

Finance and Resources Committee

10.00am, Thursday, 27 November 2014

Adult Social Care Budget Pressures, 2014/15

Item number
Report number
Executive/routine
Wards

Executive summary

The Council's Health and Social Care budget is under significant pressure. At as the end of October, the adult social care budget is projected to overspend by £5.3 million (2.6%) by the end of the financial year.

Management actions and options to reduce the overspend currently total £2 million, although some of the proposals will need further discussion with NHS Lothian on joint funding plans. Further work is being undertaken to develop savings proposals to reduce the remaining balance of £3.3 million.

Links

Coalition pledges	P30
Council outcomes	CO25
Single Outcome Agreement	S01 , S02 , S03 and S04

Adult Social Care Budget Pressures, 2014/15

Recommendations

- 1.1 To note the actions being taken to reduce the projected Health and Social Care budget overspend of £5.3 million.
- 1.2 To instruct the Director of Health and Social Care to report on progress at the January meeting, including additional savings to further reduce the project budget overspend
- 1.3 To consider the proposal to establish a joint interim care facility with NHS Lothian (see paragraph 2.13 - 2.17), including the leasing arrangements described in paragraph 2.17

Background

- 2.1 At its meeting on 30 October the Committee considered a report by the Director of Corporate Governance on *Revenue Monitoring 2014/15 – half-year position* which identified a projected overspend on £2 million in the Health and Social Care budget, relating to increased dependency levels in care homes, the loss of income from new legislation waiving charges for carers, and growth in purchased care home high dependency packages.
- 2.2 Committee instructed the Director of Health and Social Care “to identify proposed measures to bring expenditure back into line with approved levels and report these at period eight”.
- 2.3 Budget monitoring at period 7, the end of October, now indicates an increase in the projected overspend to £5.3 million. This report describes these pressures, and the management actions being taken, and sets out further budget control options.

Main report

Budget pressures

- 2.4 The Council’s Health and Social Care budget is under significant pressure. As at the end of October, the adult social care budget is projected to overspend by £5.3 million (2.6%) by the end of the financial year:

Service	£'000	Description of pressure
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Service	£'000	Description of pressure
Period 5 Half-year Revenue Monitoring reported to Committee, 30 October 2014		
Care Home staffing	1,000	Increasing dependency levels of residents in CEC Care Homes, requiring increased staffing, as admissions are focussed on people with the highest levels of need
Respite income	800	The <i>Carers (Waiving of Charges for Support) (Scotland) Regulations 2014</i> now prevent local authorities from charging for support to carers, such as respite care.
Increase cost of spot purchase	200	Additional cost of high dependency Care Home placements
Total projected overspend	2,000	At period 5
Additional pressures at Period 7		
Care at Home	3,340	Growth in Care at Home to meet demographic and unscheduled care pressures. The Period 5 position assumed income of £1 million from NHS Lothian – this is now not available due to unscheduled care in-patient pressures.
TOTAL PRESSURES	5,340	

2.5 The Budget pressures previously reported at period 5 totalled £2 million.

- The £1 million pressure in the Council's care homes for older people is due to the higher staffing levels that are now necessary to care for increasing numbers of highly dependent residents with severe dementia and other complex conditions. The Council is currently the sole provider of care home provision for older people with challenging behaviours.
- New legislation prevents local authorities from charging for support to carers, such as respite care, following a carer's assessment. *The Carers (Waiving of Charges for Support) (Scotland) Regulations 2014* were laid before Parliament after local authorities had determined their 2014/15 budgets and so far have not been supported by additional Scottish Government funding. The estimated loss of income in 2014/15 for adult social care budgets in the City of Edinburgh Council is £800,000.

2.6 The most significant pressure now relates to **care at home** (£3.3 million). The movement from pressures of £2 million to £5.3 million is explained by a combination of factors:

- Income of £1 million from NHS Lothian to help fund the Joint Financial Plan is now not available due to the increased unscheduled care demand on the acute hospital sector;
- Revisions to the projected Care at Home outturn due to: (a) higher increases than expected in the average number of weekly hours now required per person – reflecting more complex needs now being met at home rather than in care homes, and (b) a change in the ratio between planned hours recorded

on the case information system and actual hours recorded on invoices, compared to the ratio from last year used to adjust the data on planned hours utilised in Period 5 budget monitoring.

- 2.7 In Edinburgh, domiciliary care hours provided or purchased increased by 12% in 2013/14, compared to the previous year. The increase from April to September 2014 is 12.8% compared to the same 6-month period last year. The £3.340 million projected overspend assumes an additional 2,000 hours per week of care at home is delivered between now and the end of the year.
- 2.8 Despite these significant service volume increases, there are currently 284 people (including 60 in hospital) waiting for 3,504 hours per week of domiciliary care, excluding people ready to move on from re-ablement or intermediate care.

	People	Hours
Waiting in hospital	60	1,405
Waiting in the Community	137	1,446
Waiting in the Community for additional hours	87	653
Total waiting for domiciliary care	284	3,504

- 2.9 Investment of £500k in Home Care Re-ablement is part of the strategy to reduce the waiting list and reduce the future growth in demand. Home Care Reablement, provides up to six weeks of intensive work with people after discharge from hospital to help them regain all or some of their self-care abilities and confidence usually by working with them to regain daily skills in their own homes. The average reduction in care hours required is around 40% of the initial allocation.
- 2.10 However, currently our Reablement Teams are having to provide care to clients who have successfully completed reablement, still require some care, but cannot be placed with either the in-house home care service or private care at home providers due to lack of capacity. In turn this means that there is insufficient capacity in Reablement Teams to provide reablement to all people being discharged from hospital or referred from the community. Investing in reablement would ensure more people benefited and would reduce the future increase in care at home required. An additional 55 staff are planned to start in December 2014, subject to confirmation from NHS Lothian of the funding of £500k from Scottish Government Winter Pressures monies.

Management action to control budget overspends

- 2.11 Management actions have been identified totalling £2 million, including proposals to restrict further growth in care at home budgets, which will increase numbers waiting for care packages, both in hospitals and in the community:

Budget control action	£'000
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Budget control action	£'000
Review of high cost packages, respite and day care packages and escalation of panel authorisations	360
Review equipment service criteria, cease minor aids that are available from commercial sources.	50
Tighten criteria for funding transport to disabilities day care services, excluding users who qualify for mobility cars or receiving DLA higher rate for mobility needs from which taxis could be funded.	60
Further restrictions on non-staffing budgets	100
Further staffing budget restrictions, including new Care Home rotas, management of agency and overtime, review of temporary staff and secondments, and phasing recruitment to essential vacancies.	630
Quality and Standards – reduced training budgets	118
Review policy re waiving of charges for respite	100
Revised estimates of income, including income from residential care charges	137
Care at Home: further option of no further growth to the end of the year - will increase waiting lists both in hospitals and at home	200
Step Down - do not let 10 beds due in December (3 months savings)	110
One off contract savings	140
Total savings	2,005

- 2.12 Several of these proposals will need further discussion with NHS Lothian on joint funding plans and strategies to reduce delayed discharges and emergency admissions. Further work is also being undertaken to identify further management actions to reduce the remaining projected budget over spend of £3.335 million.

Proposed Joint Interim Care Facility – Gylemuir House

- 2.13 Joint strategic planning with NHS Lothian has identified an opportunity to reduce the numbers of people waiting in hospital for a care home place - on average at any time there are 90 people delayed in hospital for this reason.
- 2.14 The proposed leasing of the former Pentland Hill Care Home is part of a joint short-term strategy with NHS Lothian to support discharge from hospital and to cope with winter pressures. This option is an alternative to opening additional winter beds. It will be an interim care facility, known as Gylemuir House, to support people who have been inappropriately delayed in hospital, until a permanent care home placement can be found.
- 2.15 The estimated net cost for 60 beds in 2014-15 is £1.2 million. £400k will be funded by the City of Edinburgh Council, £400k by NHS Lothian and £400k by Scottish Government.
- 2.16 The net cost for 60 beds in 2015-16 is expected to be £2.8 million. The funding, which is subject to ongoing discussion with the Unscheduled Care Group, is being discussed as part of the joint financial plans with NHS Lothian.

- 2.17 The City of Edinburgh Council and NHS Lothian are jointly revising the overall strategy to support older people and to deliver shifts in the balance from Acute to the Community in order to provide on-going funding for the period of the lease. Should funding not be available for 2015/16, the home would close to new admissions and existing residents would need to be found places in other care homes. However, the residual costs from the 18 month lease due to be signed in December would be £460k per year (£310k pa lease costs and £150k property maintenance), to be shared equally between the Council and NHS Lothian.

Measures of success

Reduction in projected budget overspend

Financial impact

- 5.1 This is covered in the main report.

Risk, policy, compliance and governance impact

- 6.1 The delivery of a balanced budget outturn for the year is the key target. The risks associated with costs pressures, increased demand and procurement savings targets are regularly monitored and reviewed and management action is taken as appropriate.

Equalities impact

- 7.1 Measures to reduce budget overspends are likely to increase waiting lists for services for older and people with disabilities.

Sustainability impact

- 8.1 No impacts on sustainability.

Consultation and engagement

- 9.1 The timescale for producing this additional report precluded consultation with key stakeholders.

Background reading/external references

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Links

Coalition pledges	P30 – Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO25 – The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO1 - Edinburgh's economy delivers increased investment, jobs and opportunities for all SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential SO4 - Edinburgh's communities are safer and have improved physical and social fabric
Appendices	None