
Meeting: Social Care, Health and Housing Overview and Scrutiny Committee
Date: 21 October 2013
Subject: General Fund Revenue Budget Management Report for 2013/14 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 One 2013/14

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 projected General Fund outturn of £0.401m, an over spend of 0.6%.

Introduction

10. The report sets out the position at the end of Quarter One of 2013/14.

General Fund Executive Summary Revenue

11. The **General Fund** outturn for the directorate is a projected over spend of £0.401m or 0.6%.

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 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	190	220	30	30
AD Housing (GF)	1,516	1,476	(40)	(40)
AD Adult Social Care	58,620	59,159	539	306
AD Commissioning	13,265	13,352	87	(52)
AD Business & Performance	(7,689)	(7,182)	507	157
Total General Fund	65,902	67,025	1,123	401

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

Expenditure type	Forecast Outturn (Before use of Reserves) £000
Staffing Costs	17,840
Premises and Transport	932
Supplies and Services	5,081
Third Party Payments	59,113
Other Payments	7,421
Total Expenditure	90,387
Income	(14,384)
Grants	(8,978)
Total Income	(23,362)
Net Expenditure	67,025

14. The **Housing (GF)** service is under spent by £0.020m with a full year forecast under spend of £0.040m. Savings are mainly due to staff vacancies within the Prevention, Options and Inclusion service. At this early stage the Local Welfare provision budget is under spent, with lower than anticipated demand for this service, however it is anticipated that expenditure might increase as the year progresses.

15. The **Adult Social Care** service is over spent by £0.3m or 1% of the budget. The key reasons for this are a projected over spend in older people care packages of £1.094m due to efficiency shortfalls, a projected over spend of £0.440m in under 65 mental health packages due to volume increases which are offset by projected under spends of £0.580m on reablement, £0.124m on in-house learning disability services and £0.396m on under 65 physical disability packages. The Quarter One spend extrapolated indicates a full year forecast outturn after reserves of £57.3m - £1.6m lower than the current forecast. This difference is accounted for by the following items:
- Grants not yet spent £0.660m
 - New under 65 mental health placements starting from Qtr 2 £0.190m
 - Contract uplifts subject to negotiation £0.130m
 - Reablement – phasing of pay enhancements £0.100m
 - Direct Payments – increased costs in Qtrs 2,3 and 4 £0.200m
 - Direct services – unaccrued small value items £0.100m
16. **Older People** care package costs are over spent by £1.094m which is equivalent to 4% of the budget allocation of £26.5m. Within this, there are over spends in Residential, Nursing and Home Care partially offset by under spends in Respite Care and Direct Payments. The 2013/14 efficiency targets for older people and physical disabilities stands at £3.3m and includes reducing the number of admissions to residential care, outcomes of Reablement and the 'right sizing' of care packages with increased funding from health. This is against a background of increasing demography, people living longer with more complex needs and with increasing numbers of self funders requiring the Council's support.
17. Residential placement activity is much higher than for the equivalent period last year with an additional 27 placements that have been approved. Customer choice is having an adverse impact on the use of block contract beds. Rates of attrition are also lower than for the equivalent period.
18. For **Learning Disabilities**, the service area is over spending by £0.080m on care packages. There are unachieved care package efficiencies of £0.357m overall but this is offset by projected under spends on Supported Living schemes.
19. Within the **Older People** client service group, the impact of former self funders continues to be tracked. In the first quarter of 2013/14 5 service users in this category have required council support at an estimated full year cost of £0.091m. The customer numbers are less than the equivalent for 2012/13 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 Care Bill.

- 20.** The **Commissioning** service is under spending by £0.052m after contributions from reserves. This is due to small over and under spends on contracts and under spends on pay. Full use of the £0.200m set aside for the residential dementia fee uplift is assumed in the forecast.
- 21.** This area is forecast to over spend by £0.175m. The main area of over spend is due shortfall in customer income in nursing care income £0.225m and telecare income £0.091m.

Detailed Commentaries

Director

- 21.0** The over spend of £0.030m 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 positive variance between expenditure and budget to date of £0.020m, and a full year forecast indicating it will be under spent by £0.040m.
- 22.1** An efficiency of £0.055m is projected to be achieved for 2013/14 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. There has also been a significant reduction in water and electricity bills for the Council.
- 22.2** Within Prevention, Options and Inclusion there is a year to date positive variance of £0.058m and a full year forecast positive variance of £0.029m. This is due to staff vacancies remaining unfilled whilst the service undergoes restructuring. The savings made have been partially offset by agency staff.
- 22.3** There has been an efficiency programme relating to the Housing Needs service over the last two financial years, that has delivered savings of £0.280m. Further savings are now envisaged as a result of the merger of Prevention, Options and Inclusion with Private Sector Housing. This will create a new service to be called Housing Advice and Assistance. This is forecast to deliver further efficiency savings in the financial year 2014/15 of £0.100m.
- 22.4** Provision of Crisis Loans and Community Care grants were devolved to local authorities from the Department of Works & Pensions (DWP) as of April 2013. The Council received a grant of £0.431m consisting of £0.356m programme funding and £0.075m of administrative funding. The Council chose to provide Emergency Provision and Grant Provision, the criteria being based broadly on the DWP system of Crisis Loans and Community Care Grants.
- 22.5** The grant funding transferred to the Council has been top sliced compared to the level of spend that the DWP historically made.

- 22.6** The Council scheme at this early stage has not yet experienced the volume of applications or awards, for either Grant or Emergency Provision, compared with the level of demand experienced by DWP.
- 22.7** Awards have been made to June 2013 totalling £0.012m (£0.006m May) for Grant Provision and £0.006m (£0.004m May) for Emergency Provision. In addition the average award made by the Council has been significantly lower than that of DWP with Emergency Provision payouts averaging £29.28 (DWP £59.90) and Grant Provision £340.94 (DWP £567.17).
- 22.8** The scheme is under monthly review and with the full impact of welfare reform still to materialise it is anticipated that expenditure will significantly increase resulting in the full year forecast outturn being met.

22.9

LWP Statistics to June 2013		
Emergency Provision (EP)		
	CBC	*DWP
Total applicants	402	710
Total awards	217	520
Award Rate	54%	73%
Average Award EP	£29.28	£59.90
Total Spend to June	£6,195.00	£31,200.00
Grant Provision (GP)		
	CBC	*DWP
Total applicants	84	280
Total awards	36	120
Award Rate	42%	43%
Average Award GP	£340.94	£567.17
Total Spend to June	£12,273.00	£66,600.00

* based on a pro rata average of DWP Statistics for 2011/12.

- 22.10** There is a year to date adverse variance at the Travellers sites of £0.039m with a forecast outturn on budget. The year to date variance is accounted for by spend on the installation of new air source heating pumps at the Chiltern View site (£0.042m).

Assistant Director – Adult Social Care

- 23.0** The overall position presents an overspend of £0.306m after reserves. The highest risk areas for external care packages are reporting an over spend of £1.094m (4%) for Older People, an under spend of £0.396m (8%) for People with Physical Disabilities and an over spend of £0.080m (0.14%) for People with Learning Disabilities.

23.1 Older people

The care packages budget for older people included a major share of the demographic growth of £1.750m but also efficiencies of £3.7m 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 forecast outturn on spot contracts is an over spend of £1.9m (34% of budget). The number of service users has increased by 41 since the end of March 2013. During the first quarter there were 21 cases relating to a 12 week disregard period and 3 former self funders requiring local authority support. At the end of quarter one, residential placements numbers stood at 507, 31 more than as at March 2013. Of these, 248 were in residential block beds (89% occupancy versus 93% at the end of March 2013) and 279 in spot purchased beds (238 at the end of March 2013). Quarter one saw unusually high numbers of new placements with the source of admission as follows (2012/13 figures in brackets):

Admitted from	April	May	June
Hospital	5	6	7
Own Home	2	6	3
Rehabilitation	2	1	2
Respite	10	11	2
Other	1	2	2
Total	20 (8)	26 (20)	16 (7)

23.3 Nursing Care

The forecast outturn is an over spend of £0.033m (0.5% of budget). During the first quarter there were 7 cases relating to a 12 week disregard period and 2 former self funders requiring local authority support.

23.4 Home Care

The forecast outturn is an over spend of £0.056m (0.8% of budget). The Reablement service achieved reductions in hours during the first quarter of the year of 686 with an associated saving of £0.108m. The review of home care packages also resulted in savings of £0.200m with projected further savings of £0.303m to the end of the financial year.

23.5 Respite Care

There is a projected under spend of £0.444m (53% of budget). Respite care in response to emergency situations/crises has been displaced 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

An under spend of £0.396m (8% of the £4.8m budget) is forecast. The largest under spend is against residential care - £0.250m – but there are some pending cases re transfers from Children’s services whose costs are not yet included in the forecast.

23.8 Learning Disability

An over spend after reserves of £0.080m is forecast on external care packages. There were some significant variances within care package lines including an under spend of £0.274m on other local authority services due to a reduction in use offset by a shortfall on other local authority income of £0.385m.

23.9 A reserve of £0.433m 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.

23.10 Mental Health

An overspend of £0.444m is forecast. This is mainly in the areas of residential care and home care. There have been five new additional residential placements in 2013/14 with a part year impact of £0.187m.

23.11 Other variances

There are two other key variances that are explained below:

- The Reablement Service is under spent by £0.580m (31% of budget); this mainly reflects vacancies within the reablement teams but also under spends on pay within the Intermediate Care and Support Planner/Broker Teams.
- Plans for use of the new Community Voices grant of £0.152m– are being developed; they may result in a small improvement to the forecast.

Assistant Director – Commissioning

24.0 This area is forecast to under spend by £0.052m comprising of net savings on a number of contracts. There are projected under spends on pay of £0.191m due to part year vacancy savings across various teams.

24.1 The Campus Closure re-provision programme for people with learning disabilities is forecast to spend £0.139m which will leave of closing balance of £0.282m in the earmarked reserve to finalise the last 3 remaining Central Bedfordshire schemes.

24.2 The Commissioning budget also includes £0.200m set aside to meet the potential costs arising from a revised fee policy for dementia for residential and nursing placements. The forecast assumes that this will be fully utilised.

Assistant Director – Business and Performance

25.0 This area is forecast to over spend by £0.175m. The main area of over spend is due shortfall in customer income in nursing care income £0.225m and telecare income £0.091m.

Revenue Virement Requests

26.0 There are no virements to report.

Achieving Efficiencies

27.0 For 2013/14 the efficiencies target amounts to £4.758m. A shortfall of £1.221m is forecast.

- 27.1** There were three efficiencies which are significantly short of their target
- Reduction in the use of 65+ residential care £0.637m
 - Review of Learning Disability care packages £0.276m
 - Further efficiencies from Domiciliary and Community Care services £0.225m

There is one efficiency which has exceeded its target by £0.201m; this is the development of a joint approach with health.

- 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 2013 were £5.069m.
- 28.1** In respect of the Campus Closure capital project, £0.139m is forecast to be drawn down from the reserve leaving £0.282m to meet the costs of the final 3 schemes in 2013/14.
- 28.2** The Social Care Reform reserve has an opening 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. The opening balance of £0.433m is expected to 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 has an opening balance of £0.490m which will be used to fund scheme costs during 2013/14.
- 28.5** The Winter Pressures reserve has an opening balance of £0.152m reflecting unutilised 12/13 Winter Pressures grants and baseline health funding for 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 Mental Health Action Plan reserve has been set aside to fund improvements identified in an action plan agreed with the Community NHS Trust provider.
- 28.8** The Outcomes Based Commissioning reserve has been rolled forward from 2012/13 to meet the costs of the residential care home transition and service modernisation programme and has an opening balance of £3.067m. A detailed financial model has been developed to capture the costs of the programme.
- 28.9** Although the reserves are earmarked, it is possible that some of them could be released fully or partially for alternative including to offset the current overspend on a one-off basis,

Debt Analysis and Prompt Performance Indicator

29.0 General Fund Debt

29.1 General Fund debt at the end of Quarter 1 stood at £4.3m (£4.8m end of 2012/13) of which £2.1m was house sales debt and £0.8m Health Service debt. Of the remaining general debt of £1.4m, £0.8m (77%) is more than 60 days old. This includes legacy debt of £0.6m as well as Central Bedfordshire debt. There are 30 debtors whose outstanding balance is greater than £0.010m which are all under active management.

29.2 Prompt Payment 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
Social Care, Health & Housing	2,644	164	93.80%
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