

Decision maker:	Cabinet
Subject:	Health and Social Care - Proposals to meet the underlying budget deficit
Date of decision:	3 December 2015
Report by:	Chris Ward, Director of Finance & Information Services (Section 151 Officer) Robert Watt, Director of Adults Services
Wards affected:	All
Key decision:	No

1. Purpose of report

1.1 The purpose of this report is to advise Cabinet of the current overall budget position within the Health and Social Care portfolio and the actions in place to mitigate the underlying deficit in 2015/16 and to remedy the full deficit in 2016/17.

2. Recommendations

2.1 That the following be approved:

- (i) That the proposed savings as set out in Appendix A for the Health and Social Care Portfolio amounting, in total, to £2.4m in a full year be approved to enable appropriate consultation and notice periods to be given to affected parties.
- (ii) That Managers commence any necessary consultation process or notice process necessary to implement the approved Portfolio savings.

2.2 That the following be noted:

- (i) The savings proposals set out in Appendix A are indicative and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix A with alternative proposal(s) amounting to the same value within their Portfolio.
- (ii) The likely impact of savings as set out in Appendix A.

3. Underlying budget deficit

- 3.1 At its meeting on 10th February 2015, the Council approved the Portfolio cash limits for the financial year 2015/16. This was predicated on savings proposals of £3.8m and the assumption that the 2014/15 requirement to utilise £1.5m of reserves would not be ongoing.
- 3.2 The table below seeks to illustrate the main areas of historical budget pressures on Health and Social Care, which has led to the current underlying forecast budget deficit in 2015/16 of £2.4m.

Nature of Budget Pressure	2014/15 £	2015/16 £
<u>Pressures experienced in 2014/15:</u>		
Increased costs of Mental Health Residential Clients	335,000	300,000
Increased Volume of Domiciliary clients	1,300,000	1,300,000
Learning Disability transitional Clients	200,000	200,000
Change in Deprivation of Liberty legislation	165,000	165,000
Increased support to Carers to implement Care Act	100,000	
Reduced Nursing Care volume	(600,000)	(600,000)
Release of Portfolio reserves	(1,500,000)	
Sub Total 2014/15 Pressures	0	1,365,000
<u>Additional pressures experienced in 2015/16:</u>		
Unmet Savings		1,100,000
Increased cost of Learning Disability Residential Care		150,000
Transitional Clients		175,000
Other increased commissioning costs		210,000
Increased Better Care Fund Income		(600,000)
2014/15 outturn and underlying deficit forecast for 2015/16	0	2,400,000

4. Progress in 2015/16

- 4.1 Progress in 2015/16 has been constrained due to already comparatively low costs per client supported in addition to increasing pressures from the local hospital.
- 4.2 A number of actions have commenced in order to mitigate the scale of the deficit in the current year however these are not sufficient to remedy the £2.4m in total.
- 4.3 Attached at Appendix A is a full set of proposals to address the total £2.4m underlying budget deficit. Whilst it is not possible to implement all of the actions during 2015/16, they are planned to be implemented over the current year and 2016/17. Some progress has been made in the year and at the end of the second quarter, the forecast deficit for 2015/16 has reduced from £2.4m to £2.2m. Further detail of the current year position is reported elsewhere on this agenda.

5. Prospects for 2016/17

- 5.1 Once the underlying budget deficit of £2.4m has been remedied, the Portfolio is then able to make a contribution towards the Council's overall savings requirement of £11m for 2016/17. However, the scale of the challenge of meeting the £2.4m deficit has significantly constrained the Portfolio's ability to make further significant savings in 2016/17 beyond those set out in this report.
- 5.2 Proposals for further savings beyond the £2.4m contained in appendix A are set out in the report entitled "Portsmouth City Council Revenue Budget 2016/17 - Savings Proposals". That report contains all proposals to meet the Council's overall £11m savings requirement for 2016/17.

6. Conclusion

- 6.1 The Health and Social Care budget remains under pressure and the proposals contained within this report remain challenging. The Service is committed to implementing the deficit recovery plan with the aim of keeping cost within the budget allocation for 2016/17.

7. City Solicitor's comments

- 7.1 The City Solicitor is satisfied that it is within the Council's powers to approve the recommendations as set out.

8. Equality impact assessment (EIA)

- 8.1 This report does not require an Equalities Impact Assessment as there are no proposed changes to PCC's services, policies or procedures included within the recommendations.

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Chris Ward, Director of Finance & Information Service (S151 Officer)

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Robert Watt, Director of Adult Social Services

Background list of documents: Section 100D of the Local Government Act 1972

The information upon which this report has been based has been drawn from a variety of sources; however much of the information used is held in budget files prepared by the Health and Social Care Finance Team.

The recommendation(s) set out above were:

Approved/ Approved as amended/ Deferred/ Rejected by the Cabinet on 3rd
December 2015

Signed: