
Meeting: Social Care, Health & Housing Overview & Scrutiny Committee
Date: 17 December 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 Directorate General Fund revenue financial position as at the end of September 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.

RECOMMENDATIONS:

The Committee is asked to:

- a) note the General Fund outturn of £55.6m which is a £0.056m over spend against budget.
- b) note the proposed virement from Learning Disability services to under 65 Mental Health services.

Introduction

10. The report sets out the final position at the end of Quarter 2 of 2012/13.

General Fund Executive Summary Revenue

11. The **General Fund** outturn for the directorate is a projected over spend of £0.056m or 0.1%.
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	Forecast 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	57	18	18
AD Housing (GF)	3,925	3,923	(2)	(2)
AD Adult Social Care	55,500	55,488	(12)	(51)
AD Commissioning	4,833	4,874	41	(71)
AD Business & Performance	(8,712)	(7,992)	720	162
Total General Fund	55,585	56,350	765	56

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

Expenditure type	Forecast Outturn (Before use of Reserves) £000
Staffing Costs	17,036
Premises and Transport	914
Supplies and Services	3,281
Third Party Payments	55,645
Other Payments	11,441
Total Expenditure	88,316
Income	(14,860)
Grants	(17,106)
Total Income	(31,966)
Net Expenditure	56,350

14. **Housing (GF)** is projecting an outturn in line with the budget. The service is on target to achieve a total of £0.280m of efficiencies that have been built into the 2012/13 budget, comprised of harmonisation of the Housing Needs service and a reduction in costs at the Traveller sites.

15. The **Adult Social Care** service is projecting an under spend of £0.051m (under spend of £1.232m at Quarter One). Within this service area is Older People package costs which are currently showing an over spend of £0.210m. 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 £2.7m 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.

Within **Physical Disabilities**, the overall position on care packages is an under spend of £0.521m (under spend of £0.636m at Quarter One). This largely reflects reductions in nursing placement/diversion of funding to health. Additional budget was provided for Transitions from Children's Services and ten new cases are being reviewed currently.

16. Within the **Older People** client service group, the impact of former self funders continues to be tracked. Thirteen service users in this category have required council support during the first half year at an estimated full year cost of £0.214m. This is in line with 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.
17. 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 1,125 hours in the first half year, which is equivalent to a saving of £0.156m with a projected full year saving of £0.214m. 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.
18. The **Learning Disabilities** service area is projecting to be on budget after the planned use of reserves. 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.
19. The **Commissioning** service is projecting an over spend of £0.071m. This is a combination of an over spend on contracts of £0.201m offset by a projected under spend of £0.250m on dementia fee uplifts. Customer income is projected to over achieve by £0.139m against budget within the **Business & Performance** service area.

Detailed Commentaries

Director

20. The over spend of £0.018m is a result of unachieved managed vacancy factor and additional administration support costs.

Assistant Director – Housing (GF)

- 21.1 Across Housing Operations there is a positive variance of £0.051m (£0.016m in June) between expenditure and budget to date, and a full year forecast indicating it will be on budget.
- 21.2 The current under spend reflects the fact that repairs and maintenance costs are below profile at the Travellers sites, however expenditure is predicted to increase during the second half of the year with an outturn in line with the budget.
- 21.3 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 a Housing Association under contract).
- 21.4 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. It is forecast that this efficiency will be fully achieved in 2012/13.

- 21.5 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 efficiency will be fully achieved and the 2012/13 outturn will be in line with the budget.

Assistant Director – Adult Social Care

- 22.0 The overall position is an under spend of £0.051m. The highest risk areas for external care packages are reporting an over spend of £0.210m for Older People, an under spend of £0.521m for People with Physical Disabilities and an on budget for People with Learning Disabilities. Further details are provided below.

22.1 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.

22.2 Residential Care

An over spend of £0.344m is forecast based on current commitments. The number of service users has reduced by 15 since the end of March 2012. For the first half year, there have been 21 cases relating to a 12 week disregard period and 8 former self funders requiring local authority support. At the end of Quarter 2 residential placements numbers stood at 521, 17 less than at as March 2012. Of these, 262 were in residential block beds (95% occupancy versus 93% at the end of March 2012) and 259 in spot purchased beds (277 at the end of March 2012).

22.3 Nursing care

An over spend of £0.004m is forecast. The number of service users has remained the same since the end of March 2012. For the half year there have been 8 cases relating to a 12 week disregard period and 5 former self funders requiring local authority support.

22.4 Home care

Home care is forecast to under spend by £0.111m. The Reablement service has achieved reductions in hours for the half year of 1,125 hours with a full year projected saving of £0.214m. Review of home care packages has resulted in savings of £0.342m for the first half year with projected full year savings of £0.407m.

22.5 Respite Care

An under spend of £0.364m 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.

22.6 **Physical Disabilities**

The overall position on care packages is an under spend of £0.521m. This largely reflects reductions in nursing placement/diversion of funding to health. Additional budget was provided for Transitions from Children's Services and, whilst ten customers are currently being reviewed by the T Independent Living Team, there is no forecast associated with this group.

22.7 **Learning Disability**

The forecast on external care packages is on budget after the planned use of reserves. An earmarked 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 £0.148m 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 another local authorities but these are offset by under spends on other care package lines including use of other local authority provision £0.268m.

22.8 For Learning Disabilities direct services there is a projected under spend of £0.062m.

22.9 **Other variances**

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

- The Reablement Service is showing a projected under spend of £0.109m; this reflects an under spend on pay within the Intermediate Care Team.
- The BUPA block is showing a projected under spend of £0.131m reflecting additional income from other local authorities of £0.051m and uncommitted contract budget of £0.079m

Assistant Director – Commissioning

23.0 An under spend of £0.071m is forecast comprising projected under spends of £0.199m within AD Commissioning and £0.064m within BDAT which together offset overspends on contracts of £0.201m.

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

23.2 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. Of this, £0.150m is now forecast to be used resulting in a projected under spend of £0.250m.

23.3 There are pressures within the following contracts:

Equipment Pooled Budget £0.066m – reduced recycled equipment

Bedford Hospital SLA £0.067m – enhanced services,

Mental Health Contracts £0.104m – possible unachieved efficiency

Intermediate Care / Rapid Intervention £0.070m – possible unachieved efficiency.

Assistant Director – Business and Performance

24. An over spend of £0.162m is forecast. There is a projected over spend of £0.285m reflecting base budget pressure 2012/13 not met from reserve, which will be funded from the surplus amount forecast for the increase in the dementia fees. The over spend is offset to some extent by over achieved customer income of £0.139m.

Revenue Virement Requests

25. A virement of £0.260m from Learning Disabilities care packages has been made to fund the implementation of Personalisation within the under 65 Mental Health care packages service area.

Achieving Efficiencies

- 26.0 A number of efficiencies were built into the 2012/13 base budget.
- 26.1 For 2012/13 the efficiencies amount to £4.265m. The overall position of the efficiencies programme is a forecast outturn of £4.494m which is an over-achievement of £0.229m.
- 26.2 There are three efficiencies which are forecast to exceed their target:
- High cost placement cost reductions £0.495m
 - Jointly commissioned services £0.194m
 - Review of domiciliary care packages £0.108m

Reserves position

- 27.0 Appendix C shows the full list of reserves for the directorate. The total General Fund reserves available as at April 2012 were £4.007m.
- 27.1 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.
- 27.2 The Social Care Reform reserve currently stands at £0.242m and will be used to finalise Personalisation and improvement projects.
- 27.3 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 and 2014/15 subject to progress made on de-registering by two major providers within Central Bedfordshire.
- 27.4 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.
- 27.5 Use of the £0.305m Supporting People reserve is subject to on-going contract negotiations with supported housing providers.
- 27.6 The Greenacres Step-up, Step down reserve of £0.674m will fund the operational costs of the unit in 2012/13 and will be almost fully used by March 2013.
- 27.7 It is proposed that the Outcomes Based Commissioning reserve, which includes Residential Futures and service modernisation, is increased to reflect the likely costs of these projects. An assessment of the amount required is currently being undertaken.

Debt Analysis

28.0 General Fund

General Fund debt at the end of Quarter 2 2012/13 stood at £5.96m (£8.4m for Quarter 1) of which £2.1m was house sales debt, £2.2m Health Service debt and £0.2m other Local Authorities. Of the remaining general debt of £1.5m, £1.0m (68%) is more than 60 days old. This includes legacy debt of £0.335m as well as Central Bedfordshire debt. Of the debt aged more than 60 days, 19% is under query and 4% flagged for write-off. Excluding the Health Service and house sales debt, there are 30 debtors whose outstanding balance is greater than £0.010m, all of which are under active management.

Appendices:

Appendix A Net Revenue Position Full Analysis

Appendix B Reserves

Appendix C Debt Analysis

Background papers: None

Location of papers: Technology House