

Committee: Scrutiny Committee for Social Services & Health

Date: 7th December 2001

Title: Scrutiny of Budgetary Control of the Community Care Fund

By: Director of Social Services

Purpose: To update the Committee on research undertaken to date into alternative options for controlling the Community Care Budget

Recommendations:

That the Scrutiny Committee note the progress made on researching three budgetary control options for the Community Care Fund, and note that a further report will be forwarded.

1. Financial Implications

- officer time of 14 days in producing the final report
- financial risks versus reward in changing methodology for controlling budget

2. Background:

2.1 At its meeting on 31st October 2001, the Scrutiny Review Eligibility Criteria Board agreed a framework under which three alternative options for managing the budgetary control of the Community Care Fund would be explored.

2.2 This paper identifies research undertaken to date and sets out the initial findings from this preliminary work.

2.3 Currently, budgetary control is based on a weekly allocation of funds made available to the funding panel for new placements. This allocation is derived from a funding calculation identified at Appendix 1.

2.4 As a result of the relatively small amount available for new packages of care in previous years (averaging £2,000 per week in 2000/01), a countywide panel was established. This is used to determine all funding priorities in respect of the Community Care budget.

2.5 Given that the weekly allocation is averaging £4,000 per week in the current financial year there is now greater scope to utilise the control process in a more targeted way.

3. Potential Variations to the current budgetary control

3.1 In order to provide a more targeted and long term approach to budgetary control, the following variations to the current model are being explored:

1. Sub-dividing the control figure over client groups
2. Sub-dividing the control figure over care categories e.g. Residential, home care, day care
3. Profiling the budget to allow a higher level of weekly expenditure during the more pressured winter period

The current model of budgetary control allows for the sub-division of available resources, and therefore the control total, as follows

Client Group	Care Category
Elderly and Physically Disabled- Eastbourne	Control figure for each client grouping sub-divided into: Nursing, Residential, Home Care, Day Care, Direct payments
Elderly and Physically Disabled- Hastings	
Elderly and Physically Disabled- Lewes and Wealden	
Learning Disabilities- County Wide	
Mental Health- County Wide	
Substance Misuse- County Wide	

3.2 Due to the over-commitment of the Community Care Fund in recent years, it has not been practical to allocate the relatively small weekly control on the above basis. As a result, the funding panel has viewed the allocation as a countywide resource and has determined priorities across client groups and care types.

4. Sub-dividing the control figure over client groups

4.1 Allocating the available resources in the current year, based on client groups, would result in the following weekly control figure:

Client Group	Weekly control £
Elderly and Physically Disabled- Eastbourne	719
Elderly and Physically Disabled- Hastings	1,331
Elderly and Physically Disabled- Lewes and Wealden	1,258
Learning Disabilities- County Wide	354
Mental Health- County Wide	310
Substance Misuse- County Wide	60
TOTAL	4,032

4.2 The above allocation is based on the commitment within each client group. Budget of £500,000 has then been allocated directly to Learning Disabilities. This is because freed up resources following death/discharge are not estimated for this client group. Even allowing for the direct allocation of budget, the control figure for Learning Disability services is relatively low.

4.3 To aid an assessment of the result allocation, Appendix 1 identifies the net weekly cost of placements based upon currently agreed fee rates. Approximately two weeks funding allocation would be required to fund one learning disabled client.

5. Sub-dividing the control figure over care categories

5.1 Allocating the available resources based on care category e.g. Residential, home care, day care, would result in the following weekly control figure:

Care Category	Weekly control £
Residential	1,690
Nursing	1,136
Home Care	944
Direct Payments	151
Day Care	111
TOTAL	4,032

5.2 This approach enables resources to be targeted to relatively low cost packages e.g. home care, and facilitates the reduction in the dependency on residential and nursing care, which is current policy.

5.3 The consequence of a relatively small amount available for new packages over the last year has been that predominantly nursing or residential care has been provided to meet high need cases, with smaller allocations being made for preventative packages.

5.4 Further modelling will proceed on the above two options to determine the optimum mix between client group and care type. This approach to the panel process will also facilitate the devolution of responsibility down to operational levels in most areas of the Community Care budget.

6 Withholding part of the budget on 1 April for release later in the year

6.1 The size of the over commitment in previous years also meant that the total Community Care Fund budget was allocated to the control process on 1st April in order to maximise the weekly spend allocation and to seek to address the service pending list.

6.2 The result of this approach is that additional resources, on top on the normal weekly allocation, are not available during the winter months when additional service pressures are experienced. Winter pressures monies allocated by the Government for winter 2000 and 2001 has meant that the Department has been able to respond to higher levels of demand during the winter. Given the uncertainty surrounding additional government funding, it would be prudent for the Department to retain a proportion of the budget until this period, in order to be able to achieve a higher rate of spend during the winter period of higher demand.

7 Conclusion

7.1 The above modelling is being developed and refined in order to produce a budgetary control process which will facilitate meeting the Department's objective to reduce its reliance on long-term residential care and increase the purchasing of lower level preventive packages such as home care and day care.

7.2 A further report will be submitted to this Committee detailing the outcome of this review and providing recommendations to phase in changes to the control mechanism.

David Archibald
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Appendix 1

1. Calculation of Community Care Weekly Control Figure

- Community Care Budget available for year
- Less: current commitment for the year
- Add: an estimate of resources freed up during the year following death or discharge of clients.

The resultant available resources are modelled over the year to provide a weekly allocation

2. Net weekly cost of placements based upon currently agreed fee rates

- Nursing Home Placement for the Elderly £190.60
- Residential Home Placement for the Elderly £81.60
- Learning Disability high cost residential Placement – average £533

- Gross cost of Home Care £8.03 per hour