

JOINT COMMISSIONING BOARD

Agenda Item 19

Brighton and Hove City NHS
Teaching Primary Care Trust
Brighton & Hove City Council

Subject: Learning Disabilities Financial Recovery Plan
2008/09

Date of Meeting: 15 September 2008

Report of: Director of Finance & Resources

Contact Officer: Name: Nigel Manvell Tel: 293104
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Key Decision: No

Wards Affected: All

1. SUMMARY AND POLICY CONTEXT

- 1.1 The purpose of this report is to provide an update on Financial Recovery Plan progress for the Learning Disability Service 2008/09. This report is a follow-up to the report of 28 July 2008 submitted to this Board.

2. RECOMMENDATION

- 2.1 The Board is asked to note progress on the Financial Recovery Plan.

3. BACKGROUND

- 3.1 Board members will be aware that the Learning Disability Service of Brighton & Hove City Council has experienced significant demand pressures over the last several years. The service continues to experience such pressures with additional costs and budget overspends projected for the current year and in future years. The Service has responded by identifying measures in the Financial Recovery Plan (FRP) likely to reduce expenditure and determine appropriate sources of funding for care packages. This process has achieved a significant improvement in the budgetary position.

- 3.2 Last year (2007/08) the service was required to achieve a substantial Financial Recovery Plan (FRP) target of £2.2 million involving considerable management, efficiency and other savings alongside reviews of placements to ensure appropriate funding of care packages. Overall, £1.35 million of the FRP was achieved including efficiency and other savings of £0.66 million, while continuing care investment of £0.69 million was also provided. A summary of the outturn 2007/08 FRP is shown at Appendix 1. The full year effect of these actions is £1.7 million.
- 3.3 The PCT also used financial flexibility in 2007/08 to provide additional non-recurrent funding of £0.734 million recognising the level of challenge in the Financial Recovery Plan and the longer lead-in time to achieve service remodelling, reprovision and modernisation for this client group.

4 FINANCIAL RECOVERY PLAN 2008/09

- 4.1 The council, as Lead Commissioner for Learning Disabilities, has a pooled budget with Brighton & Hove City Primary Care Trust. The total gross funding available for 2008/09 is £29.0 million and the pooled budget is the responsibility of the council.
- 4.2 The current Financial Recovery Plan target of £1.36 million for 2008/09 represents a very challenging goal for the service alongside managing continued growth demands, pressures on in-house services and the underlying issue of high unit costs. The Learning Disability budget is to an extent dependant on expenditure decisions made in the past and, as mentioned earlier, it is acknowledged that making significant change can require a long lead-in time.
- 4.3 The broad range of activities identified for 2008/09 will continue to yield savings in the current year and identify appropriate funding sources. The service will also benefit from the full year effect of savings from last year's activities (£1.7 million), as shown in Appendix 1, which have helped to reduce the level of investment required in 2008/09. In addition, a greater emphasis has been placed this year on achieving efficiencies by way of service re-modelling and restructuring. Re-commissioning of some services will also yield savings and begin to address longer-term issues.
- 4.4 Tight control and monitoring of the approval of care packages by senior managers remains in place to contain in-year pressures as far as practicable. Income maximisation measures taken in the previous financial year may also deliver further savings with respect to benefit payments. Activity for 2008/09 will therefore include:
- Income maximisation activity
 - Efficiency savings
 - Re-commissioning of services
 - Review of care packages (including health needs)
 - Service improvement, modernisation and redesign
 - Management of growth to minimise referrals and/or costs as far as practicable

As at month 4 the projected outturn overspend for the Learning Disability service for 2008/09 stands at £0.163 million, with £0.704 million FRP savings still to be achieved.

- 4.5 As previously reported, the Financial Recovery Plan for Learning Disabilities is subject to certain risks. The plan is dependant in part on changes to individual high cost care packages. These changes necessitate detailed consultation and preparatory work and the agreement of third parties. Similarly, proposals to cut expenditure by service redesign and re-commissioning in various areas will need determined management action in order to ensure implementation. Service management has recognised these risks and is making substantial efforts to implement necessary measures. Robust and continuing scrutiny will ensure that any emerging risks are anticipated and adequately managed. Contingency proposals are similarly subject to constant review and appraisal.
- 4.6 The Financial Recovery Plan 2008/09 is the first step in a three-step strategy, aiming to achieve service stabilisation; put in place tight financial control systems and review high cost services. Years two and three will tackle infrastructure and costs – ensuring that the Commissioning Strategy is focused on efficiency savings and *Value for Money*. Cultural changes will also be introduced shifting emphasis to Individualised Budgets and to people doing more to help themselves rather than being dependant on the services provided. These changes will ensure that the service as a whole operates in a more cost-conscious way in the future.

5. CONSULTATION

- 5.1 Relevant Finance officers have been consulted in the preparation of this report.

6 FINANCIAL & OTHER IMPLICATIONS

6.1 Financial Implications:

Learning Disability Services are managed by the council within a Section 75 Partnership Agreement with the PCT. The agreement contains a financial risk sharing provision in the event of overspending. Should there be a shortfall against the 2008/09 financial recovery plan due to underachievement of savings and/or higher than anticipated service pressures, the commissioning partners (i.e. Council and the PCT) will need to agree how to manage the overspend. In the absence of any agreement, overspends are shared in proportion to partners' contributions to the pool budget.

Finance Officer consulted: Nigel Manvell

Date: 2 September 2008

6.2 Legal Implications:

The continued implementation of the Financial Recovery Plan by the Council and its Partners aims to ensure both value for money and sustainability making best

use of the financial resources in order to continue to meet our statutory obligations for the foreseeable future in the face of significant and increasing demand pressures. There must always be due regard to the provision of appropriate services to meet the proper assessed needs of individual service users. There are no other legal or human rights implications which arise from this report which is for noting only.

Solicitor: Liz Culbert

Date: 3 September 2008

6.3 Equalities Implications:

The Financial Recovery process will ensure that vulnerable adults with a learning disability continue to receive support and that this group of service users will gain access to appropriate services that can best meet their physical and social needs into the future.

6.4 Sustainability Implications:

There are no sustainability implications

6.5 Crime & Disorder Implications:

There are no implications for Crime and disorder

6.6 Risk and Opportunity Management Implications:

Risks and opportunities have been identified in the main body of the report.

6.7 Corporate / Citywide Implications:

This report is consistent with the Learning Disability Commissioning Strategy and meets the Council priority in terms of developing a healthy city that cares for vulnerable people and tackles deprivation and injustice.

7 EVALUATION OF ANY ALTERNATIVE OPTION(S):

7.1 None considered.

8 REASONS FOR REPORT RECOMMENDATIONS:

8.1 Update report requested by JCB.

SUPPORTING DOCUMENTATION

Appendices:

- (1) Financial Recovery Plan 2007/08 Outturn
- (2) Financial Recovery Plan 2008/09 as at Month 4

Documents in Members' Rooms

None

Background Documents

No background documents are referred to in this report.

LD Financial Recovery Plan Outturn for 2007/08

Description	Action	Savings Target	Achieved	Savings Shortfall (+) Over-achieved (-)	Full Year Effect Saving 2008/09
Independent Living Fund	Applications for ILF (Maximisation of Income)	65,000	35,367	29,633	93,007
Accommodation Services - Housing Benefit	Maximise HB and Supporting People funding on 4 homes	155,000	155,000	0	207,367
Adult Placements - Housing Benefit	Applications for HB on Adult Placements	83,500	134,068	-50,568	134,484
Accommodation Services - Efficiency Savings	Cash limited budgets	126,000	126,000	0	126,000
Day Services - Efficiency Savings	Cash limited budgets	81,000	81,000	0	81,000
Community LD Team - Efficiency Savings	Cash limited budgets	23,000	23,000	0	23,000
CMG Contract	Reduction in unit costs through retendering	104,000	35,772	68,228	70,619
In-House reprovision	Reprovision of services in the independent sector	80,000	0	80,000	0
Review of Care Packages	Assess type and level of care, including health needs, and consider appropriate funding applications	1,390,000	690,797	699,203	899,482
Block Contracts - Efficiency Savings	2% efficiency savings target on contracts	75,000	71,165	3,835	72,120
Accommodation Services - Transport Costs	Review of vehicle usage to reduce costs	17,500	0	17,500	0
TOTAL FRP		2,200,000	1,352,169	847,831	1,707,079

FRP Shortfall met by Transitional Measures as follows:

	Funding
PCT non-recurrent funding	434,000
SHA funding for S75 support	300,000
Other	85,000
City Council non-recurrent funding	28,831
TOTAL TRANSITIONAL FUNDING	0
	847,831
	-434,000
	-300,000
	-85,000
	-28,831
	-847,831

2007/08 LEARNING DISABILITIES FORECAST OUTTURN

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Learning Disabilities Financial Recovery Plan 2008/09 (Month 4)

	Target £'000	Achieved as at Month 4 £'000	Variance as at Month 4 £'000	Forecast Outturn Variance 2008/09 £'000
Description				
Review of care packages				
Restructure of Service	700	305	395	-7
Independent Living Fund (ILF) Applications	191	0	191	-18
Accommodation Services - Efficiency Saving	92	92	-0	0
Management of Growth	86	-4	90	90
Recommissioning Out-Of-Area Placements	150	200	-50	-50
Day Centres - Transport Review	87	44	43	0
Restructure In-House Services	35	0	35	0
Care Crew Restructure	0	0	0	0
Community Learning Disabilities Team Admin	0	0	0	-15
Efficiency saving - cash limit target	20	20	0	0
	1,361	657	704	0