

**REVENUE BUDGET MONITORING 2008/09****Report By: Management Accounting Manager****Wards Affected**

County-wide

**Purpose**

To provide an update on the projected outturn as of the end of August 2008-09 for Adult Social Care and Strategic Housing.

**Financial Implications**

These are contained in the report.

**Background**

The Adult Social Care and Strategic Housing Scrutiny Committee receive regular budget monitoring reports, the most recent covering the period to July 2008.

**Latest projected position 2008-09**

	<b>2008-09 Budget</b>	<b>Projected outturn August 2008 Over or (-) Under</b>	<b>Projected Outturn July 2008 Over or (-) Under</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Adult Social Care	38.534	0.331	1.579
Supporting People	0	0	0
Strategic Housing	1.902	0.312	0.697
<b>Total</b>	<b>40.436</b>	<b>0.643</b>	<b>2.276</b>

**Adult Social Care**

1. The forecast outturn position on Adult Social Care has improved significantly. Detailed variances are set out in Appendix I. The main reason for the change is that projections now assume the PCT will meet the costs of individuals meeting the Continuing Health Care criteria, which amount to £942k. However a number of actions will be required to achieve this outcome and these are outlined paragraph 4 below.
2. As part of the requirement to stay within cash limited allocations a number of savings have been identified within Learning Disabilities and a potential contribution of £158k from Supporting People has also been included in the projection. Package costs within Older People have reduced although there have been increases within Mental Health and

Physical Disabilities. In addition staff vacancy savings have been identified within Commissioning and Improvement.

3. The overall impact of these changes is a reduction in the forecast overspend of £1.248m to £331k.
4. In October 2007 new national guidance for continuing health care was published. The interim Director of Adult Social Care considered that there were a number of individuals with complex learning disability needs who have historically been funded by social care who were likely to be eligible for continuing health care funding in line with the new guidance. The PCT agreed with the Council to jointly commission an independent initial review of 60 individuals to identify those who were considered likely to be eligible. This reduced the number to 20 individuals who will now be fully assessed and if eligible will be entitled to full funding from the PCT. The full year impact will be approximately £942k of costs met by the PCT if all 20 are eligible for continuing health care. There has been some delay in identifying an individual who can carry out these assessments but this is now in place and it is hoped that the assessments will be completed within the next few weeks.
5. Over the past year, adult social care have been working more closely with Supporting People staff to consider ways in which supporting people funding could be appropriately used to provide support for individuals which might also reduce some of the need for some social care funding. Some of this relates to funding new pilot services and some to part funding existing care packages. It is anticipated that this will reduce adult social care spend by £158k, and this is included in the projections.
6. The Interim Director of Adult Social Care is currently reviewing the social care budget to identify areas where it would be possible to reduce expenditure if the two issues above are not resolved. This includes using the evident trend of reducing residential placements, reviewing modernisation projects across the whole county and slowly implementing as well as cutting back on interim and project management support. Any option is likely to have an impact on progressing the improvement agenda.
7. For 2008/09 there have been a number of additions to the Adult Social Care budget including Invest to Save and an element of the social care contingency. Additional income through Fairer Charging and new grant allocations have also been factored into the directorate's budget. The overall budget setting process for Adult and Community Services saw the budgets for provider contracts increased by £0.8m to meet inflation and in effect was an efficiency saving not required by the directorate to balance its budget.
8. There is currently £1.184m of budget allocated to new modernisation schemes and initiatives. As schemes develop the costs and budgets will be allocated to the appropriate services. Schemes will be closely monitored to ensure timescales for implementation are met and that anticipated savings and cost mitigation are achieved. At this point savings of £37k are anticipated due to slippage in schemes.
9. Supporting People grant funding has reduced in 2008-09 in respect of both the main programme grant and administration grant. The carried forward underspend is £5.7m. This funding is ring-fenced to Supporting People so cannot be used to fund expenditure on mainstream services unless these are deemed appropriate under the Supporting People guidance. The Supporting People Commissioning body regularly meets to review the situation.

## Strategic Housing

10. The forecast outturn for Housing has improved significantly since July, with the overspend reducing from £697k to £312k. The number people in bed and breakfast accommodation has reduced considerably over the last 2 months as shown below.

<b>Category</b>	<b>May</b>	<b>June</b>	<b>August</b>
Families	16	18	11
Other	1	6	1
Single	18	17	15
<b>Total</b>	<b>35</b>	<b>41</b>	<b>27</b>

11. The projected cost of bed & Breakfast (B&B) accommodation has been calculated on a number of scenarios. Taking a prudent view based on current levels of occupancy and assuming that the same percentage fluctuations occur in the remainder of this year (as happened last year) produces an overspend of £312k.
12. An officer task and finish group chaired by the Director of Regeneration has met and implementation of the agreed approaches for tackling the increasing cost of bed & breakfast accommodation has started. The homelessness team has reduced the numbers placed in B&B to 11 families, 15 singles and one other by the end of August. There are four families which the team are aware of which may need to be placed in temporary accommodation in the near future.
13. Applicants presenting themselves as homeless are often placed in B&B pending assessment. Assessment interviews are now taking place within three days of applications being received and a decision about eligibility is made within a week of the interview. The homelessness team are taking a more robust line with applicants who fail to attend appointments for assessment. Any applicants who miss more than two appointments will now lose their entitlement to temporary accommodation. A group of officers headed by the Homelessness Manager meets each week to consider the more challenging applications. The Head of Service attends on an ad hoc basis to support and agree approaches taken, particularly in complex cases.
14. Applicants unhappy with the outcome of their assessment for homelessness can appeal. Reviews of homelessness applications are still slower than desired. None of the applicants awaiting appeal are currently in B&B although this situation can vary.
15. Work is progressing on formulating a charging policy for those placed in temporary accommodation. Currently the only income received is via Housing Benefit. It is proposed that charges will be based on rents charged by registered social landlords for those in employment. Many clients will be able to claim housing benefit.
16. For this report it has been assumed that the trend of expenditure for the Prevention Fund for the remainder of the year will match that experienced last year. The resultant projection is expenditure of £162k compared with £200k budget.
17. The loss of the re-purchase/reinstatement grant (£108k) has placed pressure on the

Management & Admin heading, however vacancy management along with savings anticipated on other headings are earmarked to recover the position.

**Possible Measures for Further Recovery on Homelessness**

18. The Bed & Breakfast realistic forecast used in arriving at the prediction of £312k overspend was based on number of occupants rising in line with last year's trend. The Homelessness Manager is however confident that numbers will stabilise at nine occupants (three families, one other and five singles) for the remainder of the year. If this scenario holds this will reduce the overspend by a further £120k.
19. The number of clients presenting themselves as homeless has increased and this has caused a problem with the availability of local bed and breakfast.
20. Action is being taken to ensure that all housing benefit is being claimed for those within bed and breakfast, and to ensure that all bed and breakfast clients have priority status and are actively bidding on properties. The position will continue to be closely monitored.
21. The homelessness situation presents the Council with a significant challenge and the available resources are currently not adequate to manage the scale of the problem.

**RECOMMENDATION**

- THAT a) the forecast outturn for 2008/09 agreed with the Directors based on service and financial performance outlined in this report is noted.**
- b) the continuing efforts of the Directors to ensure service targets are met within the approved budget are endorsed.**
- and**
- c) an improved forecast of outturn for the 2008/09 financial year be reflected in the next financial monitoring report.**

**BACKGROUND PAPERS**

- Appendix I attached