

Here's what we sent to home owners on the 7 February.

Council Budget 2011/12

As you know I invited all Care Home owners to a meeting on the 24 November 2010 to explain the budget assumptions we were making at that time and to invite suggestions as to how, together, we might be able to achieve efficiency savings during 2011/12. I would like to thank you for the positive contribution you made at that meeting. A copy of the notes of that meeting are attached.

You may recall that in November, I explained that the Council was anticipating budget reductions of up to 15%. As Adult Social Care spends 40% of the Council budget I advised that it was likely that our services would need to make a significant contribution to the overall Council target. Given that over 40% of the Adult Social Care budget £26m is spent on long term care in the independent sector I anticipated that I was not going to be in a position to exempt care homes from helping us to achieve savings but I hoped that you would not be required to contribute disproportionately towards the overall savings requirement.

This is a formal notification of the changes being proposed from 4th April 2011.

Following the Comprehensive Spending Review announcement it is now clear that the Council will be required to achieve 12% savings in 2011/12 and further savings in the years ahead. Having given this matter considerable thought, and bearing in mind the ideas, comments and concerns raised on the 24 November 2010, the Council believe it is reasonable for independent care homes to achieve efficiency savings of 5% next year and this was agreed by Cabinet on the 26 January 2011, subject to further consultation on the overall budget. I am sure you will appreciate that the lower savings target for care homes means that other Council services are required to make disproportionate savings to achieve the overall requirement of 12%.

Both myself and other officers have met with representatives of SECHA who I know will be consulting with their members and submitting a response to me. However, as part of our consultation with providers, I am more than willing to accept individual responses from care providers particularly if you believe that the proposed reduction in funding will put your service in severe financial hardship and impact on the ongoing viability of the home. In order to evidence any particular hardship individual providers will need to be prepared to share copies of their audited accounts with us.

In reaching this decision obviously we have considered the financial impact on providers but when we met with you in November it was generally agreed that there were opportunities for efficiencies to be found and I have asked Council officers to begin discussions with SECHA on how we might take forward the ideas generated by you at the November meeting.

As you will appreciate we are working to tight deadlines, so I would appreciate any responses as part of this consultation process being returned back to me by Friday 18th February.

Regards

Interim Head of Adult Commissioning