

## REVENUE BUDGET MONITORING 2008/09

Report By: Management Accounting Manager

### Wards Affected

County-wide

### Purpose

1. To provide an update on the projected outturn as of the end of October 2008-09 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 receive regular budget monitoring reports, the most recent covering the period to August 2008.

### Latest projected position 2008-09

	2008-09 Budget	Projected outturn October 2008 Over or (-) Under	Projected Outturn August Over or (-) Under
	£m	£m	£m
Adult Social Care	38.564	0.277	0.331
Supporting People	0.073	0.028	0
Strategic Housing	1.957	0.321	0.312
<b>Total</b>	<b>40.594</b>	<b>0.626</b>	<b>0.643</b>

### Adult Social Care

4. The forecast outturn position on Adult Social Care shows a further improvement on the August position, with an overall reduction in the forecast of £54k resulting in a projected overspend of £277k. The detailed variances are set out in Appendix I.
5. There have been a number of changes, both positive and negative, across service areas. This partly reflects the impact of modernisation programmes where opportunities have arisen to review costs, meaning that assumed commitments as part of the initial budget setting process have changed. Budget planning for 2009-10 will reflect the changing patterns of expenditure as changes to service provision continues to develop in line with the modernisation programme.
6. The figures for learning disabilities continue to include the assumption that the PCT will meet the costs of individuals meeting the Continuing Health Care (CHC) criteria, which

amount to £942k. Work is progressing in undertaking the individual assessments required to deliver this outcome.

7. The key variances in forecast outturn since the previous report are as follow:
  - a. Mental Health costs have reduced due to the receipt of capital income and a net reduction of 4 placement packages.
  - b. Physical Disabilities costs have reduced due to the receipt of grant funding, direct payment reimbursements and on-going vacancy savings.
  - c. The Learning Disability forecast has been amended pending confirmation of planned projects to utilise Supporting People funding in order to reduce existing commitments.
  - d. A number of new Older People residential packages have been approved. Actions are in hand to reduce these costs but at this point the forecast assumes the costs will remain in place till year end. These costs have been partly offset by the inclusion of projected capital income for the year.
  - e. Savings in staffing and operational costs within Commissioning and Improvement continue to be made.
  - f. Service Strategy costs have increased due to a number of organisational development costs as part of the overall improvement programme.
8. 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 could further reduce adult social care spend by £158k.
9. The Interim Director of Adult Social Care is currently reviewing the social care budget to identify areas where it would be possible to further reduce expenditure to achieve a balanced budget. 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.
10. There are a number of potential risks that could cause the forecast position to increase. These include outstanding invoices raised to the PCT for the Shires Contract and CHC costs from previous years, which are the subject of on-going negotiation. Shaw Healthcare have raised issues around responsibility for the cost of voids at Leadon Bank, which continue to be discussed.
11. There is currently £1.2m 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 £53k are anticipated due to slippage in schemes.
12. 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.

13. An overspend of £28k is currently projected in terms of the management and administration of the programme. This is principally due to unanticipated costs for the IT system that supports the programme. Opportunities exist to hold current vacancies to mitigate the overspend.

### **Strategic Housing**

14. The forecast outturn for Housing has deteriorated slightly since the last report, with the overspend increasing from £312k to £321k. Whilst bed and breakfast costs have decreased by £86k there has been a significant increase in expenditure in the homelessness prevention fund, which includes the payment of rent deposits.
15. The forecast assumes that the current level of prevention fund expenditure continues, however this is a reasonably prudent view and there is an expectation that the costs could reduce, depending on circumstances.
16. Bed and Breakfast accommodation numbers increased in September but reduced in October. The latest position is shown below:

<b>Category</b>	<b>August</b>	<b>Sept</b>	<b>October</b>
Families	11	15	2
Other(couples, siblings)	1	1	8
Single	15	18	11
<b>Total</b>	<b>27</b>	<b>34</b>	<b>21</b>

17. 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 £226k. However, Strategic Housing is focusing activity on actions to reduce the use of Bed and Breakfast Accommodation.
18. The officer task and finish group jointly chaired by the Director of Regeneration and Head of Strategic Housing continues to look at new approaches to manage and reduce the homelessness position, and the progress made to date is reflected in the reduction in bed and breakfast costs.
19. 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.
20. 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.

21. 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. Potential savings from these actions could be a maximum of £3k.
22. Working in partnership with the Housing Needs and Development Team, progress is being made in expanding the use of private rented property as temporary accommodation through the expansion of the Council's Private Sector Leasing Scheme. This is expected to impact positively on the use of Bed and Breakfast accommodation over coming months.
23. The reduction in the re-purchase/reinstatement grant has placed pressure on the Management & Admin heading, however vacancy management along with one-off savings anticipated on other headings are earmarked to recover the position. In 2009-10 this grant drops out completely.
24. There have been some smaller increases in the forecast of other Strategic Housing headings including Community Equipment, Housing Needs and the cost of the homelessness strategy. These have been partly mitigated by further vacancy savings and staff recharges to the Department of Communities and Local Government.

#### **Possible Measures for Further Recovery on Homelessness**

25. 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.
26. 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. The economic downturn is adding to the pressures being faced within Homelessness.

#### **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