



ADULT SERVICES AND HEALTH COMMISSION 19 January 2008

Report of the Director of Corporate and Adult Social Services

Update on the Commission's Work Programme

RECOMMENDATION

- 1.1 To consider and agree the Commission's report on the Review of Mental Health Services Budget Overspend.
- 1.2 To consider and agree the terms of reference of the Handy Person's Scheme.

SUPPORTING INFORMATION

- 2.1 Members considered items for this year's work programme at the July 2008 meeting and agreed to review the mental health service budget. This had been projecting overspend of more than a £1m from its 2007/08 budget of £3m. During this review the Commission received evidence from senior officers from the Council's Adult Social Services and Derbyshire Mental Health Services Trust in October 2008. Members were informed that there were number of reasons why the budget had been overspent in recent years including lack of oversight by senior management as well as an increase in number of users entering the service that had not been taken into account at budget setting. The Commission was also informed that a number of actions have been taken such to reduce overspend such decision on placement taken through community panels chaired by the Councils Mental Health Services Commissioning Manager. As a result of actions taken so far the forecast overspend for the current year has been brought down to around £200,000 and further measures were being considered which should reduce the overspend still further. The final report of the Commission is attached in Appendix 2.
- 2.2 The Commission also agreed to review the Handy Persons Scheme as its second topic. This scheme assists elderly people by carrying out a wide range of minor household repairs which are too small for a tradesperson and helps them to retain their independence. These include those jobs that take up to two hours to complete such as changing light bulbs, turning over mattresses, hanging curtains etc. Clients are only charged for the cost of any materials required for the work. This service is currently only available to people receiving income benefits where applicants are means tested to qualify.

- 2.3 The scheme is monitored by the Supporting People Team and the figures for the last year show that they carried out 900 jobs against a contract of 1200. One possible reason for not meeting the target could be due to lack of public awareness about the scheme as initially it was difficult to forecast future demand and therefore the publicity was kept to a minimum in case the service raised expectations that could not be met.
- 2.4 The Commission is asked to consider and agree its final report on the review of Mental Health Services Budget Overspend attached in Appendix 2. The Commission is also asked to consider and agree the terms of reference for the Handy Person's Scheme presented in Scoping Report, Appendix 3.

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Background papers:	None
List of appendices:	Appendix 1 - Implications Appendix 2 - Review of Mental Health Services Budget Overspend Appendix 3 – Review of Handy Persons Report Scoping Report

Appendix 1

IMPLICATIONS

Financial

1. None arising from this report.

Legal

- 2.1 The Council Constitution allows Commission to conduct reviews and submit one report every six months to the Council Cabinet.

Personnel

3. None arising from this report.

Equalities impact

4. Effective scrutiny benefits all Derby people.

Corporate Priorities

5. This report links with Council's priority for 2007-10 to help us all to be healthy and active.

Review of Mental Health Services Budget Overspend

Summary

The Adult Services and Health Commission considered the annual work plan at its July 2008 meeting and resolved to review mental health service budget which was forecasting an overspend of more than £1m from its 2007/08 budget of £3m.

Members received evidence from senior officers from the Council's Adult Social Services and Derbyshire Mental Health Services Trust in October 2008. Members were informed that the actions have been taken as a result of which the forecast overspend has been brought down to £200,000. Additional measures were being considered which should bring overspend down further still.

MENTAL HEALTH SERVICES BUDGET OVERSPEND

Introduction

1. Social care for people with mental health problems is provided through jointly managed multi disciplinary teams between Derby City Council's Social Service Department and Derbyshire Mental Health Services NHS Trust. These teams offer a range of services including assessment, treatment and support to the services users.
2. In 2002 contractual arrangements were established between the Council and the Trust to manage Council staff and budgets whilst providing comprehensive specialist mental health services to Derby residents.
3. Although this system has been operating reasonably well in delivering services, in March 2008 Resource Monitoring Statement identified the mental health services budget 2007/08 to be £1.023m overspent from the original budget of £3.069m, a variance of 33%. Members discussed this issue at their July 2008 meeting and felt the size of budget overspend to be significant and if it was not addressed it could have serious repercussions on provision of social service. The Commission therefore resolved to conduct a review on the Mental Health Services Budget overspend.

Resource Monitoring Statement for Mach 2008

Revised Budget 2007/08 £000's	Service Activity	Forecast Outturn 2007/08 £000's	Variance against budget £000's
75	Mental Health Services Management	112	37
1224	Care Management and Purchasing – Social Work	1283	59
2120	Residential Care – Independent Sector	2120	776
	None residential care services		
246	Home care	435	189
140	Day Care	97	(43)
40	Community Support	46	6
3069	Total	4093	1023

Evidence

4. The Commission sought evidence from s Adult Social Services and Derbyshire Mental Health Services and invited officers to come and explain how the budgetary pressure on mental health services was being addressed. They were asked to respond to the following set of questions:

- The respective roles of the City Council and Derbyshire Mental Health Services Trust in providing care services to people with mental health problems
 - What is the nature of services provided – types of services provided and by whom
 - The latest financial position of the Mental Health Services Budget
 - Why is this service overspent
 - Whether the budget is projected to be overspent at the end of the current financial year
 - What is being done to manage the budget
 - How we compare with our Comparator authorities in delivering this service
 - How much does the Council pay DMHT to manage this service and what does it get in return
 - What is the financial profile of this service over the last three years
 - Where are the pressure points in this service
 - How much of this service is delivered in house (DMHT and Council) and how much by the independent sector and why
5. Due to work pressures and other commitments of senior staff, evidence could not be received by the Commission before on 16 October. At the evidence gathering meeting, it was confirmed that the responsibility for providing social care for people with mental health problems was devolved to Derbyshire Mental Health Services Trust. Partnership arrangements had been established with the Derbyshire Mental Health Services Trust in 2002 to manage Council staff and budgets. This enabled it to provide comprehensive social care services through jointly managed multi disciplinary teams offering assessment, treatment and support.
6. The range of services delivered by the Derbyshire Mental Health Services Trust on behalf of the Council include residential care, home care, day care and community support services for people with mental health needs. The Commission was informed that the Trust controls 92% of the budget on mental health services.

Breakdown of the 2008/09 Budget

Category	Budget	% of total Budget
Staffing	£1,474,000	(37%)
Residential and independent home care placements-	£2,076,000	(52%)
Direct Payment, Independent Sector Day Service, Community Support	£438,000	(11%)
% budget managed by the Trust	£3,665,000	(92%)

7. The Commission was informed that the Derby's net budget per capita for people mental health services is higher at £30.70 per person compared with our comparator authorities at £26.90. It was also stated that comparatively Derby provides services to fewer people in their own homes at 3.1 persons per 10,000 than our comparators who support at 4.5 people per 10,000. This effectively suggests greater numbers of people receive care through residential placements.
8. The financial profile below shows significant variances between the net budget and actual expenditure over the last four years. The Commission was informed that budget setting at the start of some financial years has not always reflected realities on the ground. The budget in 2007/08 was set at £3.069m which was lower actual cost in the previous year £3.590m. The final outturn for 2007/08 showed expenditure of £4.093m giving a variance of £1.023m for the year.

Financial profile of mental health services budget over the last four years

	Net Budget £000s	Actual £000s	Variance £000s
2005 / 6	2,525	2,675	150
2006 / 7	3,323	3,590	267
2007 / 8	3,069	4,093	1,023
2008 / 9	3,984	4,184	200

Reasons for the variances in budget and actual expenditure

9. The Commission was informed that there are a number of reasons for the budget variances. During the three years prior to the separation of children and adults services the mental health service seemed to operate well. However following the separation gaps were created in senior management roles and responsibilities which affected both strategic and operational management decisions and as a result contractual process became diluted and more informal practices began to grow. This affected both access to the service as well as its provision. Although the quality of service to users was not affected, it did not always provide the highest value for money. There was little if any challenge by the Council on how resources were being spent during this period.
10. There has been a steady growth in the number of people with mental health problems being assessed as requiring social services especially those requiring specialist and long term placements. Although a small increase had been anticipated, the actual numbers of new long term placements almost doubled between 2005/06 and 2007/08. This has resulted in Derby supporting comparatively more people than our comparator authorities overall and also delivering greater proportion of services in residential care settings.

Short term and long term placements

	Short Term	Long Term	Total
05 / 06		12	12
06 / 07	1	24	25
07 / 08	1	22	23

11. The mental health services environment has also been changing with more young men and women entering the service showing signs of traumatic stress and this are likely to grow.
12. Significant numbers of people are placed in external placements than receiving care in their homes resulting in over dependency on this sector of the market. This makes it necessary for the service to develop more innovative ways of managing its resources. The service is considering changing the type of provision being offered to prospective users. It is seeking to support more people at home as well as exploring other care settings and not overly rely on residential care provision. This is being developed in collaboration with the Derby City Primary Care Trust. The service also seeks to encourage new providers to enter into care services market.
13. Increases in the cost of placements over and above the rate of inflation have also impacted on the budget. The cost of residential placements for example increased from £475.37 per person per week in 2006/07 to £504 in 2007/08, an increase of 6.1%.

Annual cost of placements

Year	Cost of Placement
05/06	£474.25
06/07	£475.37
07/08	£504.63

Actions taken so far to address budget overspend

14. A number of actions have been taken to address 2008/09 budget pressures:
 - Decisions on access to placements and making budget commitments are made through a Community Care Panel. This is a multi-agency group chaired by the Council's Mental Health Services Commissioning Manager. This process moves away from the previous practice where decisions were solely taken by Trust staff.
 - Review of high cost placements were carried out which resulted in 6 cases becoming fully funded by the PCT and making a saving of £140,000.

- Implementation of the Continuing Health Care eligibility criteria and setting up the Mental Health continuing Care Panel resulted in 61 placements being fully funded by the PCT and 27 through shared funding
 - Increasing the budget allocation over the last 3 years to realistic levels and bringing Derby nearer to the comparative average.
15. The Commission was informed that as a result of these measures the forecast overspend in the budget has been brought down to £200,000. However, this is not the end of the process. Other steps are being considered to further reduce budgetary pressures whilst maintaining, if not increasing the level and quality of care services. These measures include:
- Reviewing budget allocation in context of comparative information, best practice and promoting and support peoples in their own homes
 - Ensuring completion of all NHS Continuing Care reviews and reviews of social care funded placements
 - Reviewing of role of Community Support Workers in supporting people with higher level of needs to remain at home
 - Ensuring that all placement activity is fully recorded and reviewed and reported through accountability arrangements
 - Strategic Review with the PCT of current provision funded by Supporting People to ensure more people are supported to live independently and reduced usage of residential care
 - Reviewing existing joint Mental Health Commissioning Strategy with the PCT to increase opportunities and services to support people at home including Supporting People.

Conclusion and Recommendations

16. The mental health services budget has been experiencing considerable pressures over the last few years and it is commendable that the Adult Social Services and Derbyshire Mental Health Services Trust have significantly reduced the overspend. As a result of their actions the forecast overspend for this year had come down from more than £1m to around £200,000 by the time of the evidence gathering meeting in October. It was stated that additional steps are being considered which should help to control the budget whilst improving the quality and access to services for the users.
17. The Commission learnt that gaps at senior management level were inadvertently created following separation between children and Adult services. This reduced control on the financial management of the service affecting the budget efficiency of the service. Although this has now been addressed, it is

important to learn from these experiences and continually review management practices to avoid similar situation occurring in the future.

18. It was stated that care services have become overly dependent on the residential provision which has led to increases to care costs in this sector. The Commission therefore supports the creation of a better mix of service provision such as shared lodgings and principle of supporting more people in their own homes. This process needs to be carefully managed to ensure people are not placed in the community without adequate backup support.
19. The Commission learnt that pressure on mental health services is increasing and indications are that this is set to continue. The Commission was informed that the environment is changing and more young adults are entering the service with signs of alcohol and drugs related issues as well as with traumatic stress and that these areas are likely to grow in the coming years. It is recommended that partner agencies take account of these pressures and establish a more responsive service. It is suggested that detailed research should be carried out to identify the sources of pressures and identify measures on how these are to addressed.
20. It is also recommended that a realistic budget is set at the start of each financial year that takes account of the level of need and how this could be best met and other service pressures rather than setting an artificially low budget which immediately come under pressure and is then difficult to manage.

Scoping Report for the Review of the Handy Person's Scheme

Introduction

1. The Handy Person Scheme assists elderly people by carrying out a wide range of minor household repairs which are too small for a tradesperson and helps them to retain their independence. It carries out small jobs that can take up to two hours to complete such as changing light bulbs, turning over mattresses, hanging curtains etc. Clients are not charged for the Handyperson's time or travel expenses but pay the cost of any materials required for the work. This service is currently only available to people over 60 receiving income benefits and disabled people. Applicants are means tested to qualify
2. The Handy Person Scheme was initially part of a larger Decent Homes contract with Spirita (formally Walbrook HA) which carried out improvements in the private housing sector. It started as a pilot scheme with a single van for about a year before increasing the size to three vans a couple of years ago. The Handy Persons Scheme is managed by Spirita's Care and Repair Programme.
3. The scheme is funded at approximately £110,000 per year of which approximately 2/3 is provided by Supporting People Programme and the remainder from Minor Works Budget of the Capital Programme. The Scheme is contracted to carry out 1200 jobs per annum and the monitoring figures for last year show that approximately 900 were completed. One possible reason for under achieving the target could be due to lack of public awareness about the scheme which has kept down the demand for the service. It has been stated that initially it was difficult to forecast future demand and therefore the publicity was kept to a minimum in case the service raised expectations that could not be met. There is an opportunity to explore criteria for accessing the service and consider promotion amongst older people who would benefit from this service such as those being discharged from hospital.

Objectives of the Review

4. The Commission may wish to consider the following objectives for the review:
 - To examine the reasons for the performance to be off target
 - To examine how the scheme is promoted amongst the
 - To examine the criteria for accessing the service and consider whether it is being targeted at those people who need it the most
 - To examine the scope to extend the scheme to other minor works such as minor adaptation programme

Outline of the Review

5. The Commission may wish to seek evidence from the witnesses listed below. It is anticipated that all these may be seen during a half day session.

- Housing Renewal Manager (officer responsible for managing the Handy Persons Contract and also Supporting People Programme)
- Handy Person's (people carrying out the work)
- Operations Manager – Care and Repair, Spirita
- Service users