

**SOCIAL CARE
3 YEAR EXECUTIVE FINANCIAL RECOVERY PLAN
SUMMARY: PRESSURES**

Appendix 1

	<u>Expenditure Pressure & Impact Analysis</u>	Expenditure Pressures		
		2020/21 £000	2021/22 £000	2022/23 £000
1	<p>2019/20 Financial Plan Shortfall</p> <p>The 2019/20 Financial Plan approved by the IJB identified a budget deficit in relation to social care of £2.367m. This was largely driven by a £0.8m budget deduction in respect of income in 2018/19, to be delivered from a review of contributions policy by PKC, but not progressed. This was offset by PKC non-recurringly in year but rolled forward as a budget pressure to 2019/20.</p> <p>In addition during 2018/19, a significant and unplanned increase in complex care expenditure was incurred of approx. £1.7m required to be provided for in the 2019/20 Financial Plan.</p>	2,367	0	0
2	<p>Increase in Staff Pay Costs</p> <p>Additional pay increase cost based on 3% pay increase to PKC employed staff for all three years to 2022/23, as per the PKC updated assumptions.</p>	587	600	600
3	<p>Care Home Contract Rates</p> <p>Pressure based on assumed 3.55% increase for both Residential and Nursing Placements weekly rate. The rate for 2019/20 had been increased by 3.65% for Nursing Care and 3.4% for Residential Care. The uplift to the care home contract is annually negotiated on a national basis however if agreement cannot be reached this year, there is a risk that negotiation may revert to each HSCP.</p>	970	1,026	1,073
4	<p>Living Wage Increase</p> <p>For 2020/21 the living wage rate is expected to be £9.30 per hour payable from 1 April 2020. This represents an increase of 3.3% compared to 2019/20. As part of the national commitment to fair working practices, all contracts for direct social care services require to be uplifted each year to take account of the agreed national increase to the living wage. This includes contracts with Care at Home providers (including sleepovers) and other direct social care service providers. This pressure includes the increase in the living wage rate to £9.30 per hour plus an increase to employer on costs.</p>	578	544	567

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5	Free Personal Care Inflation Increase This is an assumed inflationary increase for free personal care (1.6% for Nursing FPC and 1.7% for Residential FPC). This is provided to self-funding clients in order to deliver the shared Scottish Government/COSLA commitments on free personal care. Payments are uprated annually and the 2019/20 fees are £177 for residential care, £257 for nursing care.	82	86	90
6	Carers Act – Additional Responsibilities This pressure reflects the anticipated additional costs of the continued roll out of the Carers Act and the next steps in its implementation. The level of pressure is based on the Scottish Government indicative additional estimated costs.	250	0	0
7	Older People Care Home Placements – Demand Pressure During 2019/20, demand for care home placements has been significantly higher than anticipated resulting in a forecast overspend of £0.7m. The pressure for 2020/21 therefore includes the budget gap predicted for 2019/20. In addition the expected growth in 75+ population in Perth & Kinross is anticipated to further increase demand for Care Home Placements over all 3 years. This also reflects that Perth & Kinross currently has the 9 th highest 75+ population in Scotland. This pressure is offset by Saving No 7 below.	909	272	272
8	Care at Home – Demand Pressure The expected growth in 75+ population is expected to increase demand for Care at Home over all of the next 3 years. This pressure is offset by Savings No 4 and 9 below.	156	340	417
9	OT Adaptation and Equipment – Demand Pressure The expected growth in 75+ population is expected to directly increase demand for OT adaptations and equipment.	50	50	50

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10	Learning Disabilities Transitions Clients transferring from Education & Children Services Based on information collated from the transitions team the cost of a number of young people with a Learning Disability and/or Autism who have complex support requirements who will transition from Education & Children's Services to Adult Social Care has been calculated. This pressure relates to both the part, and full year, costs of care packages for clients known to be moving into adult services over the coming three years.	656	599	548
11	Learning Disability & Mental Health - Increased Demand Social Care The pressure reflects the full year effect of new clients and increase in cost of existing clients during 2019/20. It is difficult to predict need in future years and therefore Years 2 and 3 are based on the Year 1 pressure.	494	494	494
12	Full year cost of priority investment in Enhanced Community Support In 2019/20 the IJB approved essential investment in the roll out of Enhanced Community Support which will pro-actively identify frail older people at risk of deterioration and support them to stay at home supported by an integrated team of core professionals. The investment was phased over 2 years and this is the 2 nd year cost of social care professionals within the team. This essential service development is fundamental to delivering Saving No 7 as part of an overall strategy to reduce reliance on bed based services through expansion of community support.	99	0	0
13	Investment in CAPA (Care about Physical Activity) Exercise can improve physical performance and reduce frailty and falls. The length of stay in care homes has increased as a result of our investment in the CAPA programme. The partnership now wish to invest further to focus the offer to people in their own homes or in intermediate care, to seek to avoid care home and hospital admission.	100	0	0
	TOTAL PRESSURES	7,298	4,011	4,111