

## Summary

	Culture & Enterprise £'000	CYPT £'000	Environment £'000	Finance & Resources £'000	Strategy & Governance £'000	ASC&H - Housing & LD £'000	ASC&H - ASC & Section 75 £'000	General Fund Total
2009/10 base budget	11,091	45,216	36,487	18,348	11,727	27,145	48,685	198,699
Inflation	112	686	439	172	127	391	767	2,694
Service Pressures	457	4,564	1,202	920	70	2,551	1,934	11,698
Reinvestment	236		150	184				570
Efficiency Savings	-495	-522	-936	-1,046	-227	-2,017	-2,671	-7,914
Other Savings	-227	-1,815	-922	-355	-83	-375	0	-3,777
2010/11 Budget Strategy	11,174	48,129	36,420	18,223	11,614	27,695	48,715	201,970
Cash Limit	11,174	46,189	36,420	18,223	11,614	27,695	48,715	200,030
<b>Savings to be identified</b>	<b>0</b>	<b>1,940</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,940</b>

Staff posts affected	34.0	14.0	20.0	25.0	16.0	0.0	51.0	<b>160.0</b>
Estimated posts deleted FTE	17.5	9.7	6.0	20.0	10.0	0.0	38.5	<b>101.7</b>
Estimated Redundancies FTE	13.4	0.0	3.0	13.0	2.0	0.0	22.0	<b>53.4</b>

## **HOUSING STRATEGY AND LEARNING DISABILITIES 2010/11 BUDGET PROPOSALS**

### **Strategic Context and Direction of Travel**

Housing Strategy & Learning Disabilities division contributes to the city's ambitions in the Community Strategy and through the priorities set within the Corporate Plan. Its main aims are to reduce inequality, support independence and improve the quality of life in the City. The division is also actively involved in supporting the wider agenda of partners in the health sector and children's services.

The context of our service and financial planning includes continued high levels and increasing complexity of housing and support needs in the City, in particular in learning disabilities and housing adaptations. There is a significant impact of Housing Benefit changes for temporary accommodation and hostels and potential knock on impact on Adult Social Care & Housing service users. Grant funding is being reduced in a variety of areas including housing capital and adaptations budgets and Supporting People which could increase costs in other service areas.

Following recent announcements there is significant uncertainty at a national level over long term funding arrangements for adult social care.

### **Strategic response to this context:**

The proposals are a continuation of the direction of travel over the last three years including:

- Creating effective pathways through accommodation to maximise resources, independence and prevent homelessness.
- Negotiating savings with Supporting People providers to reduce unit costs in light of significant cuts in grant funding
- Commissioning new services for people with learning disabilities to improve value for money.
- Maximising inward investment and best use of resources in the delivery of major adaptations and private sector renewal assistance we have ensured that people can remain in their own homes and so minimise the impact on community care budgets.
- Maximising commissioning options with our Registered Social Landlord partners to deliver more housing with support, (up to 16% of total affordable housing delivery, 100% lifetime homes and 16% of homes fully wheelchair adapted).
- Continuing to improve performance and efficiency through a focus on our customers, use of technology and innovation, and reviewing our business processes to create efficiencies.
- Ensuring we maximise appropriate income streams.
- Ensuring we continue to meet our obligations to safeguard vulnerable adults.

**Financial and Service Pressures**

The main financial pressures on the Directorate's services over the next three years are shown in tables 1 and 2 below:

<b>Table 1 - unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2010-11 £'000</b>
<b>Housing Strategy</b>	
Housing Benefit rates-DWP changes	500
<b>Sub –total Housing Strategy</b>	<b>500</b>
<b>S75 Council Lead : Learning Disabilities</b>	
Transitions from CYP T equivalent to 16 service users	885
Demographic Growth Learning Disabilities equivalent of 33 service users	516
<b>Sub –total S75 Learning Disabilities</b>	<b>1,401</b>
<b>TOTAL PRESSURES HSG &amp; LD</b>	<b>1,901</b>

<b>Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with as part of budget strategy)</b>	<b>2010-11 £'000</b>
<b>Housing Strategy</b>	
Reduction in Supporting people Grants	592
<b>Sub –total Housing Strategy</b>	<b>592</b>
<b>S75 Council Lead : Learning Disabilities</b>	
Reduction in Preserved Rights Grants	58
<b>Sub –total S75 Learning Disabilities</b>	<b>58</b>
<b>TOTAL PRESSURES HSG &amp; LD</b>	<b>650</b>

These pressures require the directorate to find £2.4m of savings (or 8% of its net budget) to meet the target cash increase over 2009/10. The target increase in cash limit over 2009/10 is a reduction of £0.036m on Housing and 3% (0.586m) for Learning Disabilities. The cash limit has been met from improved efficiency (£2.017m or 7% of the budget), and increased income (£0.375m or 1%).

**Approach to savings in 2010/11:*****Housing Strategy***

The approach to the 2010-11 budget is in line with the strategic response context outlined above in particular to maximise income through conversion of Management Agreements to lease arrangements which will attract higher level of housing benefit in light of the new DWP Housing Benefit changes from April 2010 and so generate £147,000 savings.

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Better commissioning of leased accommodation through improved contract management, reduced void levels and improved processes will generate £275,000

Efficiency savings in supplies and services, income maximisation and renegotiation of current leasing arrangements within hostels £143,000

### **S 75 Council Lead: Learning Disabilities**

The approach to the 2010-11 budget is to continue to improve value for money through better commissioning and contracting to save £221,000. Increasing the use of Personalised Budgets and prevention to manage growth more effectively and reduce the numbers of people in residential care through use of supported living and private sector housing models will save £425,000. As a result this will enable people to move on into personalised services to maximise their independence, choice and control. Commission a new personalised supported living service in Wellington Road to provide efficiencies for new and existing placements generating £328,000 savings. Ensure appropriate funding streams are received including Continuing Health Care which should deliver £261,000 additional income.

### **Supporting People**

The reduction in grant funding of £592,000 will be delivered within the existing Supporting People strategy which had been planning for this level of year-on-year reductions through service remodelling and efficiency savings. It is particularly dependent on the availability of appropriate “move-on” accommodation.

### **Staffing Implications for the Directorate:**

No staffing implications are anticipated at this time.

### **Key Risks:**

Plans should be reviewed in the context of risk around receipt of Continuing Healthcare funding from the PCT for claims submitted in 2008/9 which remain unresolved.

### **2010/11 Budget proposals summary:**

<b>Adult Social Care and Housing</b>						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
<b>Main Service Area</b>	£'000	£'000	£'000	£'000	£'000	£'000
Housing Strategy	4,505	29	1,092	-1,043	-114	-36
S75 Learning Disabilities	22,640	362	1,459	-974	-261	586
<b>TOTAL</b>	<b>27,145</b>	<b>391</b>	<b>2,551</b>	<b>-2,017</b>	<b>-375</b>	<b>550</b>

## **ADULT SOCIAL CARE & S75 PORTFOLIO 2010/11 BUDGET PROPOSALS**

### **Strategic Context and Direction of Travel**

Adult Social Care is a statutory service and directly provides or commissions advice and support services for vulnerable adults in the City including disabled people, older people, people with mental health problems, including dementia, and those with sensory loss. The services provided include a universal offer of advice and signposting through to support for independent living, re-ablement, equipment and adaptations, day options and residential and nursing care.

The context of our service and financial planning includes demographic growth in Physical Disability and Older People users along with increasing complexity of needs.

There are nationally driven reforms to adult social care including self directed support, personalisation of service provision and budgets and their impact on the use of a Resource Allocation System (RAS)

There are changes to provision of health services which have consequences for social care provision in particular reconfiguration of Acute Mental Health services and the impact of the recommendations from the review of Continuing Health Care

As mentioned earlier there is significant uncertainty at a national level over long term funding arrangements for adult social care. This is in addition to the Social Care Reform Grant being in its last year of agreed funding at £1.167m in 2010/11.

#### **Our strategic response to this context includes:**

The proposals are a continuation of the direction of travel over the last three years including:

- Reducing costs in most services, using “systems thinking” across the Directorate over 3 years.
- Reviewing our approach to S75 partnership arrangements and agreeing clear responsibilities.
- Achieving better value for money and customer service by improving performance and efficiency through technology, and better business processes.
- Developing appropriate accommodation and support and maximising housing options.
- Maintaining income levels where possible by maximising benefits.
- Improving value for money more widely through collaboration, health partnership, strong commissioning and alternative models of service delivery. Developing joint initiatives including Shared Lives.
- Focusing on the well-being agenda and working collaboratively to deliver this.

**Financial and Service Pressures**

The main financial pressures on the Directorate's services over the next three years are shown in tables 1 and 2 below:

<b>Table 1 - unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2010-11 £'000</b>
<b>Adult Social Care</b>	
Demographic Growth- Physical Disabilities- equivalent to 40 additional homecare service users	309
Demographic Growth and increasing complexity and increasing vulnerability Older People, equivalent to 26 service users	400
Expected overspend 2009/10- resultant pressure on 2010/11	780
<b>Sub –total Adult Social Care</b>	<b>1,489</b>
<b>S75 Health Led : Provided through Sussex Partnership Foundation Trust (SPFT) and South Downs Health Trust (SDHT)</b>	
Demographic Growth Adult Mental Health equivalent of 4 service users plus reconfiguration of health services (£200,000 pa)	367
<b>Sub –total S75 Health</b>	<b>367</b>
<b>TOTAL PRESSURES FOR PORTFOLIO</b>	<b>1,856</b>

<b>Table 2 - Service Pressures as a result of grant funding coming to an end (dealt with as part of budget strategy)</b>	<b>2010-11 £'000</b>
<b>Adult Social Care</b>	
Reduction in Preserved Rights Grants	58
<b>Sub –total Adult Social Care</b>	<b>58</b>
<b>S75 Health Led : Provided through Sussex Partnership Foundation Trust (SPFT) and South Downs Health Trust (SDHT)</b>	
Reduction in Preserved Rights Grants	20
<b>Sub –total S75 Health</b>	<b>20</b>
<b>TOTAL GRANT PRESSURES FOR PORTFOLIO</b>	<b>78</b>

These pressures require the directorate to find over £2.6m of savings for this portfolio (or 5.4% of its net budget) to meet the target cash increase over 2009/10. The target increase in cash limit over 2009/10 is 0.5% (£0.244m) for Adult Social Care & Housing and S75 Health Led Partnerships.

### **Proposals for main savings**

These proposals are set within the context of the transformation of social care services set out within the agenda of the Putting People First concordat. They are broadly set out under 4 headings.

#### ***Personal Budgets***

The shift in focus is that everyone who meets the council's eligibility criteria (critical and substantial) will be allocated a Personal Budget (PB). Through the application of a Resource Allocation System (RAS), service users work with the authority to agree their assessed and eligible needs; these needs are then allocated a resource amount which the person then chooses how to spend, thereby giving more choice and control. Carers generally welcome this approach because the person is given access to a much wider range of services. Research shows that in most cases the costs are reduced.

From 2010/11 all new clients will be allocated a personal budget. In addition, those service users who receive community care will also move to personal budgets during the year as their needs are reviewed. The savings set out are therefore based on 2,000 service users with 30% of people receiving community based services benefitting from this new model of funding social care.

As a result savings of £410,000 can be made by individuals making more cost effective decisions about services which are more tailored to their needs, maximising individual benefits and other sources of income.

#### ***Re-ablement***

Following a value for money review of home care we have moved mainstream resources into the independent sector and reinvested the savings made to establish new and innovative services in the form of the 'Community Solutions Team' and 'Independence at Home'. This team, a mix of home care and OT staff, now works with all new referrals from the Access Point to ensure that maximum independence can be achieved, resulting in lower admissions to residential care and lower 'at home' support costs.

Analysis during the first six months of this service has demonstrated significant success with over 50% of people needing far less support after 6 weeks of re-ablement.

The future savings proposals are based on wider roll out of re-ablement over the next few years. The financial sustainability model demonstrates that savings of 28% can be realised by applying this model not only to those at risk of not returning home but to those that have needs that could be better met by further utilisation of technology (Telecare), aids and adaptations and re-skilling.

As a result of this more effective re-ablement model of service provision £200,000 can be saved when applied to referrals from the Access Point and hospital discharges.

#### ***Workforce***

Traditional workforce models will not be appropriate for a transformed social care service. The new service will be based on self assessment and co-production, this will be supported by the development of User Led Organisations (ULO's) that will assist people to become 'brokers' of their own service design and delivery. We have developed a new workforce strategy

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designed around this and the principles of a whole system approach. What this means in reality is that experienced and qualified staff will be deployed into 3 key areas of; robust assessment of need at first point of contact, reviews that focus on re-ablement, personal budgets and co production and safeguarding. These design principles will take our most qualified and experienced staff away from the bureaucracy and place them in key roles best matched to the highly professional skills they have.

Financial modelling of this new service design shows that 10% savings can be made across the workforce. However, whilst the above are being implemented stability need to be maintained, therefore a greater quantity of workforce savings will be delivered during 2011/12. In 2010/11 it is anticipated that £300,000 could be achieved.

### **Market Redesign**

The above strategies will result in a fundamental market shift that will need careful management. Already the use of personal budgets has resulted in people opting for more person centred services resulting in, for example, a reduced take up of traditional day services. Therefore one of the budget savings proposals is to de commission a day service that has less than 60% take up which is expected to generate savings of £200,000. Those people who still require this service can easily be accommodated in the other day service provision that is also experiencing less than optimal use.

Other savings include:

- Better commissioning of provider contracts to save £50,000.
- Redesign short term services in the community and bed based to reduce length of stay, prevent admissions to hospital and enable service users to regain independence to save £100,000.
- Review financial assessment functions by implementing Value for Money review recommendations and increasing client contributions to generate £40,000.
- Implement recommendations from commissioning strategy for OPMH £70,000.
- Sensitively review all Older People Mental Health /Adult Mental Health placements focussing on reduction in costs and increased 'move on' to deliver £290,000
- Review arrangements at Intermediate Care facility and reduce unit costs £300,000 by ensuring that health fund the appropriate levels of care in this setting.
- Review Integrated Community Equipment Service arrangements and respective contributions of social care and health.

Better commissioning of services from independent sector providers will drive out efficiencies of £300,000 by cash limiting contract values. This will enable us to achieve reductions in unit costs and bring spend in line with comparator authorities. Similarly, partnership contributions to the Sussex Partnership Foundation Trust (SPFT) will be cash limited to save £200,000. This will impact on partnership relations and relies on SPFT delivering efficiencies.

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### **Back Office support**

Review of strategic functions and discretionary services will deliver savings as follows – International Development £46,000, Healthy Cities £105,000 and Better government for Older People £4,000.

Reductions in supplies and services costs including energy assumptions will deliver £56,000

### **Staffing Implications for the Directorate:**

Latest estimates indicate that approximately 51 staff posts may be affected which could result in up to 22 redundancies.

### **Key Risks:**

Delivery of savings will be dependent on successful consultation with health partners, client representatives and staff groups. The scale of the savings and the changes to the model and funding of care are very significant. The change programme will need to be well resourced and tightly monitored to ensure delivery.

There are a range of complex assumptions that underpin the budget including demand for services and the impact of remodelling on costs.

### **2010/11 Budget proposals summary**

<b>Adult Social Care &amp; Health led S75 arrangements</b>						
	Adjusted Base Budget 2009/10	Inflation	Service Pressures	Efficiency Savings	Other Savings	Net Change in Budget to 2010/11
<b>Main Service Area</b>	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	36,117	560	1,547	-1,811	0	296
S75 SPFT	10,477	183	387	-560	0	10
S75 SDHT	2,091	24	0	-300	0	-276
<b>TOTAL</b>	<b>48,685</b>	<b>767</b>	<b>1,934</b>	<b>-2,671</b>	<b>0</b>	<b>30</b>

## HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2010/11

### Strategic Context and Direction of Travel

The HRA budget will be set within the context of the overall aim of 'achieving excellence', by focusing on five core strategic priorities as detailed in the Housing Management Service Improvement Plan 2009 - 2012. These are:

1. Improve services to an excellent standard, with residents at the heart of everything we do
2. Improve the quality and sustainability of our homes and neighbourhoods
3. Deliver value for money services and maintain a sustainable 30 year business plan
4. Make best use of our housing stock to address housing need
5. Ensure that social housing provides a platform for reducing inequality and creating opportunity

The HRA Budget will also be developed to provide a balanced budget taking into account the HRA subsidy determination and other income and expenditure assumptions. The council's Medium Term Financial Strategy outlines an efficiency savings target for all services across the city of 4%. In setting this budget, officers have taken into account the required level of efficiency savings but also sought to maximise the level of resources available to invest in meeting the Decent Homes Standard.

### Strategic Response in this Context:-

- An annual Housing Subsidy settlement which will result in a net transfer of resources to the government from the council.
- Aligning our resources with the Housing Improvement Plan priorities. This includes investment in the Turning the Tide strategy to tackle anti-social behaviour and reduce social exclusion; the Resident Involvement Strategy, including engaging with residents on developing a local priorities framework and establishing a Tenant Management Organisation; and the new Strategic Repairs, refurbishment and Improvement Partnership.
- Reducing our management costs in recognition of the need to achieve greater value for money in order to have a sustainable future.
- Mobilisation of the 10 year Strategic Repairs, Refurbishment and Improvements partnership. The new contract will result in the transfer of some council staff to our partner contractor. The council will be required to ensure that the employer's contributions to individual's pension schemes up to the date of transfer are fully funded. These are contributions that the HRA, without transfer of staff, would fund over a much longer time frame. The council's exact liabilities will not be known until March 2010.
- The development of a new 'Super Centre' to achieve the strategic aims of the 10 year partnership as well as delivering VFM in terms of the corporate accommodation strategy.

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- Lease properties under the LDV scheme over the next four years and the impact on the revenue position.
- Achieve maximum benefit from our asset base and maximise the level of revenue resources available to support the Decent Homes Programme.

### Financial and Service Pressures

<b>Table 1 – unavoidable service pressures which are dealt with as part of the budget strategy</b>	<b>2010-11 £'000</b>
Pay and Prices	656
Increase in Subsidy Payment to Government net of rent increase and capital financing	769
TUPE costs – payment over 3 years	350
St James House - development of Tenant Management Organisation	16
Reduction in Investment Income	70
<b>TOTAL</b>	<b>1,861</b>

<b>Table 2 - Service improvements (dealt with as part of the budget strategy)</b>	<b>2010-11 £'000</b>
Additional resources to support Housing Improvement Programme	83
Turning the Tide (increasing the HRA resources to £0.487m)	126
<b>TOTAL</b>	<b>209</b>

The costs of mobilising the new Strategic Repairs, Refurbishment and Improvements Partnership and the Super Centre have been offset against savings in the responsive repairs and voids service from the new contract.

The total service pressure are £2.07m which reduces to £1.434m after taking into account savings proposals.

The HRA currently uses its revenue surpluses to support the capital programme. This will result in a £1.434m reduction in available funding for the 2010/11 capital programme. Although this will reduce the level of funding available to meet the Decent Homes programme, the level of revenue contributions to the programme is in line with the current HRA Business Plan projections to meet decency by 2013.

**Approach to savings in 2010/11:**

Housing Management has identified savings of £636,000 (equivalent to 6% savings target) in the following areas:

- A saving of £176,000 from leasing temporary accommodation properties to the LDV.
- A reduction in supplies and services of £108,000.
- Efficient procurement will achieve savings of £25,000 from the new laundry service. £100,000 from the Sub 100kw electricity contract and £66,000 from the provision of the out of hours repairs service through the new partnership.
- Improved collection of rental income which will result in a reduction in the contribution to Bad Debt Provision of £51,000.
- Garages and car parking charges were reviewed and recommendations for new charges and zone areas were approved by Policy & Resources Committee in November 2006. This report recommended that caps should apply to some charges and they should remain static until April 2010. The removal of these caps for 2010/11 will increase income by approximately £80,000.
- A review of current leaseholder service charges has identified £30,000 in respect of service contracts that will be charged to leaseholders.

**Staffing Implications for the Directorate:**

There are no staffing implications from the savings proposals.

**Key Risks:**

The draft subsidy determination has not yet been received and is due shortly. Once received and analysed, further information will be provided to Cabinet.

The savings from leasing temporary accommodation properties to the LDV are based on the current proposed leasing timetable. Any changes to the timetable will impact on the level of savings achieved.

The mobilisation costs, Super Centre and TUPE costs in respect of the new strategic repairs partnership are greater than anticipated. These budgets will need to be closely monitored throughout the year to ensure that costs are contained.

**Footnote to all strategies:**

**Explanation of “systems thinking” reviews being used to deliver efficiency savings across a wide range of services**

“Systems Thinking” reviews (also known as Lean Reviews) are becoming widely used across service organisations to identify improvements in customer service and efficiency. The reviews focus on what matters to customers or stakeholders and try to ensure that processes are designed to concentrate only on work that is of value to the customer or stakeholder. This is a different way of looking at services compared with traditional service reviews which do consider customer needs but often focus too heavily on organisational, professional, functional or administrative requirements.

