

REVENUE BUDGET MONITORING 2008/09

Report By: Management Accounting Manager

Wards Affected

County-wide

Purpose

To provide an update on the 2008-09 final outturn position for Adult Social Care and Strategic Housing and to outline the 2009-10 budget position.

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 January 2009.

Final out-turn position 2008-09

	2008-09 Budget	Final outturn position Over or (-) Under	Projected Outturn January Over or (-) Under
	£m	£m	£m
Adult Social Care	46.122	0.713	0.566
Supporting People	0.181	0.037	0.032
Strategic Housing	6.788	0.156	0.148
Total	53.091	0.906	0.746

Adult Social Care

1. The position on Adult Social Care shows a deterioration on the January position of 147k, resulting in a final outturn of £713k overspent. The detailed income and expenditure variances are set out in Appendix I.
2. The main area of over spend was Learning Disabilities (£726k) where several different factors impacted on the outturn position. The amount of expenditure assessed as meeting Continuing Healthcare criteria has been included in the accounts based on the application of agreed assessment criteria. There were 17 new residential packages agreed as well as increases in homecare and supported accommodation costs. These increases were partly offset by transport and vacancy savings and increased client contributions.

3. Older People over spent by £313k due to increased domiciliary costs, partly as a result of the 'red alert' in hospitals during December and January when patients were discharged earlier than normal. There were also cost increases due to more complex care needs and an increase in the level of 'top-up' payments. The review of outstanding income indicated that some costs could not be recovered.
4. Within Adults there was an over spend for the Emergency Duty Team of £106k due to a change in accounting arrangements where the previous contract was paid in arrears.
5. There were one-off over spends on management costs of £55k due to interim arrangements whilst the new structure was implemented.
6. Section 75 arrangements overspent by £187k, mainly due to the resolution of an issue with Shires nursing care, where the council and PCT jointly met the cost of writing off invoices.
7. Mental Health under spent by £503k due additional income received from client contributions, grant funding, one-off deferred property income and supporting people funding.
8. Physical Disabilities under spent by £30k due to reductions in residential packages.
9. There was an under spend of £40k within Prevention Services due to savings in the project team.
10. There was slippage within a number of modernisation projects which resulted in an under spend of £34k
11. The £70k under spend within Commissioning and Improvement was due to vacancy savings and the use of grant funding to cover some ICT costs.
12. Supporting people overspent by £37k due to unanticipated costs for the ICT system that supports the programme.
13. The Adult Social Care budget for 2009-10 is shown in Appendix 2. The budget includes additional funding allocated in the Medium Term Financial Management Strategy (MTFMS) of £275k for needs analysis. The outcome of the Performance Improvement Cycle (PIC) process allocated additional funding for brokerage and telecare, with an expectation of savings in residential and management costs. Efficiency savings of approximately £300k arising from Hereford Connects are expected to be achieved and the budget will be reduced accordingly. There has been an increase of £411k in the Social Care Reform Grant to fund further modernisation schemes.
14. The detailed service budgets will continue to be re-aligned to reflect the modernisation programme and the restructuring of Commissioning.
15. Adult Social Care faces a number of challenging budget pressures for 2009-10. The final outturn for 2008-09 was £713k overspent, and whilst some one-off costs contributed to this position a significant proportion of the overspend resulted from on-going commitments. Other pressures include a 5% reduction in Area Based Grant allocation of £203k which will have to be bid for against other partnership priorities, the cost of the 1.7% uplift agreed for provider contracts which equates to an increase of up to £700k and the impact of meeting the 2.5% uplift on council income targets which equates to £150k.

16. Social Care Managers and Financial Services meet regularly to monitor and review the budget position and the following measures have already been put in place to mitigate the position:
 - a. The assessment of two learning disability clients by other PCT's which would reduce costs by £93k.
 - b. The review of all high cost out of county placements with a view to bring these placements back in county.
 - c. The transfer of clients from residential care in supported accommodation
 - d. To ensure that financial assessments are completed for all clients `self referring` to day care centre's.
 - e. Maximization of contracts to ensure extra care facilities are fully optimised.
 - f. To review all high cost packages for CHC eligibility.
 - g. Savings generated by the Midland Heart contract which will mean more activity for the same value. This will avoid the need for additional `spot purchase` contracts.

Strategic Housing

17. The final outturn position for Strategic Housing was £156k overspent, a slight deterioration on the position reported for January of £148k.
18. The main budget pressure remains homelessness, particularly the cost of providing temporary accommodation. The bed and breakfast accommodation numbers from December to March are shown below. Demand from families with children, the most expensive category, continues to be low.

Category	March	Jan	Dec
Families	1	1	3
Other(couples, siblings)	0	0	0
Single	7	11	2
Total	8	12	5

19. Homelessness overspent by £204k overall. The main cause of the overspend was temporary accommodation and staffing, however these costs were partly offset by housing benefit receipts, grant income, improvements in the level of rent deposits and loans recovered and an under spend on the prevention fund.
20. Management & Administration overspent by £8k. The £38k reduction in the repurchase and reinstatement grant was partly managed by one-off vacancy management savings.
21. Housing needs under spent by £15k due to staff vacancies and lower than expected costs on housing needs studies.
22. Private Sector Housing underspent by £41k. Whilst there was higher than expected demand for the home improvement and handyman services, vacancy management savings and lower than expected grant payments produced an underspend overall.
23. The Strategic Housing Budget for 2009-10 is shown in appendix 2. Homelessness continues to be the main pressure area and the current economic climate could further impact on the position. The Repurchase and Reinstatement grant drops out entirely

which reduces the available budget by £38k.

24. On-going action continues 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.
25. The 2009-10 capital programme has seen significant investment in longer-term solutions to housing needs and homelessness issues which should help mitigate future revenue pressures for Strategic Housing. These include the mortgage rescue scheme, low cost ownership scheme and empty property scheme.

RECOMMENDATION

THAT the final outturn position for 2008/09 is noted.

BACKGROUND PAPERS

- Appendix 1 & 2 attached