

## REVENUE BUDGET 2007/08

### Report By: Interim Finance Manager Adult & Community Services

#### Wards Affected

County-wide

#### Purpose

1. To provide an update on the projected outturn as of the end of October for financial year 2007/08 for Adult Social Care and Strategic Housing.

#### 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 with the last one covering the first five months of the financial year. The position presented to the 1<sup>st</sup> October Committee showed a projected overspend of £4.02m on Adult Social Care, a projected overspend of £0.01m on Strategic Housing, and an under spend of £0.09m on Commissioning and Improvement.

#### Updated Position

4. The updated position is as follows:

	2007/8 Budget	Projected overspend August 2007	Projected Overspend October 2007
	£m	£m	£m
Adult Social Care	31.00	4.61	4.41
Comm.& Improvement	1.24	(0.10)	(0.09)
Strategic Housing	2.03	0.01	0.11
<b>Total</b>	<b>34.27</b>	<b>4.52</b>	<b>4.43</b>
Less needs analysis Funding		0.50	0.50
<b>Projected overspend</b>		<b>4.02</b>	<b>3.93</b>

## **Adult Social Care**

5. A detailed breakdown of the projected overspend as at October 2007 is presented at appendix A, which shows that of the £4.41m, learning disabilities contributes £2.7m, mental health, £1.4m and physical and sensory disabilities £0.70m. The major budget pressures across all service groups within Adult Social Care are residential and nursing care placements and domiciliary care costs.
6. The movement in residential care placements year to date are as follows:

		<b>April 2007</b>	<b>August 2007</b>	<b>October 2007</b>	<b>Net Change Year to date</b>
Learning Disabilities	Agency placements	18	18	17	-1
	Residential	74	90	93	+19
	Nursing	7	9	10	+3
Mental Health	Residential	145	160	159	+14
	Nursing	111	110	108	-3
Physical Disabilities	Residential	17	20	19	+2
	Nursing	10	12	11	+1
Older people	Residential	125	126	130	+5
	Nursing	119	121	122	+3
	<b>Total</b>	<b>271</b>	<b>279</b>	<b>282</b>	<b>+43</b>

7. With a net increase of 43 nursing and residential packages, it is clear that budgets will be under pressure. There is evidence that the rate of growth in placements is slowing and in the last two months 5 new packages have been agreed against an average of 7 per month to August. This is reflected in the £200k reduction in the projected outturn within the period.
8. For 2007/08 the Directorate received Invest to Save monies of £2.7 million. It is clear this will not be spent this year. At least £1m will not be used after allowing for the utilization of £500k to fund specific short term packages, pending redesign of service provision.
9. In line with the Council's overall financial policy a centrally held contingency has been set aside for Social Care (both Adults and Children's) of £1.3 million. It is likely that a minimum of £650k will be allocated for adult social care.

10. No provision has been made for an increase in income from charges under the new policy which commences in January 2008.
11. The Directorate is in discussion with the PCT about Free Nursing Care costs and this may have an impact.
12. There may be additional costs from the opening of Leadon Bank.

### **Remedial Action**

13. In recent months efforts have been made to bring expenditure back in line with budget. The level of overspend is such that it is clear the budget will not be brought back into balance in the short term. The Adult Services Transformation Board is implementing an action plan intended to contain and reduce spending whilst ensuring there is a move towards a more modern style of service delivery. The plan includes the implementation of the fairer charging strategy, which is now expected to generate around £500k in a full year. The income had been expected to be higher but the charge for day care services has been reduced.
14. A review of the level of support by the PCT is underway. In particular the amount continuing care funding received. There is also a reassessment of all mental health clients, who do not contribute to their care because they fall within Section 117 provisions. A zero based budgeting exercise for people with learning disabilities is planned. Further work around a finance mapping exercise is being undertaken on Mental Health funding.
15. Supporting people funding has been agreed to provide a roving night service and to provide temporary accommodation to people in crisis. Staff are working closely to identify areas where under committed supporting people monies can be used within the terms of the grant to mitigate costs.
16. Further assistance may occur as a result of a proposal put forward to utilise an additional £500k of supporting people funding. This would assist people in transition from residential care to self directed care options and therefore reduce financial pressure.

### **Commissioning & Improvement**

17. The major factors in the projected under spend are delays in recruitment and the decision to carry out data cleansing in –house rather than use an external source (£44k).

### **Strategic Housing**

18. The major budget pressure within Strategic Housing has been the demand for temporary accommodation for homeless people. Despite significant efforts to contain costs in the period (and the identification of £62k in savings), there has been a net projected increase of £100k. Homelessness costs have risen in part due to bed and breakfast costs and the additional cost of temporary staff. During the period, the numbers in bed and breakfast accommodation have increased significantly to the highest this year (7 families, 3 couples, and 26 singles).

## **RECOMMENDATION**

**THAT the Committee notes and comments on the projected outturn for financial year 2007/08 for Adult Social Care and Strategic Housing.**

### **BACKGROUND PAPERS**

- None identified