

THE HIGHLAND COUNCIL
ADULT & CHILDREN'S SERVICES COMMITTEE
21 August 2013

Agenda Item	5ii.
Report No	ACS/64/13

Revenue Budget – Final Outturn 2012/13 and Monitoring 2013/14

Report by Director of Health & Social Care

Summary

This report sets out the revenue monitoring final outturn for the Health & Social Care Service budget in 2012/13, and the revenue monitoring statement for the 3 months to 30 June 2013.

1. Background

- 1.1 The Health and Social Care Service has responsibility for:
- Children's Services, including child health
 - Criminal Justice Services
 - Mental Health Officers
 - Out-of-hours Social Work
 - Social Work leadership
 - The commissioning of adult social care from NHS Highland

2 Final outturn for the Health & Social Care Service: 2012/13

- 2.1 The outturn for the Health & Social Care Service in 2012/13 was £134.927m, involving an overspend of £0.866m, as set out in **Appendix 1**.

The pressures in relation to the budget were reported to Committee during the year. The significant areas of overspend at year end related to:

- purchased residential care and residential school placements, by £2.538m.
- placements with independent fostering agencies, by £0.595m.
- unbudgeted residual costs from 2011/12 of £0.430m for adult social care.

- 2.2 The compensatory underspends included:

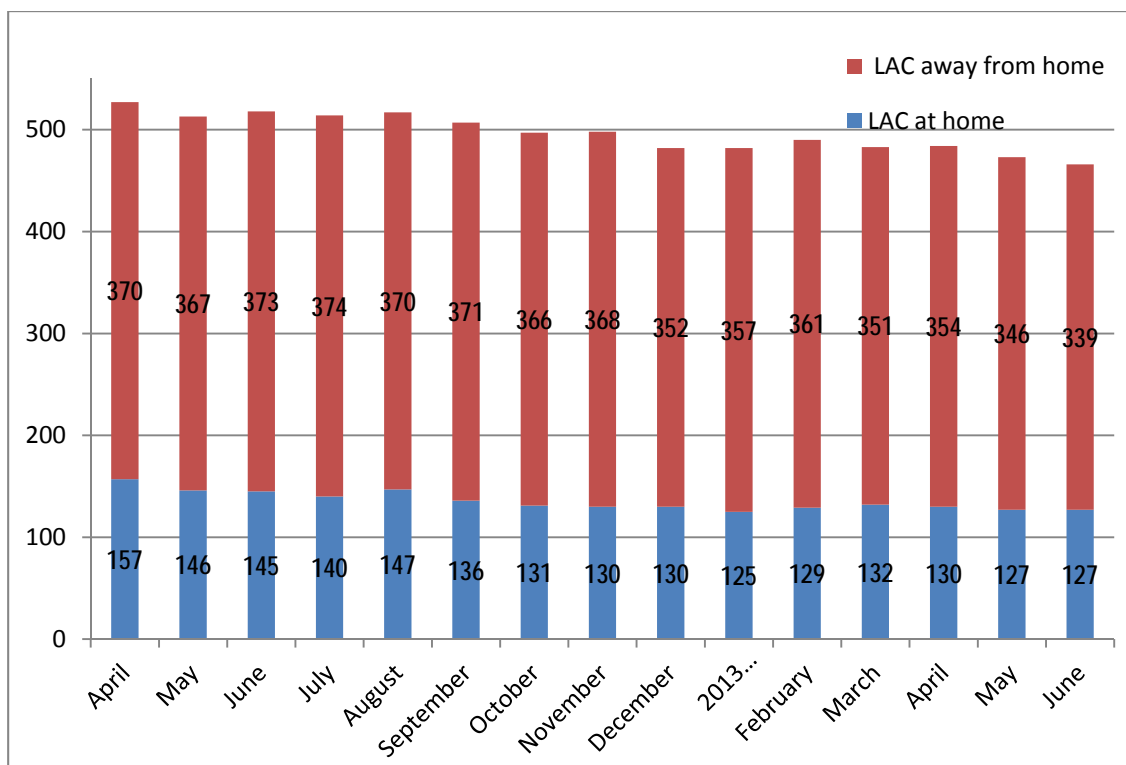
- £0.543m in Specialist Support for Learning, involving vacancies for Educational Psychologists that have proved difficult to fill, and uncommitted expenditure on support arrangements;
- £0.660m in Early Years Services, including vacant posts for Principal Teachers of early education;
- £0.620m in vacancies in Social Work Teams;
- £0.384m in vacancies in Public Health Teams
- £0.123m on in-house residential care;
- £0.244m uncommitted expenditure on social care training;
- £0.445m relating to slippage on new care homes for older people.

3. Revenue monitoring to 30 June 2013

- 3.1 While it is early in the year, the revenue projection at the end of June 2013 is for a balanced budget, but this involves continuing overspend on out of authority placements, and underspend on staffing as expenditure on the new arrangements will not be full year.
- 3.2 The Service continues to pursue various measures on the key budget pressures, including:
- Close scrutiny of any potential external placements.
 - Review of ongoing external placements, and identification of in-house or local resources wherever possible.
 - The development of an in-house Specialist Fostering Scheme.
 - Increased use of kinship care placements.
 - Work with NHS Highland to confirm the health component of any specialist placements.
- 3.3 Plans are largely in place regarding 2013/14 savings measures. Areas where further work is required, involve:
- ensuring that further overspend does not reduce the benefit of contract savings on out of authority placements
 - achieving income targets from Mental Health Officer Services
 - reaching agreement with NHS Highland regarding savings on drug and alcohol services.
- 3.4 The Council has provided an additional £1m plus inflation for residential placements in 2013/14, and has also committed to year two of the expenditure on the specialist foster carer schools.
- 3.5 There is also a budget reduction of £0.375m on the residential placements heading, because of savings achieved in the new contract for commissioned care home places.
- 3.6 Work also continues on implementation of the preventative spend, which is the subject of a separate report to this meeting of the Committee.

4. Out of Authority Placements

- 4.1 The overall number of looked after children in Highland has begun to fall very significantly over the past 15 months. In April 2012, there were 157 Looked after children at home, and 370 away from home. In June 2013, there were 127 and 339 respectively – involving a total reduction of 61 (11.5%) over the period.

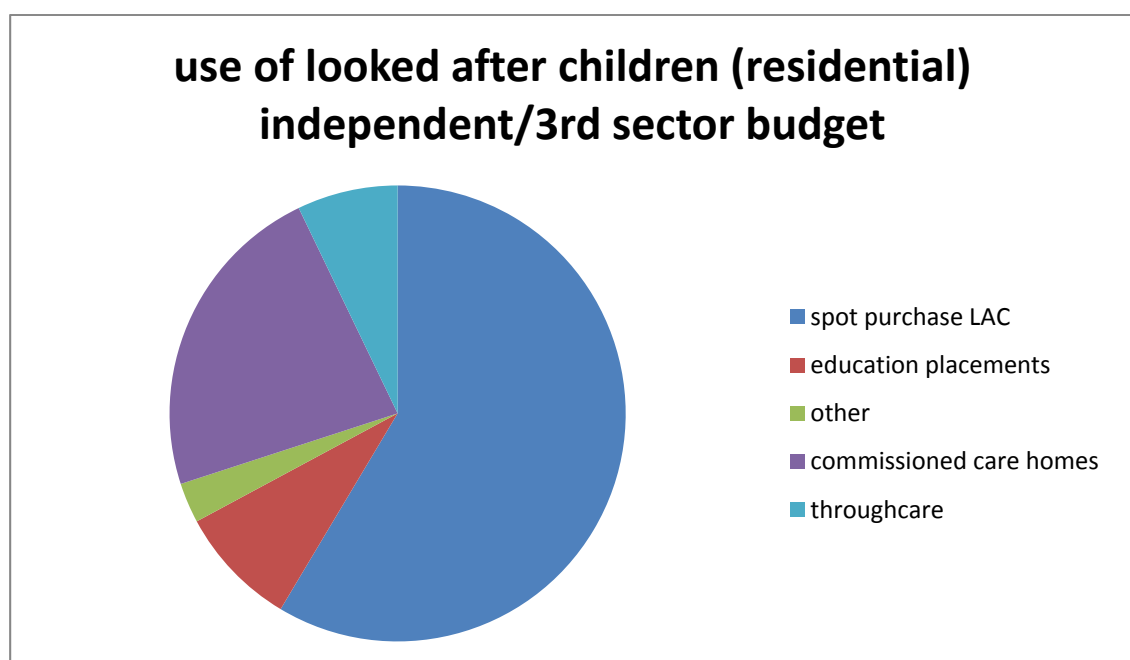


- 4.2 This is regarded as the beneficial consequence of implementation of the Highland Practice Model, and successful early intervention. The fall in numbers began with children who are looked after at home, and is now impacting on children who are away from home. It has yet to impact significantly on children placed out of authority, who have the highest level of needs.
- 4.3 The definition of children in 'out of authority placements' that has been used over the years, involves looked after children (or children who have been looked after) in placements that are neither provided nor commissioned by Highland Council – i.e. children who are in spot purchased placements in independent sector care homes and residential schools. These placements are both within and outwith the Highland Council geographical area.
- 4.4 Over the last year, as is evident from the Performance Report, there have been between 50 and 41 children in such placements.
- 4.5 These involve the most expensive placements for the authority, providing significant levels of specialist support to young people with disabilities, as well as young people with challenging behaviours, including those in secure care. At the present time, there are 41 young people in these placements, and this is detailed further below.
- 4.6 However, these placements alone, do not fully describe the use of the "looked after children (residential) independent/3rd sector" budget line.
- 4.7 There are a further 6 young people in residential school placements who are not looked after. These placements are funded from the same budget, and

they are spot purchased, but the young people are only placed because of their educational needs – there are no social care issues, and they are likely to live with their families at home outside of term time. Typical placements would include Deaf education provision, or specialist schools for children with learning difficulties.

- 4.8 The current projected annual cost of all spot purchased placements £8.6m of the overall budget of £9.1m, and expenditure to date this year is £3.24m. Part funding is provided by NHS Highland, for four young people who are more than 18 years of age, but still receive support for their educational needs.
- 4.9 Because the Highland Council has recently undertaken a new block contract, there are 12 commissioned placements in care homes within Highland. Again, these are funded from the same budget, and these placements are usually full.
- 4.10 As a means of returning children from outwith Highland more quickly, the Council commissioned a throughcare services from Barnardo's, and these 5 residential placements are also funded from this budget.
- 4.11 Further, at times, more flexible use is made of this budget, to support high cost interventions that prevent an out of authority placement. Presently for example, one young person has been successfully supported via intensive support arrangements and in a partnership with her parents, to continue to live at home.
- 4.12 Finally, the budget is used to fund hospital education for children in medical care in Dundee, Glasgow and Edinburgh, and for payments to the Children's Hospice Association Scotland (CHAS).

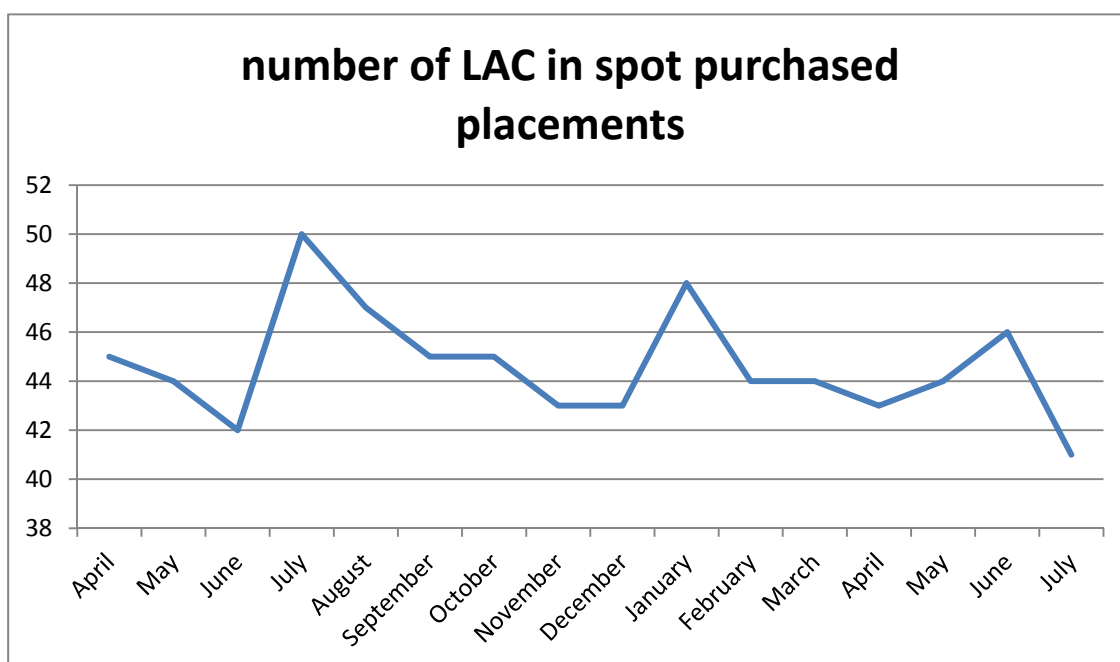
This means the overall use of this budget line for different groups of children, is as shown below:



4.13 The current annual projected spend across these different groups is:

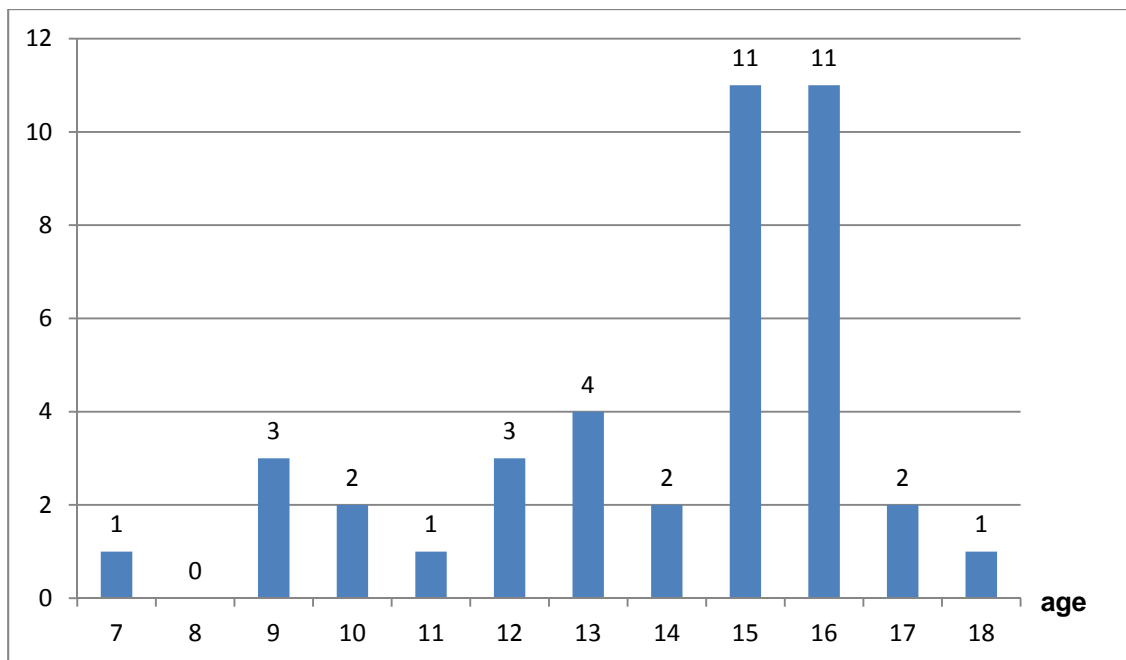
GROUP	PROJECTED SPEND IN 2013/14
Spot Purchase LAC	8,250,750
Spot Purchase Education Placements	359,230
Commissioned Care Homes	1,220,137
Throughcare (Northern Lights)	744,553
Other	65,145

4.14 The period from February – June saw a small increase in the number of looked after children in spot purchased placements. There has been a fall in July.



4.15 In the period February – June, we reached a peak of 5 young people in secure care, which is the highest number there has been for more than the last decade. The number is presently 3.

4.16 The current group of 41 looked after children (or young people who were looked after) in spot purchased placements involves 32 boys and 9 girls across the following age range:



They originate from the following Areas:

- Children's Disability Service (South & Mid Areas) = 8
- North = 4
- Mid = 5
- South = 19
- West = 5

- 4.17 16 of these young people started their current placement in 2013. 12 started in 2012, and 7 in 2011. 6 young people have been in their current placement for more than 3½ years.
- 4.18 The seconded appointment of Programme Manager, to assist the development of further alternatives to out of authority placements, commenced in late June.
- 4.19 To date, the postholder has been undertaking significant exploratory activity, to define the scope and tangible options for the programme. Consultations have taken place with key staff and managers to determine short, middle and long-term potential solutions.
- 4.20 Discussions are also taking place between Childrens Services, Adult Services and the Housing service to determine optimum through care and aftercare housing options for young people including those returning from out of authority placements.
- 4.21 The possibility of a small residential unit on the site of Inverness Royal Academy is being investigated. The suitable site footprint will be taken out-with the PPP contract area in order to allow the school build to progress whilst options for a residential unit are developed further. The Council's school hostels are also being assessed for their capacity to house young people at the risk of going out of authority.

- 4.22 Current and past data on out of authority placements is being analysed to detail costs for particular cohorts of young people. It is hoped that this information will constitute a baseline spend and will form the basis of a business case to compare with any potential new provisions within Highland. In addition, data on young people known to the Disability Service is being assessed to highlight alternatives to out of authority placements and to assist Adult Services in planning future services.

5. Implications arising from Report

- 5.1 The resource issues are set out in this report.
- 5.2 There are no legal, equality or climate change implications.
- 5.3 There are risks associated with any projected overspend. Robust actions by staff and managers continue to seek to minimise these, while we also address the needs of children and families.

Recommendation

The Committee is asked to note the budget monitoring position, and to approve the actions that continue to be taken.

Date: 5 August 2013

Author: Bill Alexander, Director of Health and Social Care

HEALTH AND SOCIAL CARE SERVICE REVENUE MONITORING REPORT			
Near Final Financial Year 2012/2013	Actual Year £000	Annual Budget £000	Year End Variance £000
BY ACTIVITY			
Specialist Support for Learning			
Additional Support for Learning (All)	2,894	3,165	-271
Educational Psychology	1,035	1,307	-272
	3,929	4,472	-543
Early Years/Family Resources			
Family Resources	3,165	3,536	-371
Pre school Services	3,987	4,276	-289
	7,152	7,812	-660
Children's Social Care			
Children and Families Teams	8,119	8,640	-521
Disability Teams and Services	3,155	3,077	78
Fostering and Adoption	4,009	3,414	595
Health Improvement	-25	40	-65
Looked After Children (Residential) In house	2,615	2,738	-123
Looked After Children (Residential) Independent / 3rd Sector	10,712	8,174	2,538
Looked After Children (Through care & aftercare)	738	692	46
Self Directed Support (Direct Payments)	464	347	117
Youth Action Teams	1,329	1,428	-99
Specialist Services - Vol Orgs	328	287	41
	31,444	28,837	2,607
Commissioned Child Health			
Child Protection Advisors	256	317	-61
Health Improvement	73	115	-42
Management and Planning	447	-62	509
Nursing	4,141	4,525	-384
Primary Mental Health Workers	329	370	-41
Voluntary Organisations	97	86	11
Allied Health Professionals	2,117	2,195	-78
	7,460	7,546	-86
Commissioned Adult Services	86,901	86,901	0
Adult Services - Prior Year Residual Net Costs	430	0	430
Retained Adult Services			
Older People - Care Homes	1,299	1,744	-445
Training	226	470	-244
Adult Support & Protection	748	832	-84
Out of Hours Social Work	341	336	5
	2,614	3,382	-768
Criminal Justice			
Criminal Justice	-237	-10	-227
People Misusing Drugs/Alcohol	32	55	-23
	-205	45	-250
Mental Health Officers	994	1,008	-14
Directorate & Strategic Planning			
Directorate & Service Business Support	791	732	59
Pan Service (Insurance & Pension Costs)	454	341	113
Non Service Specific Property	509	531	-22
	1,754	1,604	150
Income due from NHS for Child's Health Service	-7,546	-7,546	0
TOTAL HEALTH AND SOCIAL CARE	134,927	134,061	866
BY SUBJECTIVE			
Staff Costs	32,003	33,257	-1,254
Other Costs	116,198	114,555	1,643
Gross Expenditure	148,201	147,812	389
Grants	-3,527	-3,200	-327
Other Income	-9,746	-10,551	805
Gross Income	-13,273	-13,751	478
	134,927	134,061	866

HEALTH AND SOCIAL CARE SERVICE REVENUE MONITORING REPORT				
	Actual	Annual	Year End	Year End
JUNE 2013	Year To Date	Budget	Estimate	Variance
BY ACTIVITY	£000	£000	£000	£000
Specialist Support for Learning				
Additional Support for Learning (All)	598	2,804	2,742	-62
Educational Psychology	250	1,263	1,192	-71
	848	4,067	3,934	-133
Early Years/Family Resources				
Family Resources	609	4,874	3,570	-1,304
Pre school Services	1,396	4,304	4,120	-184
	2,005	9,178	7,690	-1,488
Children's Social Care				
Children and Families Teams	2,009	8,608	8,359	-249
Disability Teams and Services	720	2,976	3,025	49
Fostering and Adoption	1,025	3,643	3,963	320
Health Improvement	14	70	70	0
Looked After Children (Residential) In house	616	2,769	2,687	-82
Looked After Children (Residential) Independent / 3rd Sector	2,654	9,114	10,640	1,526
Looked After Children (Through care & aftercare)	105	722	722	0
Self Directed Support (Direct Payments)	176	347	547	200
Youth Action Teams	311	1,397	1,365	-32
Specialist Services - Vol Orgs	207	414	414	0
	7,837	30,060	31,792	1,732
Commissioned Child Health				
Child Protection Advisors	91	397	372	-25
Health Improvement	9	46	41	-5
Management and Planning	49	-116	-116	0
Nursing	1,094	4,578	4,473	-105
Primary Mental Health Workers	105	490	490	0
Voluntary Organisations	9	37	37	0
Allied Health Professionals	693	2,465	2,445	-20
	2,050	7,897	7,742	-155
Commissioned Adult Services	1,176	85,505	85,505	0
Retained Adult Services				
Older People - Care Homes	289	2,125	2,075	-50
Training	46	422	362	-60
Adult Support & Protection	457	909	934	25
Out of Hours Social Work	77	335	346	11
	869	3,791	3,717	-74
Criminal Justice				
Criminal Justice	-24	30	30	0
People Misusing Drugs/Alcohol	11	54	51	-3
	-13	84	81	-3
Mental Health Officers	257	988	990	2
Directorate & Strategic Planning				
Directorate & Service Business Support	66	860	841	-19
Pan Service (Insurance & Pension Costs)	106	123	281	158
Non Service Specific Property	166	539	519	-20
	338	1,522	1,641	119
Income due from NHS for Child's Health Service	-152	-7,546	-7,546	0
TOTAL HEALTH AND SOCIAL CARE	15,215	135,546	135,546	0
BY SUBJECTIVE				
Staff Costs	7,988	33,600	31,853	-1,747
Other Costs	8,518	113,900	115,647	1,747
Gross Expenditure	16,506	147,500	147,500	0
Grants	-876	-3,503	-3,503	0
Other Income	-415	-8,451	-8,451	0
Gross Income	-1,291	-11,954	-11,954	0
	15,215	135,546	135,546	0