

BUDGET REPORT 2006/2007

Report By: Interim Finance Manager Adult Social Care & Strategic Housing

Wards Affected

County-wide

Purpose

1. To report on the revenue budget's financial position for Adult Social Care and Strategic Housing as at the end of October 2006 and to provide projections to the end of the financial year.

Financial Implications

2. These are contained in the report.

Background

3. The Adult Social Care and Strategic Housing Scrutiny Committee receives regular budget monitoring reports. The previous report covered the first four months of the financial year to the end of July. The position presented to the Committee on 2nd October 2006 showed a projected overspend of £3.4m on Adult Social Care and a projected overspend of £31k on Strategic Housing.
4. As indicated in the previous reports the major budget pressure within Adult Social Care is residential and nursing care placements. This remains a consistent pressure across all service user groups. Appendix 1 details the number of nursing and residential packages for each client group.

Adult Social Care

Summary

5. The projected outturn as at the end of October for Adult Social Care is an overspend of £1.437m against a budget of £31.1m. The projected outturn in the Integrated Performance Report as at the end of September, as reported to Cabinet on 16 November, was £2.743m.

6. Details of the service area projected outturn under or overspends are as follows and includes the information supplied this Committee on 2nd October:-

	31 October 2006 £ Over / (Under)	31 July 2006 £ Over / (Under)
Learning Disabilities	1,217,574	1,288,493
Older People	(522,273)	680,617
Physical Disabilities	319,777	559,020
Mental Health	389,250	643,117
Service Strategy	53,055	100,493

7. It should be noted that the £1.437m projected overspend is before any use is made of the £1.3m Social Care contingency. The contingency covers Adults and Children's services. Appendix 2 summarises the position.
8. There is a significant decrease in the projected outturn compared with the previous report. A cautious approach was taken in respect of the Access and Systems grant at the start of the year to ensure the grant was used appropriately and met its terms of use. The report to this Committee on 2nd October indicated work was underway to review the position. This work has been completed and included in this report.
9. The Access and Systems grant funding for financial year 2007/08 has been notified to the Council. Work is underway to ensure that recurrent commitments are allocated to the funding. Any uncommitted funding will be allocated to specific client groups in the next couple of months. The funding is to be utilised for vulnerable older people.
10. Since the last report additional resources of £830,955 have been transferred from the budget previously held centrally for job evaluation into the base budget. In the previous financial year (05/06) the adjustment was £569,277. The increase in budget is to fund additional salary increments and costs from successful appeals.

Learning Disabilities

11. The projected outturn for this area is a £1.218m overspend. The risk sharing agreement for this Section 31 arrangement with the Primary Care Trust (PCT) has been suspended for 2006/07. The Council and PCT will fund their respective proportion of the projected overspend.
12. In the previous financial report it was indicated that the Council was in discussion with the Primary Care Trust (PCT) regarding the impact from central government funding variations for the Health Service. The position has

been clarified and the PCT has transferred £178k of continuing healthcare funding to outside of the pooled budget agreement.

13. The main areas of overspend are Community Care residential, nursing care and agency placements. The overspend has decreased between month 4 and 7 due to renegotiation of a community supported living contract.

Older People

14. The projected underspend of £599k in the Older People service area is the result of reviewing the Access and Systems grant. A review was completed covering the terms of grant and its regulations to ensure the full use of the funding. The grant must be utilised to ensure vulnerable older people retain their independence.
15. Community care residential and nursing placements still remain a key pressure within this area. Within October there has been an increase of 10 nursing placements. This is an exceptional month and it is unlikely that this increase will be sustained each month until the end of the financial year. However if the increase does materialise the additional cost is approximately £200k.

Physical Disabilities

16. Similar pressures affect the Physical Disabilities service user group where a £320k overspend is projected. The main budget pressure within this service group is residential and homecare packages.

Mental Health

17. This service group is covered by a Section 31 agreement with the PCT being the lead partner for this agreement. The Adult Services element of the overspend is £383k.
18. The overspend is largely a result of community care placements. Since August an additional 4 residential packages have been agreed.

Strategic Housing

19. The projected underspend for Strategic Housing is £45k against a £2.1m budget.
20. The last report showed a £31k projected overspend. The current position represents a £76k reduction in the projected outturn. All sections within Strategic Housing have a reduction in the projected outturn.

**ADULT SOCIAL CARE
AND STRATEGIC HOUSING SCRUTINY COMMITTEE 1ST DECEMBER, 2006**

21. This year the major budget pressure within Strategic Housing has been around temporary accommodation to support the homeless service. As the figures in the table below indicate, since 2005/06 there has been a decrease in the number of clients in bed and breakfast accommodation.

	Families	Couples	Singles	Total
Highest 2005/06	49	7	42	98
Lowest 2005/06	39	3	24	66
Average 2005/06	45	5	32	82
Average 2006/07	19	1	11	31

22. Appendix 3 indicates the number of clients within bed and breakfast accommodation has significantly decreased since April 2006.
23. Within Strategic Housing some one-off savings have occurred due to vacant posts. This is a non-recurrent underspend against the annual budget.

RECOMMENDATION

THAT the Committee notes and comments on the projected 2006/07 financial outturn for Adult Social Care and Strategic Housing.

BACKGROUND PAPERS

- **None**