
Meeting: Social Care, Health & Housing Overview & Scrutiny Committee
Date: 10 September 2012
Subject: General Fund Revenue Budget Management Report for 2012/13 for Social Care, Health and Housing.
Report of: Cllr Carole Hegley, Executive Member for Social Care, Health & Housing.
Summary: The report provides information on the General Fund directorate forecast revenue financial position as at the end of June 2012

Advising Officer: Julie Ogley, Director of Social Care, Health and Housing
Contact Officer: Nick Murley, Assistant Director Business & Performance
Public/Exempt: N/A
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

Financial:

2. The financial implications are set out in the report

Legal:

3. Not applicable.

Risk Management:

4. Not applicable.

Staffing (including Trades Unions):

5. Not applicable.

Equalities/Human Rights:

6. Not applicable.

Community Safety:

7. Not applicable.

Sustainability:

8. Not applicable.

Procurement:

9. Not applicable.

RECOMMENDATION: The Committee is asked to note the General Fund outturn of £57.3m which shows a £0.259m under spend against budget.

Introduction

10. The report sets out the final position to the end of June 2012.

General Fund Executive Summary Revenue

11. The General Fund outturn for the directorate is a projected under spend of £0.259m or 0.46%.

12. 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	Actual Outturn Spend for Year	Full Year Variance (-under)/overspend	Full Year Variance after transfers to/from reserves (-under)/overspend
	£000	£000	£000	£000
Director	39	56	17	17
AD Housing (GF)	3,925	3,925	0	0
AD Adult Social Care	55,786	55,213	(573)	(1,232)
AD Commissioning	4,833	5,426	593	280
AD Business & Performance	(8,775)	(7,311)	1,464	676
Total General Fund	55,808	57,309	1,501	(259)

13. Table 'B' – Subjective Analysis for the General Fund is as follows:

Expenditure type	Forecast Outturn (Before use of Reserves) £000
Staffing Costs	16,856
Premises and Transport	1,035
Supplies and Services	4,402
Third Party Payments	56,273
Other Payments	10,174
Total Expenditure	88,740
Income	(14,166)
Grants	(17,265)
Total Income	(31,431)
Net Expenditure	57,309

14. The **Adult Social Care** service is projecting an under spend of £1.232m. Within this the highest risk areas are external care packages which are reporting an over spend of £0.307m for Older People, an under spend of £0.636m for People with Physical Disabilities and an under spend of £0.419m for People with Learning Disabilities. Within the service area people are living longer and the costs of dementia are on the increase. The budget setting process included an increase in demography of 5%, equivalent to £1.8m. This also has to cover the cost of former self funders requiring local authority support.

The year-to-date position on Adult Social care is an under spend of £1.6m which indicates a much higher forecast under spend for the full year. Whilst some budgets have been profiled, including Transitions, there are some areas of activity where the pattern of spend will increase later in the year due to phased recruitment and new projects. In addition there are some one-off expenditure reductions in quarter one relating to prior year items (over-accrual of external home care).

Within **Physical Disabilities**, the overall position on care packages is an under spend of £0.636m. This largely reflects reductions in nursing placement/diversion of funding to health. Additional budget was provided for Transitions from Children's Services but so far there has been no transfer of cases/new adult packages.

15. Within the **Older People** client service group, the impact of former self funders continues to be tracked. Five service users in this category have required council support during the first quarter of 2012/13 at an estimated additional full year cost of £0.332m. This is less than for the equivalent period in 2011/12 but, given the current financial climate, this trend is unlikely to diminish and will continue to put pressure on the Council's budget.
16. Challenging efficiency targets were set against the Older People service area and these are mainly on track. The Reablement service continues to achieve reductions in care with 570 hours in quarter one, which is equivalent to a saving of £0.092m with a projected full year saving of £0.216m. It is evident that whilst this activity is reducing costs to the Council it is not able to completely mitigate the costs of the demographic increases.
17. The **Learning Disabilities** service area is projecting an under spend of £0.412m after reserves which is partially a result of provider prices being held static between years and also lower than anticipated costs of Ordinary Residence in 2012/13. A reserve of £0.566m is held to meet the expected impact of two major de-registering providers but this process has been delayed and the reserve is expected to cover all current year costs.
18. The **Commissioning** service is projecting an over spend of £0.280m. This is a combination of an over spend on the equipment pooled budget of £0.144m and an efficiency shortfall of £0.114m in relation to the Mental Health services. Customer income is projected to under achieve by £0.799m against budget within the **Business & Performance** service area. Further detailed work is underway to provide a more accurate forecast of customer income.

Detailed Commentaries

Director

19. The over spend of £0.017m is a result of unachieved managed vacancy factor and additional administration support costs.

Assistant Director – Housing (GF)

- 20.1 Across Housing Operations there is a small positive variance (£0.016m) between expenditure and budget to date, and a full year forecast indicating it will be on budget. Overall a balanced budget is projected.
- 20.2 With effect from 1 April 2012 the Housing Needs service has been harmonised throughout the Central Bedfordshire area. Prior to that date the service was split between the south (Council provided) and north (provided by Aragon Housing under contract). This process has enabled an efficiency of £0.200m to be incorporated into the Housing (GF) budget, achieved by contractual savings and a reduction in overall staffing numbers.
- 20.3 A further efficiency of £0.080m has been identified for the 2012/13 budget at the Traveller sites. The installation of meters, along with other works undertaken at the Traveller sites in 2011/12, has resulted in a reduction in staff time required. There has also been a significant reduction in water and electricity bills for the Council. These factors should ensure that the outturn will be in line with the budget.

Assistant Director – Adult Social Care

21.0 The overall position is an under spend of £1.232m. The highest risk areas for external care packages are reporting an over spend of £0.307m for Older People, an under spend of £0.636m for People with Physical Disabilities and an under spend of £0.419m for People with Learning Disabilities. Further details are provided below.

21.1 Older people

The packages budget for older people included demographic growth of £1.8m but also efficiencies of £1.4m relating to reductions in residential placements together with savings from the activity around reablement and personal budgets.

21.2 Residential Care

An over spend of £0.073m is forecast based on current commitments. The number of service users has reduced by 15 since the end of March 2012. For the first quarter, there have been 13 cases relating to a 12 week disregard period and 2 former self funders requiring local authority support. At the end of Quarter 1 residential placements numbers stood at 519 of which 260 were in residential block beds (94% occupancy versus 93% at the end of March 2012) and 259 in spot purchased beds (277 at the of March 2012).

21.3 Nursing care

An over spend of £0.292m is forecast. The number of service users has remained the same since the end of March 2012. For Quarter 1 there have been 4 cases relating to a 12 week disregard period and 3 former self funders requiring local authority support.

21.4 Home care

Home care is on budget. The Reablement service has achieved reductions in hours for Quarter 1 of 270 hours with a full year projected saving of £0.216m.

21.5 Respite Care

An under spend of £0.378m is forecast. Respite care in response to emergency situations/crises is diminishing as a result of services put in place such as the Step-up, Step Down facility at Greenacres and the new Short Stay Medical Unit.

21.6 Physical Disabilities

The overall position on care packages is an under spend of £0.636m. This largely reflects reductions in nursing placement/diversion of funding to health. Additional budget was provided for Transitions from Children's Services but so far there has been no transfer of cases/new adult packages.

21.7 **Learning Disability**

An under spend of £0.419m is forecast on external care packages reflecting savings arising from minimal provider price increases of £0.222m and deferred pressure from Ordinary Residence cases of £0.224m. A reserve of £0.566m was brought forward from 2012/13 to address the risk associated with Ordinary Residence transfers. Delays in the de-registration process mean that all costs in the current year can be met from the reserve. There are some significant variances within care package lines including an over spend of £0.115m on day care (due to the anticipated re-provision of in-house services), a projected shortfall on other local authority income of £0.171m reflecting a reduction in the use of in-house services by Luton Borough Council but these are offset by under spends on other care package lines.

21.8 For Learning Disabilities direct services there is a projected under spend of £0.366m which is across all in-house services reflecting their contribution to efficiencies targets.

21.9 **Other variances**

There are a number of other variances that are explained below:

- Within Mental Health services there are significant pressures reflecting the drive to increase support to Carers and to expand Personalisation. An over spend of £0.224m is forecast.
- The Reablement Service is showing a projected under spend of £0.321m; this reflects phased recruitment to the expanded Reablement teams.

Assistant Director – Commissioning

22.0 An over spend of £0.210m is forecast comprising a projected over spend of £0.144m on the equipment pooled budget and a £0.114m unachieved efficiency target relating to the Mental Health S75 Agreement.

22.1 The Campus Closure re-provision programme for people with learning disabilities is projected to spend £0.175m which will be met fully from an earmarked reserve.

22.2 The AD Commissioning budget includes £0.400m set aside to meet the potential costs arising from a revised fee policy for dementia for residential and nursing placements.

Assistant Director – Business and Performance

23. An over spend of £0.676m is forecast – this mainly relates to an under-achievement of customer income. Further detailed work is under way to confirm the forecast position.

Revenue Virement Requests

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

Achieving Efficiencies

25. A number of efficiencies were built into the 2012/13 base budget.

25.1 For 2012/13 the efficiencies amount to £4.265m. The overall position of the efficiencies programme suggests we are on target to achieve this.

25.2 There are three efficiencies which are forecast to exceed their target:

- High cost placement cost reductions £0.171m
- Jointly commissioned services £0.177m
- Reduced use of residential care for 65+ £0.211m

25.4 Appendix B shows the Efficiency Tracker summary for the Directorate.

Reserves position

- 26.0 Appendix C shows the full list of reserves for the directorate. The total General Fund reserves available as at April 2012 were £4.007m.
- 26.1 In respect of the Campus Closure capital project, £0.175m is projected to be drawn down from the reserve leaving £0.426m to meet the costs of the final schemes.
- 26.2 The Social Care Reform reserve currently stands at £0.261m and will be used to finalise Personalisation and improvement projects.
- 26.3 The Deregistration of Care Homes Reserve is being utilised to meet the costs of new Learning Disabilities cases arising from Ordinary Residence. An amount of £0.133m is forecast to be used. The remaining balance will be used during 2013/14 subject to progress made on de-registering by two major providers within Central Bedfordshire.
- 26.4 No use of the Disabled Facilities Grant reserve of £0.475m is currently assumed. The amount required is subject to level of demand as reported through the capital budget monitoring process.
- 26.5 Use of the £0.308m Supporting People reserve is subject to on-going contract negotiations with supported housing providers.
- 26.6 The Greenacres Step-up, Step down reserve of £0.674m will fund the operational costs of the unit in 2012/13 is will be fully used by March 2013.

Debt Analysis

27.0 General Fund

- 27.1 General Fund debt at the end of Quarter 1 2012/13 stood at £8.4m (£6.5m for March 2012) of which £2.2m was house sales debt, £4.1m Health Service debt and £0.6m other Local Authorities. Of the remaining general debt of £1.5m, £1.1m (68%) is more than 60 days old. This includes legacy debt of £0.360m as well as Central Bedfordshire debt. Of the debt aged more than 60 days, 65% is being actively worked on (with solicitors, payable by instalments etc). Excluding Health Service and house sales debt, there are 31 debtors whose outstanding balance is greater than £0.010m but these are all under active management.

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