
Meeting: Social Care, Health & Housing Overview & Scrutiny Committee
Date: 24 October 2011
Subject: 2012/13 Base Budget Review of Social Care, Health & Housing
Report of: Cllr Carole Hegley – Executive Member for Social Care, Health & Housing
Summary: This report sets out the outcome of the work undertaken to review the Social Care, Health & Housing directorate base budget for 2012/13.

Advising Officer: Julie Ogley - Director of Social Care, Health & Housing
Contact Officer: Nick Murley, Assistant Director Business & Performance
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

1. Sound financial management contributes to the delivery of the Council's value for money, enabling the Council to successfully deliver its priorities.
These are:
 - Supporting and caring for an ageing population
 - Educating, protecting and providing opportunities for children and young people
 - Managing growth effectively
 - Creating safer communities
 - Promoting healthier lifestyles.

Financial:

2. The financial implications are set out in the report.

Legal:

3. None

Risk Management:

4. Not applicable

Staffing (including Trades Unions):

5. Not applicable.

Equalities/Human Rights:

6. In developing the base budget review the Council must ensure that decisions are made in such a way as to minimise unfairness, and that there is not a disproportionately negative effect on people from different ethnic groups, disabled people, and men and women.
7. The statutory equality duties must be exercised in substance, with rigour and an open mind. To ensure that they have complied with the equality duties, and to ensure that any decision made does not unfairly discriminate, public authorities should:
 - carry out robust equality impact assessments and consult and involve relevant stakeholders as part of the decision-making process
 - Consider all relevant, available information in order to anticipate any likely negative impact and to seek to avoid that negative impact by taking alternative courses of action wherever possible.
 - Keep an adequate record showing that they had actually considered their equality duties and pondered relevant questions.
 - Be rigorous in both inquiring and reporting to Members the outcome of the assessment and the legal duties. When decisions are made, decision makers must have the relevant data, including the results of equality impact assessment, and of consultation and involvement, to ensure they reach an informed decision.
8. The outcome of the base budget review will be incorporated into the 2012/13 Council Budget and equality impact assessments will be undertaken throughout that period.

Community Safety:

9. Not applicable.

Sustainability:

10. Not applicable.

Procurement:

11. Not applicable.

RECOMMENDATION(S):**The Committee is asked to:-**

12. Note the proposed Standstill Budget for 2012/13 at £58.972m.

Introduction

13. This report sets out the proposed 2012/13 standstill budget for the Council following a base budget review of the 2011/12 budget.

14. This Base Budget Review (BBR) is running in parallel with the 2012/13 Draft Budget process and will identify any pressures/savings that will need to be incorporated into the draft budget that will be considered by the Executive in December.

Executive Summary

15. The Base Budget Review has been based on the August 2011/12 Corporate forecast position of an £0.509M overspend. The key tasks have been to assess whether existing pressures will persist into 2012/13 and whether any of the management actions to manage pressures in year can be sustained in the longer term.
16. The Base Budget Review has been undertaken at individual 'general ledger' level to ensure the budgets are accurately held in individual cost centres. This gives additional assurance that the overall cost base is robust and will ensure monitoring continues to improve for the remainder of this financial year as well as for 2012/13 and beyond.
17. Table A below shows the proposed Standstill Budget by Directorate.
18. **Table A – Standstill General Fund Budget by Directorate 2012/13**

Directorate	MEMO Annual Budget 2011/12 as at August (excl Temp virements)	August Forecast Variance	Additional pressures/ Savings included in BBR	Pressures / (Savings) identified in BBR	Proposed standstill Budget 2012/13
	A	B	C	D (B+ C)	A+D
	£000	£000	£000	£000	£000
Adult Social Care Health and Housing	56,498	78	2,396	2,474	58,972
Children's Services	35,571	375	(203)	172	35,473
Sustainable Communities	51,212	(642)	344	(298)	50,914
Corporate Services	25,648	711	1,866	2,577	28,225
Contingency and Reserves	492	(184)	230	46	537
Corporate Costs	11,847	171	(1,842)	(1,681)	11,457
Total	181,268	509	2,760	3,269	184,537

Adult Social Care, Health and Housing

19. Central Bedfordshire has seen significant demographic increases over the 2010/11 financial year and this is set to continue in 2012/13 and beyond. People living longer can mean that they are more likely to have care and support needs, some of which are complex and potentially result in higher cost dementia care packages required to support them.
20. Much of the Social Care efficiency programme has been about moving services from institutional approaches to more personalised solutions. Much of this work has been focussing on how we support customers to live more independently which in the case of older people should reduce the numbers of admissions to residential care. This work is beginning to reduce the costs to the Council although it is early in its implementation and will not totally remove the impact of increasing costs due to demographic increases.
21. Table A below shows the proposed 2012/13 General Fund Base Budget by Director or Assistant Director:

Division	MEMO Annual Budget 2011/12 as at August (excl Temp Virements)	August Forecast Variance	Additional pressures/ Savings included in BBR	Pressures/ Savings included in BBR	Proposed Standstill Budget 2012/13
	A	B	C	D (B+ C)	A+D
	£'000	£'000	£'000	£'000	£'000
Director	108	7	(4)	3	111
Housing	4,281	1	(20)	(19)	4,262
Adult Social Care	44,829	712	2,230	2,942	47,771
Commissioning	5,448	(798)	261	(537)	4,911
Business & Performance	1,832	156	(71)	85	1,917
Total	56,498	78	2,396	2,474	58,972

22. The above table sets out the budget for 2011/12 (column A), the reported August variance for the directorate (column B), the additional pressures or savings that have been identified as part of the Base Budget Review (column C). Column D represents the total pressures or savings that have been identified against the 2011/12 that forms the Base budget for 2012/13.

23. In Adult Social Care there are two main pressures that will impact on the budget for 2012/13. The first is around the demographic increases for Older People and People with a Physical Disability. The forecast outturn identifies a pressure of £0.4m for 2011/12. The current cost of these packages has then been projected forward to derive the full year effect into next year and amounts to a pressure of £1.134m for 2012/13. A pressure of £0.7m has already been included in the Medium Term Financial Plan approved by Council in February 2011. Therefore an additional pressure of £0.4m materialises in this service area for 2012/13.
24. For Adults with a Learning Disability, the forecast outturn identifies a pressure of £0.446m for 2011/12, with a full year effect of £1.9m. This arises from the increased packages costs as customers are living longer, a difference in the assumptions surrounding the costs of packages for Transitions and the effect of changes because of the ordinary residence rules as the current earmarked reserve to fund these changes is exhausted. An allowance of £0.735m was included in the Medium Term Financial Plan approved by Council in February 2011 to cover these increases and therefore an additional pressure of £1.2m materialises in this service area for 2012/13.
25. Within Commissioning, the forecast outturn identifies an under spend of £0.798m which is a combination of contract savings around our mental health services and an under spend against the Learning Disability and Health Reform Grant. Only the latter though will be an on-going saving into 2012/13 which will be used to offset to some extent the over spend in Adult Social Care.
26. The combined effect of the above means a total pressure of £1.0m will need to be included in the General Fund draft budget preparations for 2012/13.

Housing Revenue Account (HRA)

27. For the Housing Revenue Account, work has been carried out to understand the pressure on the day to day and voids repairs budgets. The pressure from these areas is considered to be in the region of £0.750m for the next financial year. Added to the base budget realignment of the establishment, the contribution from the HRA reserve would increase from £0.2m in 2011/12 to £1.2m in 2012/13.
28. A new financing regime will be implemented for the HRA from April 2012 called 'Self Financing'. This will considerably change the revenue and capital position of the HRA and a report on the impact will be presented to the Committee in December. The draft budget for the HRA, like the General Fund, will also be presented to the Executive in December.

Conclusion and Next Steps

29. The results of the Base Budget Review will be incorporated in the 2012/13 Draft Budget to be considered at the by the Executive on the 6 December 2011. This will be presented to the SCH&H Overview & Scrutiny Committee on 12 December 2011.

Appendices:

Appendix A –Directorate Standstill Budget by Subjective

Background papers and their location: None