Disabilities	9,525,561	9,602,750	77,189
External Purchasing - Older People	8,119,724	8,058,190	(61,534)
External Purchasing - Physical Disabilities	2,360,400	2,856,375	495,975
External Purchasing - Mental Health	1,319,926	1,763,880	443,954
Fieldwork	4,381,071	3,912,391	(468,680)
Learning Disabilities - Internal	1,788,618	1,974,513	185,895
Mental Health - Internal	1,145,181	1,143,969	(1,212)
Older People Care Provision (includes re-ablement funding from the PCT)	3,880,472	2,276,449	(1,604,022)
Physical Disabilities - Internal	137,824	142,277	4,453
Service Management	270,304	359,698	89,394
Special Equipment	552,700	666,758	114,058
<b>Grand Total</b>	<b>33,190,682</b>	<b>32,966,903</b>	<b>(223,780)</b>

The specific pressures and challenges we are facing ;

- Demographic pressures as people are living longer
- Certain conditions are becoming more prevalent – dementia, autism, challenging behaviour
- Thurrock is a low spending authority. According to the latest CIPFA report (2010/11) Thurrock spends £ 326 per head of population where the England average for adult social care is £ 355
- Service users expectations are growing, people are more likely to take a budget as a direct payment to tailor the service to suit their particular needs
- Pressures on health budgets – e.g. continuing healthcare, do impact on adult social care
- People want to live in their own home for longer rather than go into residential care and this is not always a cheaper option

To meet these challenges we have ;

- A major transformation programme designed to support people to maintain their independence for longer
- A rigorous in-house efficiency programme to reduce costs – e.g. the unit costs for Collins House have reduced to near £ 550 per week from £ 650 per week
- We have focused on our expensive external providers – we have moved a number of very high costs placement from out of borough providers to more local better value for money providers
- We have secured a significant amount of savings through a number of procurement exercises e.g. supporting people contracts
- We did secure £ 1m growth into the 2011/12 budget (and a further £ 1m into 2012/13) in recognition of the above pressures
- Finally, we did get an increase in our reablement funding from the Primary care Trust. This now totals over £ 2.4m. If this funding was not available, Thurrock along with most other local authorities would be experiencing even more serious financial problems. A risk is to ensure this funding continues and we are discussing this with the Thurrock Clinical Commissioning Group which will be replacing the PCT next April.

#### **4. CONSULTATION (including Overview and Scrutiny, if applicable)**

4.1 This report has been agreed with colleagues in Corporate Finance.

#### **5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

5.1 The pressures faced by Adult Social Care is recognised in our Medium Term Financial Strategy (MTFS). It is also recognised that part of the long term strategy is about supporting communities to support themselves and also more effective prevention and early intervention to prevent long term care needs developing in the first place.

#### **6. IMPLICATIONS**

##### **6.1 Financial**

Implications verified by: **Mike Jones**  
 Telephone and email: **01375.652772**  
**mjones @thurrock.gov.uk**

The financial implications are covered within the body of the report

##### **6.2 Legal**

Implications verified by: **Roger Harris**  
Telephone and email: **01375.652192**  
**rharris@thurrock.gov.uk**

There are no specific legal issues arising from the report as this is just for members information and so no formal legal referral was felt necessary

### **6.3 Diversity and Equality**

Implications verified by: **Roger Harris**  
Telephone and email: **01375.652192**  
**rharris@thurrock.gov.uk**

There are no specific diversity issues arising from this report as this is just for members information.

### **6.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

None.

## **7. CONCLUSION**

- 7.1 The report shows the demand and service pressures being faced by Adult Social Care – these will continue. Managing demand against budget pressures forces us to ensure we are getting value for money and have a rigorous transformation programme delivering efficiencies whilst protecting front line services.

### **Report Author Contact Details:**

**Name:** Roger Harris  
**Telephone:** 01375.652192  
**E-mail:** rharris@thurrock.gov.uk