

Adults and Community Well-being

Service and Financial Planning – 2010/11 – 2012/13 Revenue impacts of forecast demography and demands for services and commentary on inflationary impacts

The Portfolio continues to deliver value for money amongst LA Social Care providers on a per head of population basis. Compared to other English Unitaries and designated nearest neighbour benchmarking group, unit costs compare favourably

The table below shows the costs per head of population for the main client categories:

Budget 2009/10-comparison to English Unitaries

	Older people	PSD	ALD	MH
Telford & Wrekin Council	£115	£24	£64	£24
Cheapest	£96	£13	£29	£8
Most expensive	£191	£46	£103	£60
Ranking	6 th lowest cost /46	16 th lowest cost/46	17 th lowest cost/46	30 th lowest cost/46

In the context of the social services budgets BTW's spending per head of population continues to be well below the national unitary and all England averages. In addition the proportion of spend on adult social services as a proportion of total council spend (excluding school funds) is the second lowest for West Midland unitary and metropolitan councils at 29% compared to an average of 32% and a range of 28% to 38%.

In addition the proportion of spend on adult social services as a proportion of total council spend (excluding school funds) is the second lowest for West Midland unitary and metropolitan councils at 29% compared to an average of 32% and a range of 28% to 38%. This means in terms of value for money the service has little scope to reduce or even hold the costs of its care packages sufficiently to offset the financial impacts identified below.

Review of Investment Proposal

The forecast financial pressures resulting from demand for services from a case by case analysis of ALD, PSD and Mental health clients including those in ALD and MH moving from Children's services to Adult care are detailed in the table below:

	2010/11	2011/12	2012/13
ALD	+£ 868,000	+£689,000	+£300,000
PSD	+£ 111,000		
Mental Health	+£ 223,000	+£200,000	+£200,000
Older People	+£ 409,000	+£528,000	+£182,000

Total ASC	+£1,611,000	+£1,417,000	+£682,000
Cumulative total ASC	+£1,611,000	+£3,028,000	+£3,710,000

Note-it is not possible to forecast accurately the number of clients entering the service in 2011/12 and 2012/13 and cost estimates may change

	2010/11	2011/12	2012/13
Housing Needs	+£ 64,000		
Cumulative total	+£1,675,000	+£3,092,000	+£3,774,000

ADULTS WITH LEARNING DISABILITY

The financial pressure on the care services for ALD clients are caused by increasing numbers requiring care and increasing unit costs, despite much work ongoing to challenge costs charged by providers.

The updated forecasts reveal a further 17 known transitional clients transferring to adult care services in 2010/11.

The focus on obtaining value for money has been evidenced in the use of pricing models to challenge providers on their cost base, to ascertain the value being achieved for the non care element of the fees paid, so called "Hotel costs." Some limited success has already been achieved with an annual reduction in fees of £16,000.

OLDER PEOPLE

Increases in the number of older people in the population of around 3% has regularly been the publicised reason for increasing costs of care.

The numbers of older people in the Borough being supported through Adult Social Care has remained largely static since 2006/07, with falls between 2006/07 and 2007/08 and then increasing numbers since.

Despite the numbers of supported clients remaining stable over the period, recent trend in numbers overall is increasing and furthermore the number of hours of care delivered is forecast to increase from 2008/09 to 2012/13 by between 1% and 2%. The forecasts are for increases in the over 65 age group in the population to continue at a rate of between 2% and 3%, and therefore an element of judgement in assessing demographic change in older peoples services is required.

In assessing the increase to be funded between 2008/09 and 2012/13 an increase of 3% has been applied in 2010/11 this is reduced to 2% in 2011/12 and 2012/13. In addition the figure quoted in the table includes other contractual cost pressures and is net of estimated income receivable from this client group each year.

MENTAL HEALTH

In Mental Health services, around £300k was added to the budget in 2009/10 to meet the high cost increases experienced in care for a number of additional clients who joined the service around the end of 2007/08.

The forecast increases in costs accruing into 2010/11 arise from transitional clients. Estimates of increases in years beyond 2010/11 have been made and the costs used are in line with the cost of known cases arising in 2010/11.

PHYSICAL DISABILITY

Disability care did not provide any major surprises in the last financial year and was not expected to in 2009/10. However, a number of additional clients have been accepted for support and the cost implications of around £100k (part year effect) are reflected in the current financial monitoring.

Further increases will accrue from support to adults with disabilities because of the expected increase in demand particularly for home care. The forecast increase in costs for 2010/11 is £71k but with underfunding of £40k this year.

INFLATIONARY IMPACTS

An initial meeting with the representatives of providers has been held. Further meetings will ensue to discuss the impacts of inflation on prices for 2010/11, from spot and contractual purchasing.