



Adult Social Services Budget

RECOMMENDATION

That the Council Cabinet:

- 1.1 makes Adult Social Services a high priority and funds the service appropriately
- 1.2 investigates reintroducing charges for home care services
- 1.3 does not raise the eligibility threshold from moderate to substantial to address the budgetary pressures
- 1.4 seeks support from the Local Government Association to minimise the effect of the Damping system and lobby's the Government to make more resources available for adult social services
- 1.5 Reviews the Adult Social Services staffing budget and moves toward setting the budget on actual costs in line with other departments of the Council rather than on mid point salary scales

SUPPORTING INFORMATION

- 2.1 The Adult Services and Health Commission considered a Financial report from the Corporate Director, Corporate and Adult Social Services at their 29 October meeting which showed a projected overspend of £3.2m in the Adult Social Services budget 2007/08. The report highlighted a number of pressures in the service including home care, residential care and staffing budgets and the action taken so far to address the budget overspend. There are a number of gaps / weaknesses in services such as extra care, dementia support, carer services, intermediate care, and assistive technology which need to be tackled.
- 2.2 The report identified Derby to be the second lowest spending council on adult social services in its comparator group whilst its performance measured against 24 CSCI indicators amongst one of the highest. The report stated that authorities in our comparator group such as Walsall and Oldham are spending substantially more per head, £27.43m and £22.15m respectively, on adult social services than Derby. It also stated that if we spent an average per head of our comparator group we would require an increase of £7.37m in the budget. Considering the continued growth in older people's population which will undoubtedly increase demand on adult social services, the Commission recommends that Adult Social Services is given a higher priority and the service is funded appropriately.

- 2.3 It is clear from the Corporate Directors report that substantial savings have been made such as rigorous implementation of the eligibility criteria, reduction in Direct Payment rates and freezing external recruitments, any further reductions could have significant impact on the delivery of services. The Council therefore needs to consider increasing its income. Income may be increased through accessing government more grants, reprioritising the service and providing funds from elsewhere in the council or increasing income from charges. The Director's report shows that the home care element of the overspend is £2.254m and since the Council already charges for many of the services provided by Adult Social Services such as day care, meals on wheels and home care package cost sharing, the Commission recommends that the Council Cabinet investigate reintroducing charges for home care provision.
- 2.4 In the past high administrative costs of collection relative to the income received was one of the main arguments used against reintroducing home care charges. However experience shows that although the initial setting up costs can be relatively high, difference of income against costs increases once the system beds in. Since applicants are already being assessed against the eligibility criteria, only the means testing and payment collection elements are likely to require additional input and therefore incur additional cost. It is important to note that any new charging mechanism would need to comply with the relevant legislation.
- 2.5 The Commission also recommends that the potentially easy option of raising the eligibility criteria from moderate to substantial should be resisted. Raising the eligibility criteria could give a negative image of the Council who may be seen as uncaring organisation that fails to support older and disabled people in their hour of need and may not necessarily give the desired affect as there can be difficulty in distinguishing between moderate and substantial.
- 2.6 The Commission also recommends that the Council seeks the support of the Local Government Association (LGA) to minimise the effect of the Damping system used in local authority grant distribution process. The Damping system was introduced in 2001/02 for local authorities with education and social services responsibilities and was extended to all authorities from 2003/03. This system allows some southern authorities to continue to receive a high allocation of government grant monies who under a new assessment process would otherwise be receiving a much reduced amount. The damping system has a negative affect on authorities like Derby who only get a fraction of the increase in the grant that they are entitled to. The Commission also recommends the Council Cabinet lobby's the government to increase the funding to meet the growing older people's population.
- 2.7 The Commission was informed that the Adult Social Services staffing budget is based on midpoint of salary scale rather than the top of pay scale used by other departments of the Council. Since staff turnover in this service is low and many staff in Adult Social Services are on top of their pay scales, this has created a projected overspend of more than £0.5m. The Commission recommends that the Adult Social Services staffing budget is based on true

costs in line with rest of the Council which should help to set a more realistic budget.

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Background papers: Financial Report and Analysis 07/08

List of appendices: Appendix 1 Implications

Appendix 1

IMPLICATIONS

Financial

1. The Adult Social Services budget is projected to be more than £3m overspend.

Legal

2. None arising from this report

Personnel

3. There could be personnel implications for Adult Social Services if money is not found to meet the budget deficit

Equalities Impact

4. Adult Social Services provides services to some of the most disadvantaged members of the Community.

Corporate priorities

5. This report meets the Corporate Priorities for 2007-10 of Helping us all to be healthy, active and independent and to give excellent services and value for money.