

The Highland Council

Education, Children and Adult Services Committee 8 October 2015

Agenda Item	8.
Report No	ECAS 83/15

Adult Social Care Year End Out-turn 2014/15 and Forward Look to 2016/17

Report by Director of Finance, NHS Highland

Summary

This report from NHS Highland provides an update on the funding of adult social care.

1. Key Messages

- 1.1 Reported overspend is **£0.487m** for 2014/15. In effect this was covered by NHS resources.

Key points;

- Savings to be realised/delivered £2.098m
- In-year Pressures/(Savings) -£1.611m
- North & West element £0.959m
- South & Mid element £1.303m
- Central element -£1.775m

2. ASC Funding

- 2.1 The following table shows the actual/planned ASC expenditure figures, for 2012/13 to 2016/17, together with details of the financial contribution made by each organisation towards the costs. It should be noted that these figures include budgets/expenditure, such as property maintenance, that are monitored outwith the NHH ASC ledger. It is clear that both parties to the Lead Agency arrangements have made considerable investments into ASC. Between the close of 2012/13 and 2015/16, the quantum from Highland Council has increased by £7.4m (8.5%) and the funding from NHS Highland has increased by £9.9m (85%). This is in the context of the Council receiving a total uplift of only around 1% to its Revenue Grant over this time period and NHS Highland receiving 11% increase to its baseline.

Investment in Adult Social Care 2012/13 to 2016/17						
		2012/13	2013/14	2014/15	2015/16	2016/17
		Actual	Actual	Actual	Planned	Projected
Gross ASC Expenditure		101,706	106,418	111,128	117,018	121,407
Less savings achieved		-3,106	-3,732	-2,502	-1,000	
Net ASC Expenditure		98,600	102,686	108,626	116,018	121,407
FUNDED BY:-						
Opening budget quantum from HC		84,890	86,901	87,489	93,072	94,328
Quantum adjustments		-1,050	137	1,116	456	0
		83,840	87,039	88,605	93,528	94,328
Additional HC funding (recurring)		1,386	1,092	4,000	2,300	1,400
Additional HC funding (non-recurring)		1,675	-642	467	-1,500	0
Closing budget quantum from HC		86,901	87,489	93,072	94,328	95,728
NHS Resource Transfer		11,709	11,709	12,270	12,455	12,679
NHSH Additional Resource Transfer		0	561	184	224	225
		11,709	12,270	12,455	12,679	12,903
NHSH Other Recurring Funding		0	50	2,484	9,011	9,011
NHSH Other Non-recurring Funding		0	1,622	128	0	
(Under)/Over Spend Funded by NHSH		-10	1,255	487	0	
		-10	2,926	3,099	9,011	9,011
Total NHSH Funding		11,698	15,197	15,554	21,690	21,915
Total Combined Funding		98,600	102,686	108,626	116,018	117,643
2016/17 Funding (Surplus)/Deficit						3,764

3. Overview

- 3.1 The table below is a summary of the financial position by client group – in the format previously adopted by Highland Council. Note that it is becoming more difficult to simply extract ASC financial information on its own, and this is to be expected as integration becomes more embedded however, a reconciliation between the quantum transferred from Highland Council (HC) and budgets identified is maintained.



NHS Highland

Adult Social Care - Summary

Monitoring Report for Period Ending 31st March 2015

	YTD Budget	YTD Actuals	YTD Variance	Annual Budget	Forecast Out-turn	Year End Variance
Community Care						
Older People: Care Homes	9,660	9,222	438	9,660	9,222	438
Older People: Care Homes - ISC	23,655	23,744	(89)	23,655	23,744	(89)
Older People: Other non-residential care	943	844	100	943	844	100
Older People: Other non-residential care - ISC	1,287	1,275	13	1,287	1,275	13
People with a Learning Disability	4,403	4,351	52	4,403	4,351	52
People with a Learning Disability - ISC	16,887	16,941	(54)	16,887	16,941	(54)
People with a Learning Disability - SDS	1,872	2,106	(234)	1,872	2,106	(234)
People with a Mental Illness	860	782	78	860	782	78
People with a Mental Illness - ISC	4,053	3,958	95	4,053	3,958	95
People with a Mental Illness - SDS	53	99	(46)	53	99	(46)
People with a Physical Disability	954	885	69	954	885	69
People with a Physical Disability - ISC	4,538	4,239	300	4,538	4,239	300
People with a Physical Disability - SDS	1,555	1,562	(7)	1,555	1,562	(7)
People misusing Drugs/Alcohol	0	0	0	0	0	0
People misusing Drugs/Alcohol - ISC	350	358	(8)	350	358	(8)
Community Care Teams	6,595	6,299	296	6,595	6,299	296
Management & Planning	1,390	960	430	1,390	960	430
Statutory Consultation	184	185	(1)	184	185	(1)
	79,240	77,808	1,431	79,240	77,808	1,431
Corporate & Central Services						
Care at Home	14,287	13,595	691	14,287	13,595	691
Care at Home - ISC	5,754	6,021	(267)	5,754	6,021	(267)
Care at Home - SDS	822	1,142	(320)	822	1,142	(320)
Telecare	372	323	49	372	323	49
Training	0	0	0	0	0	0
Business Support Services	2,462	2,175	287	2,462	2,175	287
Housing Support Services	5,881	5,859	21	5,881	5,859	21
Directorate	319	207	112	319	207	112
Health Board Resource Transfer	0	0	0	0	0	0
Budget Savings/Pressures	(3,123)	(632)	(2,491)	(3,123)	(632)	(2,491)
	26,772	28,691	(1,919)	26,772	28,691	(1,919)
	106,012	106,499.222	(487)	106,012	106,499	(487)

3.2 The annual budget of £106.0m is made up of;

- Quantum transferred from HC (excl property etc budgets) £91.0m
- Resource transfer (previously netted) £11.9m
- NHS Investment

3.3 At the beginning of 2014/15, the ASC budgets were completely rebased, across NHS operational areas, in line with the agreed quantum settlement. This was to eliminate previous large budget variances which existed for a considerable number of years and to bring the budgets into alignment. This was based on the previous year's actual expenditure, adjusted for estimated in year pressures and funding.

3.4 The quantum transferred from HC amount above excludes a number of budgets,

including the property maintenance adjustment which is part of the NHSH Facilities budget, which are monitored separately from the mainstream ASC budget.

3.5 More detailed information about how the ASC budget is being used is contained within the individual District Change and Improvement Plans.

4. Year End Position

4.1 The year-end position has improved by £2.150m since month 3 and by £0.430m since last month.

4.2 There are four main components to the overspend.

4.3 Unachieved savings

4.3.1 A savings plan was identified and agreed at the beginning of the financial year totalling £4.6m. Whilst progress has been made in a number of areas, there remains approximately **£2.1m** of savings that will need to be achieved in future years. The main areas where savings have been achieved are Care Packages (£0.9m), Additional Hours/Overtime (£0.4m), Housing Support (£0.3m) and Other Savings (£0.9m).

4.4 Independent Sector and SDS Costs

4.4.1 Despite significant additional resource to reduce the previous year's overspend and account for expected in year pressures, the value of ISC and SDS packages continues to rise and these headings are overspent by £0.619m.

4.4.2 It should also be noted that significant pressures are being experienced in terms of delayed discharges, particularly within Raigmore, and the alleviation of this problem is likely to incur further costs within ISC care home placements. This comes at a time when additional capacity is becoming available through new care homes and also, the lifting of embargoes. Considerable efforts are being made with this regard and this will continue in 2015/16.

4.5 Care at Home

4.5.1 The level of demand for care at home continues to increase at a significant rate. The number of scheduled ISC hours is currently 2,177 per week higher than 1 April 2013 and this is partially offset by a 920 hour per week reduction within the in-house service.

4.5.2 A significant proportion of this increase relates to a significant step increase in ISC provision in Feb 2014 which, in turn, was not reflected in the estimated costs for 2014/15 and the full year effect for this increase alone, is in excess of £0.5m.

4.5.3 NHS Highland invested £1m in 2014/15 for additional care at home capacity and this resource has been applied to the position.

4.5.4 As with ISC packages and placements, care at home is also likely to be part of the solution to the delayed discharge problems and this will also be reflected throughout 2015/16.

4.6 Transition of young adults with profound disabilities

4.6.1 When the 2014/15 budget quantum transferred from HC was agreed an amount of £0.512m was included, as a pressure, in respect of the transition of young adults with profound disabilities. This was based on a list of cases provided by Children's Services. Since then, work has been undertaken to update the list of clients and, whilst work is still ongoing, the current information available indicates that additional costs in excess of £0.850m were incurred in 2014/15. The majority of these costs are included in 3.2 and 3.3 above.

5. Forward Look for 2016/17

5.1 The current draft ASC budget for 2016/17 is predicated on the Three Year Agreement that was set by the Council in March 2014. The current projection is that this budget would result in a £3.8m shortfall (as summarised in the Table on page 1). However, given the uncertainty of the Revenue Grant from the Scottish Government to all local authorities for 2016/17, Highland Council notified NHS Highland on 21 September 2015 of 'the likelihood of a reduction in investment in Adult Social Care'. This would represent a change from the quantum position that was agreed by the full Council in March 2014 (as part of the Three Year Agreement) and will inevitably have consequences, the implications of which will need to be shared with the Council as commissioners. Clearly, any reduction in the previously agreed level of funding will increase the current £3.8m projected shortfall in Adult Social Care for 2016/17. It is understood that the Council will not be able to confirm its position until the end of February 2016.

6. Conclusion

6.1 The final outturn for 2014/15 on Adult Social Care was an overspend of £0.487m. The anticipated outturn for 2015/16 is a break-even position. The outlook for 2016/17 is still being quantified and the implications of any decision to move away from the Three Year Agreement will need to be fully assessed.

7. Recommendation

7.1 Committee is asked to note the contents of this report.

Designation: Director of Finance, NHS Highland

Date: 21 September 2015

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