
Meeting: Social Care, Health and Housing Overview and Scrutiny Committee
Date: 29 April 2013
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 sets out the financial position at the end of Quarter 3

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.

Public Health:

7. Not applicable.

Community Safety:

8. Not applicable.

Sustainability:

9. Not applicable.

Procurement:

10. Not applicable.

RECOMMENDATION: The Committee is asked to note the General Fund outturn of £55.0m which is a £0.6m under spend against budget.

Introduction

11. The report sets out the final position at the end of Quarter 3 of 2012/13.

General Fund Executive Summary Revenue

12. The General Fund outturn for the directorate is a projected under spend of £0.602m or 1.8%.

13. 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 before transfers to/from reserves	Full Year Variance (-under)/overspend	Full Year Variance after transfers to/from reserves (-under)/overspend
	£000	£000	£000	£000
Director	39	62	23	23
AD Housing (GF)	3,924	3,914	(10)	(10)
AD Adult Social Care	55,502	54,613	(889)	(602)
AD Commissioning	4,834	4,358	(476)	(503)
AD Business & Performance	(8,711)	(7,870)	841	490
Total General Fund	55,588	55,077	(511)	(602)

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

Expenditure type	Forecast Outturn (Before use of Reserves) £000
Staffing Costs	17,124
Premises and Transport	932
Supplies and Services	3,718
Third Party Payments	54,734
Other Payments	11,398
Total Expenditure	87,906
Income	(15,551)
Grants	(17,278)
Total Income	(32,829)
Net Expenditure	55,077

15. **Housing (GF)** is projecting an under spend of £0.010m. 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.
16. The **Adult Social Care** service is projecting an under spend of £0.602m or 1.1% (under spend of £0.051m at Quarter Two). This is due to a number of factors ranging from savings from a small number of vacant posts, increased income from cross boundary charges to reductions in care packages in Physical Disabilities, Respite and Mental Health.

Within this service area is Older People package costs which are currently showing an over spend of £0.089m. 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 £2.4m 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 a number of Learning Disability providers that have not yet invoiced the Council for activity earlier in the financial year.

17. Within the **Older People** client service group, the impact of former self funders continues to be tracked. Seventeen service users in this category have required council support to Quarter 3 at an estimated full year cost of £0.200m. The customer numbers are 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.
18. 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 1,803 hours to the end of Quarter 3, which is equivalent to a saving of £0.207m with a projected full year effect saving of £0.224m. 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.
19. The **Learning Disabilities** service area is projecting an over spend on care packages of £0.171m after 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.
20. The **Commissioning** service is projecting an under spend of £0.503m. This is a combination of an under spend on contracts of £0.070m together with a projected under spend of £0.350m on residential fee uplifts due to deferred implementation. Customer income is projected to over achieve by £0.322m against budget within the **Business & Performance** service area.

Detailed Commentaries

Director

21. The over spend of £0.023m is a result of unachieved managed vacancy factor and additional administration support costs.

Assistant Director – Housing (GF)

- 22.1 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.
- 22.2 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 last quarter of the year with an outturn in line with the budget.
- 22.3 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 Aragon Housing under contract).
- 22.4 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.

22.5 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

23.0 The overall position is an under spend of £0.602m. The highest risk areas for external care packages are reporting an over spend of £0.089m for Older People, an under spend of £0.463m for People with Physical Disabilities and an over spend of £0.122m for People with Learning Disabilities. Further details are provided below. A bid of £0.250m for Winter Pressures funding has been allocated to the Council by the NHS Commissioning Board. It will meet some of the social care costs arising from additional demand in winter from hospital discharge and from within the community.

23.1 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.

23.2 Residential Care

An over spend of £0.653m is forecast. The number of service users has reduced by 27 since the end of March 2012. To the end of Quarter 3 there have been 30 cases relating to a 12 week disregard period and 12 former self funders requiring local authority support. At the end of Quarter 3 residential placements numbers stood at 507, 27 less than at as March 2012. Of these, 253 were in residential block beds (91% occupancy versus 93% at the end of March 2012) and 254 in spot purchased beds (277 at the end of March 2012).

23.3 Nursing care

An over spend of £0.049m is forecast. The number of service users has remained the same since the end of March 2012. To the end of Quarter 3 there have been 13 cases relating to a 12 week disregard period and 5 former self funders requiring local authority support.

23.4 Home care

Home care is forecast to under spend by £0.101m. The Reablement service has achieved reductions in hours to the end of Quarter 3 of 1,803 hours with a full year projected saving of £0.224m. Review of home care packages has resulted in savings of £0.433m to the end of Quarter 3 with projected full year savings of £0.451m.

23.5 Respite Care

An under spend of £0.372m 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.

23.6 **Physical Disabilities**

The overall position on care packages is an under spend of £0.463m. This largely reflects reductions in nursing placement/diversion of funding to health. Additional budget was provided for Transitions from Children's Services and six new cases are included in the forecast.

23.7 **Learning Disability**

An over spend of £0.171m is forecast on external care packages after reserves. 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 £0.205m 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 but these are offset by under spends on other care package lines including use of other local authority provision £0.140m.

23.8 For Learning Disabilities direct services there is a projected under spend of £0.067m.

23.9 **Other variances**

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

- The Reablement Service is showing a projected under spend of £0.156m; this reflects an under spend on pay within the Intermediate Care and Support Planner/Broker Teams.
- The Residential Care block contract is showing a projected under spend of £0.119m reflecting additional income from other local authorities of £0.041m and uncommitted contract budget of £0.079m.

Assistant Director – Commissioning

24.0 An under spend of £0.503m is forecast comprising of £0.298m within AD Commissioning, £0.083m within Bedfordshire Drug & Alcohol Team and £0.070m within Contracts.

24.1 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.

24.2 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, £0.050m is now forecast to be used in this financial year resulting in a projected under spend of £0.350m.

Assistant Director – Business and Performance

25.0 An over spend of £0.490m is forecast. The budget reflected a contribution from reserves of £0.718m which was required to reflect base budget pressure in 2012/13. Given under spends in other areas of the directorate, the contribution from reserves will not be required which is giving an impression of a large over spend; this is significantly offset by over-achieved customer income of £0.322m.

Revenue Virement Requests

26.0 No virements are requested.

Achieving Efficiencies

- 27.0 A number of efficiencies were built into the 2012/13 base budget.
- 27.1 For 2012/13 the efficiencies amount to £4.265m. The overall position of the efficiencies programme is a forecast outturn of £4.636m which is an over-achievement of £0.371m.
- 27.2 There are three efficiencies which are forecast to exceed their target:
- High cost placement cost reductions £0.494m
 - Jointly commissioned services £0.281m
 - Review of domiciliary care packages £0.181m
- 27.3 Appendix B shows the Efficiency Tracker summary for the Directorate.

Reserves position

- 28.0 Appendix C shows the full list of reserves for the directorate. The total General Fund reserves available as at April 2012 were £4.007m.
- 28.1 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.
- 28.2 The Social Care Reform reserve currently stands at £0.189m and will be used to finalise Personalisation and improvement projects.
- 28.3 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.
- 28.4 The Greenacres Step-up, Step down reserve of £0.674m will partially be used to fund the operational costs of the unit in 2012/13 with the balance providing on going funding in 2013/14.
- 28.5 It is proposed that the Outcomes Based Commissioning reserve, which will be used to meet the costs of the residential care home transition and service modernisation, is increased to reflect the likely costs of these projects. A detailed assessment of the amount required is currently being undertaken. It is likely that a number of other smaller reserves will be consolidated into this reserve.

Debt Analysis

29.0 General Fund

- 29.1 General Fund debt at the end of Quarter 3 stood at £4.4m (£5.96m for Quarter 2) of which £2.0m was house sales debt, £0.7m Health Service debt and £0.2m other Local Authorities. Of the remaining general debt of £1.5m, £1.0m (71%) is more than 60 days old. This includes legacy debt of £0.266m as well as Central Bedfordshire debt. There are 34 debtors whose outstanding balance is greater than £0.010m which 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