

MEETING:	ADULT SOCIAL CARE AND STRATEGIC HOUSING SCRUTINY COMMITTEE
DATE:	2 OCTOBER 2009
TITLE OF REPORT:	REVENUE BUDGET MONITORING REPORT 2009/10
PORTFOLIO AREA:	ADULT SOCIAL CARE AND STRATEGIC HOUSING

Wards Affected

County-wide

Purpose

To advise members of the committee of the financial position for Adult Social Care and Strategic Housing revenue budgets for the period to 31st July 2009. The report lists the variations against budget at this stage in the year and a projected outturn for the year.

Key Decision

This is not a key decision

Recommendations

THAT:

- (a) **the report be noted**

Reasons for Recommendations

- 1 To enable Scrutiny Committee to carry out its function in relation to the Adult Social Care and Strategic Housing revenue budget for 2009/10.

Key Considerations

2. A detailed Budget Monitoring Report to 31st July 2009 is attached at Appendix 1 for Members' consideration.
3. The Adult Social Care budget sits within the Integrated Commissioning Directorate whilst the Strategic Housing budget sits within the Regeneration Directorate.
4. The summary position is set out in the table below.

	Total Budget for 2009/10 £000	July Net over or (-) underspending £000
Adult Social Care	38,454	2,620
Supporting People	32	0
Strategic Housing	1,965	35
Total	40,451	2,655

Adult Social Care

5. The forecast outturn position is an overspend of £2.6 million. The forecast is based on existing commitments carried forward from 2008-09 plus the additional commitments identified in 2009-10 projected forward.
6. The final outturn position for 2008-09 for Adult Social Care was £713,000 overspent. This included a number of non-recurrent income adjustments. The true value of on-going commitments brought forward was approximately £930,000. Inflation on contracts at an average increase of 1.7% added approximately £700,000 across service costs for 2009-10.
7. The key area of overspend is Learning Disabilities where an overspend of £1.344 million is projected. This is mainly due to 21 new clients coming through transition from Children's Services in 2009-10.
8. The forecast for transition clients is based on the costs previously incurred by Children's Services. These new clients will be reassessed and the evidence so far is that costs have reduced following re-assessment. Future projections will be revised as further re-assessments occur.
9. Other cost increases within Learning Disabilities are due to re-assessments of existing client packages, an increase in temporary respite placements and the closure of a care home which has resulted in clients being transferred to more costly residential placements.
10. Older People is forecast to overspend by £945,000. This is due to the cost of existing commitments and an additional 11 residential placements and 2 nursing packages agreed in 2009-10.
11. Mental Health is forecast to overspend by £552,000. This is due to existing commitments and 11 additional packages agreed in 2009-10.
12. Physical Disabilities is forecast to overspend by £284,000 due to existing commitments and an additional 2 residential packages agreed in 2009-10.
13. One-off staff savings within Integrated commissioning, planned slippage in modernisation schemes and underspends in Adults and Provider Services should deliver some savings to partially offset the overspend.

- 14. There are budget risks around the re-assessment of existing clients, particularly within older people, and additional demand for new packages. Re-assessments of continuing healthcare (CHC) clients are being undertaken which, to date has resulted in one client being assessed as not meeting the criteria for NHS continuing healthcare and annual costs of £109,000 have transferred to Adult Social Care.
- 15. Budget savings arising from the implementation of the new Framework I system are due to be transferred from Adult Social Care towards the overall corporate savings target for Herefordshire Connects. Additional area based grant (ABG) of £200,000 has now been allocated by Herefordshire Partnership and budgets will be revised to reflect this.

Supporting People

- 16. Supporting People is projected to remain within budget. The carried forward underspend on previous year funding was £4.83 million. The 2009-10 grant to be received is £5.88 million.
- 17. The forecast assumes that the remaining underspend will be carried forward, however the removal of ring-fencing on the 2009-10 grant allows greater flexibility than has been available within previous years and this will be explored further.

Strategic Housing

- 18. Strategic Housing is projected to overspend by £35,000. Homelessness support through B&B accommodation is the main pressure area. Numbers have remained higher than anticipated but there are indications that a significant number can be re-housed shortly.
- 19. The position on temporary accommodation for the period under review is set out below:

Category	April	July
Families with children	2	3
Other(couples, siblings)	1	1
Single	6	10
Total	9	14

Recovery Plans

- 20. The Director of Integrated Commissioning recently chaired a budget recovery working group where a number of actions to reduce the Adult Social Care overspend were discussed and further work agreed. These included:
 - a. A review of costly Learning Disability packages where opportunities exist to transfer clients into supported living.
 - b. Review all expensive out of county placements
 - c. Review the level of voids in existing contracts to ensure maximum value is being achieved.

- d. Consider the flexibility within supporting people grant and carried forward underspend where opportunities exist to fund social care costs.
 - e. Review individual budgets where costs exceed previous client packages.
 - f. Review procedures for agreeing client top-up payments to reduce the current level of cost.
21. An action plan to implement, monitor and review the recovery actions is being developed and will be reported to future scrutiny committees.
22. A recovery plan for Regeneration has been agreed which should enable the Directorate to achieve a balanced budget, however Homelessness remains a volatile area where increases can occur due to external pressures. The position will continue to be monitored closely and further action will be taken if required.

Financial Implications

- 23 These are contained in the body of the report. The projected outturn is based upon results to the end of July 2009.

Legal Implications

- 24 None

Risk Management

- 25 The risks are set out in the body of the report, in terms of the potential overspend. The report notes the actions planned to address this potential overspend.

Consultees

- 26 Not applicable

Appendices

- 27 Appendix 1 – Revenue Budget Monitoring Report for 2009/10 Period to 31st July 2009.