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**Meeting:** Social Care, Health and Housing Overview and Scrutiny Committee  
**Date:** 29 July 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 2012/13

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**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 £53.9m which is a £1.7m under spend against budget.**

## Introduction

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

## General Fund Executive Summary Revenue

11. The **General Fund** outturn for the directorate is a projected under spend of £1.7m or 3.1%.

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.

<b>Assistant Director</b>	<b>Approved Budget</b>	<b>Forecast Outturn Spend for Year before transfers to/from reserves</b>	<b>Full Year Variance (-under)/overspend</b>	<b>Full Year Variance after transfers to/from reserves (-under)/overspend</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Director	184	203	19	19
AD Housing (GF)	3,925	3,808	(117)	(117)
AD Adult Social Care	55,285	52,755	(2,530)	(1,323)
AD Commissioning	4,903	4,043	(860)	(552)
AD Business & Performance	(8,712)	(7,950)	762	249
<b>Total General Fund</b>	<b>55,585</b>	<b>52,859</b>	<b>(2,726)</b>	<b>(1,724)</b>

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

<b>Expenditure type</b>	<b>Forecast Outturn (Before use of Reserves) £000</b>
Staffing Costs	17,144
Premises and Transport	771
Supplies and Services	6,366
Third Party Payments	47,742
Other Payments	13,939
<b>Total Expenditure</b>	<b>85,962</b>
Income	(16,241)
Grants	(16,862)
<b>Total Income</b>	<b>(33,103)</b>
<b>Net Expenditure</b>	<b>52,859</b>

14. The **Housing (GF)** service under spent by £0.117m due to pilot projects within the Supported Housing section not coming on stream and an increased allocation of staff costs to the Disabled Facility Grants capital programme. The service achieved a total of £0.280m of efficiencies during 2012/13 comprising of the harmonisation of the Housing Needs service and a reduction in costs at the Traveller sites.
15. The **Adult Social Care** service under spent by £1.3m or 2% of the budget compared to an under spend of £0.602m at Quarter Three. The two key reasons for this were due to under spends in care packages for Older People and People with Learning Disabilities.
16. **Older People** care package costs were under spent by £0.411m which is equivalent to 2% of the budget allocation of £20.1m. Within this, there were over spends in Residential and Nursing Care offset by under spends in Home Care, Respite and Physical Disability care packages. The on-going Adult Social Care efficiency programme has really contributed to this position reducing the number of admissions to residential care, the 'right sizing' of care packages and increased funding from continuing health care in times of increasing demography, people living longer with more complex needs and with increasing numbers of self funding requiring the Councils support.

17. For **Learning Disabilities**, the service area under spent by £0.617m on care packages. This was due to a combination of reductions on Transitions and increased funding for continuing health care some of which were backdated to the earlier part of the year.
18. Within the **Older People** client service group, the impact of former self funders continues to have an impact. Twenty four service users in this category have required council support during 2012/13 at an estimated full year cost of £0.200m with a full year impact of £0.400m. The customer numbers are less than the equivalent for 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. Work is also underway to try and estimate the likely financial implications to the Council of the changes to the funding of Adult Social Care following the recommendations contained in the Adult Social Care Bill.
19. The **Commissioning** service under spent by £0.552m after contributions from reserves. This is due to an under spend on a number of contracts amounting to £0.165m together with £0.400m on the deferral of the residential dementia fee uplifts.
20. Customer income over achieved by £0.424m against budget within the **Business & Performance** service area. This was reflecting an increasing numbers of customers paying for their care due to changes in demographics and need.

## Detailed Commentaries

### Director

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

### Assistant Director – Housing (GF)

- 22.0 Across Housing Operations there is a projected outturn of £3.807m with a positive variance of £0.117m between expenditure and budget.
- 22.1 With effect from 1 April 2012, the Housing Needs service has been harmonised throughout the Central Bedfordshire area. This process has enabled an efficiency of £0.200m to be delivered within the Housing (GF) service achieved by contractual savings and a reduction in overall staffing numbers.
- 22.2 A further efficiency of £0.080m has been achieved in 2012/13 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.

- 22.3** Within Supported Housing there was an under spend of £0.066m. This variance is the result of delays in pilot projects, which require further evaluation before they can commence. These projects are the East of England Development Project, Teenage Parent Housing Support Service, and Domestic Abuse and Sexual Abuse Outreach.
- 22.4** Within Private Sector Housing there is a positive variance of £0.029m. This is due to increased staff time spent on the Disabled Facility Grants programme, which enables more capitalisation of salaries than was anticipated in the budget.
- 22.5** Within Prevention, Options and Inclusion the majority of the Homelessness Grant and Repossession Prevention funding was not spent during 2012/13. This has enabled £0.198m of grant to be rolled forward into 2013/14.
- 22.6** Within Prevention, Options and Inclusion and Traveller Sites there were other minor positive variances amounting to £0.022m.

### **Assistant Director – Adult Social Care**

**23.0** The overall position presents an under spend of £1.323m after reserves. The highest risk areas for external care packages are reporting an under spend of £0.411m (2%) for Older People, an under spend of £0.375m (7%) for People with Physical Disabilities and an under spend of £0.617m (5%) for People with Learning Disabilities.

#### **23.1 Older people**

The care 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 the right sizing of care packages.

#### **23.2 Residential Care**

The outturn was an over spend of £0.411m. The number of service users has reduced by 41 since the end of March 2012. During 2012/13 there were 39 cases relating to a 12 week disregard period and 16 former self funders requiring local authority support. At the end of 2012/13 residential placements numbers stood at 493, 41 less than at as March 2012. Of these, 254 were in residential block beds (91% occupancy versus 93% at the end of March 2012) and 239 in spot purchased beds (277 at the end of March 2012).

#### **23.3 Nursing care**

The outturn was an over spend of £0.177m. During 2012/13 there were 8 cases relating to a 12 week disregard period and 8 former self funders requiring local authority support.

#### **23.4 Home care**

The outturn was an under spend of £0.237m. The Reablement service achieved reductions in hours during the year of 2,464 with an associated saving of £0.225m. The review or 'right-sizing' of home care packages also resulted in savings of £0.460m.

### **23.5 Respite Care**

The outturn was an under spend of £0.365m. Respite care in response to emergency situations/crises diminished 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** Challenging efficiency targets were set against the Older People service area. The **Reablement** service achieved reductions in care hours of 2,464 for 2012/13 which is equivalent to a saving of £0.225m. 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.

### **23.7 Physical Disabilities**

The overall position on care packages is an under spend of £0.375m. 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 impacted on the outturn.

### **23.8 Learning Disability**

The outturn was an under spend of £0.749m on external care packages after reserves. There were some significant variances because of reduced spend on transitions and increased funding for continuing health care.

**23.9** 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, £0.133m, in the current year can be met from the reserve. An earmarked reserve balance of £0.433 will be held to meet future costs.

### **23.10 Other variances**

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

- The Reablement Service outturn was an under spend of £0.113m (7% of budget); this mainly reflects an under spend on pay of £0.082m within the Intermediate Care and Support Planner/Broker Teams.
- The Learning Disabilities and Mental Health Management outturn was an under spend of £0.145m mainly due to vacancies within the management and admin team

### **Assistant Director – Commissioning**

**24.0** For this area the outturn was an under spend of £0.552m comprising of savings on contracts and rents within the Learning Disabilities Transfer budget (£0.151m), vacancies within the Bedfordshire Drug & Alcohol Team (£0.083m) and £0.165m within Telecare and Meals contracts due to price and volumes savings. There was also a saving within the Mental Health contracts due to new contracts being awarded later than expected.

**24.1** The Campus Closure re-provision programme for people with learning disabilities spent £0.180m which was fully met from the earmarked reserve.

**24.2** The Commissioning budget also included £0.400m set aside to meet the potential costs arising from a revised fee policy for dementia for residential and nursing placements. Very little of this was spent in 2012/13 resulting in a significant under spend, the majority of which has been earmarked to the Outcome Based Commissioning Reserve.

### **Assistant Director – Business and Performance**

**25.0** The outturn position presents an over spend of £0.303m. The budget included an unfunded base budget pressure in 2012/13 of £0.718m. Although there are under spends in other areas of the directorate, this budget pressure has not been distributed so gives the impression of a large over spend in this service area. In addition customer income was above budget by £0.424m.

### **Revenue Virement Requests**

**26.0** No virements are requested.

### **Achieving Efficiencies**

**27.0** For 2012/13 the efficiencies target amounted to £4.265m. The target was exceeded with an outturn of £5.056m

**27.1** There were three efficiencies which exceeded their target:

- High cost placement cost reductions £0.508m
- Jointly commissioned services £0.444m
- Review of domiciliary care packages £0.160m

**27.2** 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 and the closing position is £5.069m.

**28.1** In respect of the Campus Closure capital project, £0.180m has been drawn down from the reserve leaving £0.421m to meet the costs of the final schemes.

**28.2** The Social Care Reform reserve has a closing balance of £0.187m and will be used to fund future 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 has been drawn down for 2012/13. The remaining balance of £0.433m will be used during 2013/14 and 2014/15 subject to the de-registration of two major providers within Central Bedfordshire.

- 28.4** The Greenacres Step-up, Step down reserve of £0.674m has partially been used to fund the operational costs of the unit in 2012/13 with the balance of £0.490m providing on going funding in 2013/14.
- 28.5** The Winter Pressures reserve closing balance of £0.152m reflects unutilised grants towards the newly formed Rapid Response/Falls Service.
- 28.6** The 2012/13 grant funding for Deprivation of Liberty in hospital settings has been rolled forward as an earmarked reserve of £0.081m to offset additional costs in 2013/14.
- 28.7** The Outcomes Based Commissioning reserve has been created to meet the costs of the residential care home transition and service modernisation programme and has a closing balance of £3.067m. A detailed financial model has been developed to capture the costs of the programme. The balance is as a result of the consolidation of a number of smaller reserves together with a contribution of £1.875m during the year.

## Debt Analysis and Prompt Performance Indicator

### 29.0 General Fund Debt

**29.1** General Fund debt at the end of 2012/13 stood at £4.8m (£4.4m for Quarter 3) of which £2.2m was house sales debt, £0.8m Health Service debt and £0.1m other Local Authorities. Of the remaining general debt of £1.7m, £0.9m (55%) is more than 60 days old. This includes legacy debt of £0.2m as well as Central Bedfordshire debt. There are 35 debtors whose outstanding balance is greater than £0.010m which are all under active management.

### 29.2 Prompt Performance Indicator

The prompt payment target for the Authority is 90% of invoices paid within 30 days of invoice receipt. The Directorate's Performance for March 2013 is as per the table below.

Section	Total Invoices	Paid late	Performance
<b>Social Care, Health &amp; Housing</b>	<b>2,644</b>	<b>164</b>	<b>93.80%</b>
Director of Social Care, Health & Housing	2	0	100.00%
Housing Services (HRA)	432	45	89.58%
Housing Management (GF)	52	6	88.46%
AD Adult Social Care	271	72	73.43%
AD Commissioning	89	6	93.26%
AD Business & Performance	66	9	86.36%
Capital - Social Care, Health & Housing	227	25	88.99%
Automated Payment (SWIFT, LIBRA)	1,505	1	99.93%

## 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