

**BUDGET PLANNING REPORT FOR:
ADULT SOCIAL CARE, HEALTH & HOUSING SERVICES 2013/14**

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REASON FOR ITEM

- 1 This is the first opportunity for the Policy Overview Committee to discuss the current stage of development of budget planning work with regard to Adult Social Care, Health & Housing Services. Within the context of the Council's overall financial position, this paper sets out the main financial issues facing the Group's services and the work being undertaken to respond to them. This paper gives a strategic context in which the detailed proposals to be discussed at Policy Overview Committee meetings in January 2013 will need to be considered.

OPTIONS AVAILABLE TO THE COMMITTEE

- 2 It is recommended that the Committee notes the development of the financial planning process undertaken to date, and comments as appropriate on the response to the issues being developed by the Group.

INFORMATION

- 3 This is the first of two opportunities within the planning cycle for the Policy Overview Committee to consider issues relating to budget planning for 2013/14. The focus of this report is the major issues that have been identified through the service and financial planning process for Adult Social Care, Health & Housing Services. The report to be considered in January 2013 will set out the detailed budget proposals for the Group, those proposals having been included in the report to Cabinet on the Medium Term Financial Forecast (MTFF) on 20 December 2012.

Corporate Summary

- 4 While the focus of the discussion for the Policy Overview Committee should be the specific services within its remit, it is important that this discussion is conducted in the context of the overall corporate financial position.
- 5 The Comprehensive Spending Review 2010 set out the financial challenge facing local government over the following four year period and cuts were heavily front loaded in the first two years. However, it has since become

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apparent that the estimates on which the CSR was based were over optimistic and it is now highly likely that the period of austerity will continue for a significantly longer period. The budget report to Council in February 2012 identified the savings requirement for 2013/14 as £12.1m and work is currently underway to refresh this figure. However, the new two year local government settlement is not due to be published until late autumn and so the final funding position will not be clarified until then.

- 6 In addition, there is significant other uncertainty within the budget for next year: the responsibility of public health is being transferred to local government on 1 April 2013;
 - a) council tax benefit is being abolished from 1 April 2013 and is being replaced with a new local support scheme with an immediate 10% cut in funding;
 - b) a reform of education funding is also in progress due to be implemented from 1 April 2013; and
 - c) the allocation of local government funding is being reformed through the business rates retention scheme.
- 7 Alongside this, any emerging pressures which arise throughout this financial year which will have to be provided for in next year's budget. The budget gap will be monitored throughout the year and the budget strategy adjusted accordingly to ensure that a balanced budget for 2012/13 can be set.

Strategy to deal with the budget gap

- 8 The Council is strongly placed to deal with the challenges ahead. We have a good track record of coming in or under budget each year and have accumulated balances of £23.3m by the end of 2011/12. We have a well established HIP programme that has helped steer the Council from a position of having low balances to one of having healthy balances at the same time as dealing with significant external challenges. This has been enhanced by the development of the BID programme as the main vehicle for delivering the fundamental changes required to the Council's structure and ways of working in order to address the reductions in funding going forward.

MTFF process update

- 9 The timetable for the budget process was refreshed earlier this year. The first MTFF sessions with Groups took place during late June and early July to review the detailed budget proposals developed by each group. Progress on the development and delivery of these proposals will be

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monitored monthly by CMT and the Leader of the Council throughout the remainder of the year.

Timetable for 2012/13 Budget

10 The broad timetable is as follows:

Process	Timetable
Monthly BTB updates (March 12 to Feb 13)	Monthly
Monthly Leader MTFE updates (March 12 to Feb 13)	Monthly
MTFE Reviews (1) Initial Scoping sessions with Heads of Finance and Transformation Manager	March
Initial Scoping meeting with Leader	May/June
MTFE BID Proposals – Firm up plans on cross cutting BID Initiatives	May/June
MTFE Review (2) – 1st Challenge Session	June / July
Initial Draft MTFE Report to Leader	End July
POC Reviews – Context of 2013/14 Budgets	July
MTFE Review (3) – 2 nd Challenge Session	September
Second Draft MTFE Report to Leader	Early October
Joint CMT and Cabinet Awayday	October
Draft Local Government Finance Settlement	November/December
Draft MTFE reported to Cabinet	December
POC review of draft Group Plans and budget proposals	January
Council Tax setting	February

Budget Planning in Adult Social Care, Health & Housing Services

Summary of Key Financial Issues

11 The groups managements team remains focussed on ensuring the delivery of the MTFE budget agreed at February Cabinet, the full year effect of which significantly contributes to balancing the 2013/14 budget. Progress against these objectives will be reported to each Cabinet as part of the monthly finance report.

- 12 The adult Social Care, Health & Housing management team has identified significant budget savings for 2012/13 totalling £6.256 million (out of a total of £8.262 million for the combined Social Care, Health & Housing (SCH&H) Directorate. The management team remains focussed on ensuring the delivery of the MTFF budget agreed at February Cabinet, the full year effect of which significantly contributes to balancing the 2013/14 budget. Progress against these objectives will be reported to each Cabinet as part of the monthly finance report.

Adult Social Care

- 13 The Adult Social Care management team are working proactively with the West London Alliance (WLA) to secure good value for money from suppliers and to ensure future supply of care services as changes to demand flow from the increasing number of personal budgets.
- 14 This committee will also be aware of the importance of the Reablement / TeleCareLine service which in 2011/12 overachieved the number of new installations and contributed significantly to the savings achieved in 2011/12.
- 15 On 11th July 2012, the Department of Health published its White Paper on the reform of social care: '***Caring for our future: reforming care and support***' (<http://caringforourfuture.dh.gov.uk>). The long-anticipated White Paper (and its associated Draft Bill) follows on from several consultations on the future of social care delivery and funding issues, including the Dilnott Commission, which gathered evidence over a year-long review, conducted from July 2010 to July 2011, on the future delivery, funding and organisation on social care services, particularly for adults and older people (see <http://www.dilnotcommission.dh.gov.uk>).
- 16 The proposals in the White Paper and Draft Bill are based around two core principles:
 - a) ***Individuals, communities and the Government have a responsibility to do everything that they can to prevent, postpone and minimise people's need for formal care and support.*** The care and support system should therefore be based on the simple notion of promoting people's independence and wellbeing.
 - b) ***Individuals should have control of their own care and support and be empowered to make the choices that are right for them,*** using personal budgets and direct payments and by accessing clear, comparable information and advice. This principle is intended to improve the quality and integration of the care being provided, with local

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authorities having a responsibility to provide leadership in shaping the local market and ensuring local services are integrated.

- 17 However, the proposals in the White Paper stop short of specifying the precise changes to the funding of social care that will be required to support the new system. Instead, the White Paper sets out a timetable of reform which goes through into the next Spending Review period and the new funding system will not be introduced before April 2015.
- 18 The vision set out in the White Paper is for a modern system which promotes well-being, preventing or postponing the need for care and support. The Bill is therefore intended to support the delivery of that vision by:
 - a) *Modernising care and support law* so that the system is built around people's needs and what they want to achieve in their lives;
 - b) *Clarifying entitlements to care and support* to give people a better understanding of what is on offer, help them plan for the future and ensure they know where to go for help when they need it;
 - c) *Supporting the broader needs of local communities* as a whole, by giving them access to information and advice, and promoting prevention and earlier intervention to reduce dependency, rather than just meeting existing needs; Simplifying the care and support system and processes to provide the freedom and flexibility needed by local authorities and care professionals to innovate and achieve better results for people; and
 - d) *Consolidating existing legislation*, replacing law in a dozen Acts which still date back to the 1940s, with a single, clear statute, supported by new regulations and a single bank of statutory guidance.
- 19 The attached appendix summarises the main points of the White Paper with DH comments and a request for comments on the draft proposals, the closing date for which is the 19th October.

Housing

- 20 The Housing management team have successfully managed the changes brought about by the change in HRA financing which saw the end of the negative subsidy regime and enable LBH greater flexibility in managing its housing stock. The service is also supporting the Supported Housing new build programme which is a key component of enabling the department to achieve its savings.
- 21 There are though increasing pressures in Housing Benefit applications, particularly from privately renting tenants. The recent introduction of electronic applications through e-benefits is expected to mitigate the

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pressure. In addition, an increased caseload could also put a pressure on the housing benefits budget but this will also depend on the performance in the incentive areas relating to errors.

- 22 The pressures in the Homelessness budgets relating to bed and breakfast use and availability of temporary accommodation remain. These are monitored monthly to ensure risks to budgets are managed.

Next Steps

- 23 The Medium Term Financial Forecast setting out the draft revenue budget and capital programme will be considered by Cabinet on 20 December 2012 and issued for consultation during the remainder of December 2012 and January 2013. This will include detailed consideration by each of the Policy Overview Committees of the proposals relating to their respective services.

SUGGESTED COMMITTEE ACTIVITY

Consider whether there are suggestions or comments the Committee wish to make.

BACKGROUND PAPERS

The Council's Budget: General Fund Revenue Budget and Capital Programme 2012/13 – reports to Cabinet 16 February 2012 and Council 23 February 2012.

Annex A - Summary of key Care and Support White Paper, draft Care and Support Bill and progress report on funding reform commitments

To help people stay active and independent in their community, we will stimulate the development of time sharing schemes where people volunteer their time, skills or practical help in exchange for 'credits' that they can use to access the help of others.

We are also looking at new ways of investing in services that help people to stay independent for longer, such as social impact bonds.

We will create a £200 million capital fund over five years to stimulate the development of specialised housing for older and disabled people so people can make the right choices about suitable housing to help them live independently for longer.

We will make sure people have much better information to help them make choices about care. For the first time there will be one place - nhs.uk - to go to for national information on NHS, social care and public health. Local authorities will develop improved online information and support about the care and support options available locally.

To improve the quality of care and help people choose between different providers, from today, every registered social care provider will have a quality profile on nhs.uk. Over time, we will make it easier for people to give feedback and compare quality.

To help people understand what care they are entitled to, we will introduce minimum national eligibility for care and support and we will make it easier for people to move between local authorities, without worrying that they may lose the care they need.

For the first time ever, carers will be recognised in the law the same way that those they care for are. We will extend their existing right to an assessment, and provide a new entitlement to support to meet their eligible needs, to help them with their caring role.

We will transform people's experience of care and support, with services that respond to what people want. People will have control over their own budget and their own care and support plan. They will be able to choose the care and support that best enables them to meet their goals and aspirations. We will put people, and not institutions, in control.

We will work with commissioners, care providers, people who use services and carers to bring an end to commissioning practices that undermines people's dignity and choice.

We will place dignity and respect at the heart of new national minimum training standards and a code of conduct for those working in care. To drive up quality and bring new people into the profession, we aim to double the number of apprenticeships to 100,000 by 2017. To give the social work profession leadership we will appoint a Chief Social Worker by the end of 2012.

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To put people in control of their care, we will create a legal entitlement to a personal budget for everyone so people will be able to control the way they are cared for. By 2013 everyone needing community care will be offered a personal budget as part of their care and support plan, preferably as a direct payment. We will increase the availability of independent advice and support to help people make their own choices

about care. We will test direct payments for people who choose to live in residential care.

We will consult on central oversight of the social care market, maintaining that continuity of care – not provider – is the core principle. Local authorities have a duty to ensure continuity of care, we will make this clear in the draft Care and Support Bill. This will provide people with reassurance that should a Southern Cross-like scenario happen again, no-one would be left without care.

Improved integration is a key priority for care and support. A care package should fit seamlessly around a person's needs, and not what a care provider feels is an adequate amount of care. The health system will transfer an extra £100 million and £200 million in 2013/14 and 014/15 on top of the £7.2 billion already agreed in the last *Spending Review*. This, together with better arrangements for sharing people's information (set out in the DH Information Strategy) will improve joined-up working between the NHS and care and support, such as making sure that people move smoothly from being discharged from hospital back into their own home or residential care instead of feeling that they are being passed from pillar to post.

We will consult on whether any power of entry is required alongside the duty to make safeguarding enquiries. We do not want to intervene in people's lives unnecessarily. However, we are aware of the strong feeling from some that a specific power of entry for safeguarding would give an opportunity to offer timely information and advice, and ensure that people who are unable or unwilling to ask for help can have their voices heard.

We agree that the principles of the Dilnot Commission's model – financial protection through capped costs and an extended means-test – would be the right basis for any new funding model. Our intention is there if a way to pay for it can be found.

Given the size of the structural deficit and the economic situation we face, it is right the final decision on whether to proceed is considered alongside other priorities at the Spending Review.

We have accepted a number of important recommendations made by the Dilnot Commission. Most notably, we are committing to Universal Deferred Payments which will ensure that no one will be forced to sell their home in their lifetime.

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