
Meeting: *Social Care, Health & Housing Overview & Scrutiny Committee*
Date: *24 October 2011*
Subject: **Revenue Budget Management Report for period ended 30 June 2011 for Social Care, Health and Housing**
Report of: **Director of Social Care, Health & Housing**
Summary: The report sets out the financial position for the year 2011/12

Contact Officer: Nick Murley
Public/Exempt: N/A
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

Sound financial management contributes to the delivery of the Council's value for money, enabling the Council to successfully deliver its priorities

Financial:

The financial implications are set out in the report

Legal:

None

Risk Management:

None

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Safety:

None

Sustainability:

None

RECOMMENDATION:

- 1) That the General Fund outturn of £57.381m and £0.096m over spend is noted.
- 2) That the Housing Revenue Account financial position is noted.

Introduction

1. The report sets out the financial position to the end of March 2012.

General Fund Executive Summary Revenue

2. The Social Care, Health & Housing General Fund annual gross expenditure budget is £83.476m and income budget is £27.170m which presents a net expenditure budget of £56.306m. The full year forecast outturn position as at the end of quarter 1 is £0.096m (0.17%) over budget.
3. The following Table A shows a summary position analysed by the Director and Assistant Director, with more detailed commentary in the following paragraphs. Appendix A provides a more detailed analysis by Service.

Assistant Director	Approved Budget	Forecast Outturn	Contributions to/from Earmarked Reserves	Forecast Outturn Variance
	£000	£000	£000	£000s
Director	108	117	0	9
AD Housing (GF)	4,087	4,122	0	35
AD Adult Social Care	53,719	54,720	(320)	681
AD Commissioning	5,435	5,544	(659)	(550)
AD Business & Performance	(7,043)	(7,122)	0	(79)
TOTAL	56,306	57,381	(979)	96

4. Increasing demography, numbers of transitions, future pressures around the deregistration of care homes and self funders returning to the local authority will all need to be managed over the short term.

5. For **older people**, the major area of risk is care packages which is currently showing a projected overspend of £0.377m. Additional budget for demography was provided in the 2011/12 budget and client numbers are increasing. There are very significant efficiency savings targets in this area in relation to reduced placement numbers, increased continuing health care funding and improved contract prices for external home care.
6. For **people with learning disabilities**, the package cost forecast is currently showing an under spend of £0.663m. This is mainly due to the care home deregistration which was provided for in the budget but is not currently known or forecast. This was to be funded by a contribution from an earmarked reserve and as yet has still not been drawn down. We are expecting to have more details on the cost implications of this shortly.
7. Funding allocations from the Health Service should present opportunities to increase investment around the Reablement service, discharges from hospital and to prevent avoidable hospital readmissions. The Council has signed off legal agreements with the PCT identifying the areas for additional investment but as yet the grant funding has not yet been received.

Executive Summary Housing Revenue Account

8. The Housing Revenue Account (HRA) annual expenditure budget is £24.859m and income budget is £24.464m with a contribution of £0.395m from HRA reserves to present a net budget of zero.
9. The first quarter outturn for the HRA shows a variance to profiled budget of £0.196m, which relates to large invoices for the Stock Condition Survey materialising in the first 3 months.
10. The forecast outturn position for the HRA requires a contribution from the HRA reserve of £0.272m and is a reduction of £0.123m from the budget set at the start of the financial year. The difference is mostly a result of forecast capital receipts of £0.200m relating to Council property Right to Buys (RtB). In the original self financing proposals it was anticipated that the Council would no longer be allowed to retain 25% of receipts from these sales. Therefore to keep the financing of the capital programme stable, the 2011/12 budget included an increase in the revenue contribution to finance this expenditure. Further guidance supporting the self financing proposals have now been issued and it has been confirmed that this practice i.e. retention of RtB receipts will continue and as a result the revenue account will not be required to make the additional £0.2m contribution.

Detailed Commentaries

Director

11. A small over spend is projected as a result of the unachieved managed vacancy factor and additional administration support costs.

Assistant Director Housing

Housing Revenue Account

- 12 The Housing Revenue Account (HRA) annual expenditure budget is £24.859m and income budget is £24.464m with a contribution of £0.395m from HRA reserves to present a net budget of zero. A subjective breakdown of this budget and forecast outturn is shown below:

2011/12	Budget	Annual Forecast
	£m	£m
Rents & Service Charges	(23.489)	(23.489)
Other Income	(0.975)	(1.333)
TOTAL Income	(24.464)	(24.822)
Staffing Costs	3.014	3.236
Premises Costs	4.697	4.671
Other Supplies & Services	7.254	7.296
Housing Subsidy payment	9.894	9.891
TOTAL Expenditure	24.859	25.094
Contribution to / (from) reserve	(0.395)	(0.272)
Net Expenditure	0	0

13. The 2011/12 budget for the Housing Revenue Account (HRA) requires a contribution from the HRA reserve of £0.395m. However, since the budget was put together it has been confirmed that the authority will continue to retain 25% of its capital receipts from Right to Buys, so this contribution is forecast to drop to £0.272m.
14. There is also a year to date adverse variance of £0.196m. This variance is predominantly the result of payments totalling £0.130m made for the Stock Condition Survey. Whilst the budget exists for this expenditure, these costs have all occurred in the first quarter and therefore appear as a variance against the profiled budget.
15. The forecast for void repairs has increased by £0.130m compared to budget, however this is offset by reduced costs forecast within day to day repairs and external decorations, the later being due to a programme of replacement of wooden with plastic fascia boards.
16. The anticipated outturn relating to Supported People (SP) has improved compared to budget by £0.080m, due to reduced Protected Payments being made to tenants at Sheltered Schemes who were given HRA funding to compensate for losing SP funding.

17. Further savings of £0.045m against budget are anticipated within the Prevention Service as there has not been a need to find emergency accommodation for Council tenants.

Housing General Fund

18. Housing Management is showing an adverse variance to date of £0.056m and a full year forecast adverse variance of £0.035m.
19. There is a year to date over spend of £0.037m as a result of legal costs incurred at the Traveller sites, together with building repair costs undertaken at the Kempston Hardwick site relating to 2010/11 when Central Bedfordshire was in charge of the site. Overall it is anticipated that additional rental incomes generated from the Traveller sites throughout the year will help to compensate for this although will leave an over spend outturn position of £0.029m which is the main cause of the overall position.

Assistant Director Adult Social Care

20. The quarter 1 outturn position for the Adult Social Care service is £0.681m over spend (1.3%) against the budget of £53.719m.
21. In addition to increasing demography and numbers of transitions, future pressures around the deregistration of care homes and self funders returning to the local authority will need to be managed over the short term. Self funders alone have increased in number by 100% in the period December 2010 to June 2011 compared to the same period last year.

Older People

22. One of the major pressures in this service area is external care package costs for Older People, which is over budget by £0.377m.

Nursing Care

23. For nursing placements there is an over spend of £0.178m. Customer numbers have increased from 149 at the beginning of the financial year to 157 at the end of quarter 1.

Residential Care

24. For residential placements there is an over spend of £0.902m. Customer numbers have increased from 560 at the end of 2010/11 to 567 at the end of quarter 1. We are actively tracking the block and spot placements as a major efficiency target for the directorate was to reduce the number of residential placements by 50 over the financial year.

Home Care

25. For external home care packages there is an under spend of £0.672m. This is a reflection of a reduction in customer numbers from 814 at the end of the financial year to 806 at the end of quarter 1.

26. There are a number of projected overspends on care management pay reflecting the short-term use of agency social workers in teams undergoing a restructure to reflect role and skills mix changes designed to better deliver personalisation.

Physical Disability

27. There is a small over spend of £0.027m on package costs.
28. For nursing care there is an under spend of £0.063m reflecting a reduction in placements of 4 since the beginning of the financial year.
29. For residential care there is an over spend of £0.149m as a result of placements numbers which have increased by 2 since the beginning of the financial year.
30. For external home care there is an under spend of £0.105m reflecting a reduction in client numbers of 13 since the beginning of the financial year.

Learning Disabilities

31. Overall Learning Disability Assessment and Commissioning service is over spent by £0.277m.
32. For externally purchased care for people with Learning Disability there is an under spend of £0.663m. Of this £0.575m relates to potential additional costs arising from Ordinarily Residence cases. Should the costs arise, they will be funded by reserve during 2011/12 only.
33. A shortfall of £0.436m for charges for cross-boundary services is forecast.
34. Package costs arising from transitions from Children's services are included in the quarter 1 forecast; however, the numbers and costs are subject to variation and are likely to arise during the latter half of the financial year.
35. For Learning Disabilities Direct Services, there is an over spend of £0.093m primarily on pay.

Assistant Director Commissioning

36. The full year position shows an under spend of £0.550m. There is a under spend of £0.659m on the Learning Disabilities and Public Reform Grant transfer which reflects government grant exceeding expenditure commitments, an under spend of £0.191m on adult social care contracts for Mental Health services and an over spend of £0.220m is forecast for Carer's direct payments reflecting increased demand.

Assistant Director Business & Performance

37. The full year position shows an under spend of £0.079m. The main component of the under spend is in relation to an over recovery of income in respect of customer contributions of £0.188m.

Revenue Virement Requests

38.. There are currently no proposed virements over £0.100m to report.

Achieving Efficiencies

- 39.. A number of efficiency savings are built into the 2011/12 base budget including 10/11 efficiencies with a full year effect in 2011/12. A full analysis of efficiencies is provided at Appendix B.
40. For 2011/12 the efficiencies target is £4.694m. Some early risks have been identified and compensatory savings are being considered to mitigate the shortfall. The current projection is that £4.212m of the target will be achieved but work continues to close this gap.

Reserves position

41. Appendix C shows the full list of proposed reserves for the directorate. The total General Fund reserves available as at April 2011 were £2.617m for General Fund services and the current forecast indicates that £0.979m will be used during 2011/12.
42. In respect of the Housing Revenue Account, the total reserves available as at April 2011 were £3.788m and the current forecast indicates that £0.272m of the HRA reserve will be used for 2011/12.

Debt analysis

Housing Revenue Account

43. Statistics for rent arrears are not available due to implementation of the new Housing System (QL); however these should be available from August.

General Fund

44. Total debt for the General Fund element of the directorate stands at £7.1m. Charges on property for residential and nursing placements account for £1.7m, Health Service debt £3.6m and Other Local Authorities £0.070m. Of the total debt, 41% is more than one year old and is predominantly charges on property debt where it can take a significant amount of time to realise the cash from the customer's house sale.

Appendices:

Appendix A – Net Revenue Position Full Analysis

Appendix B - Efficiencies

Appendix C - Reserves

Appendix D – Debt Analysis

Background Papers: None

Location of papers: Technology House, Bedford.