

MEETING:	ADULT SOCIAL CARE AND STRATEGIC HOUSING SCRUTINY COMMITTEE
DATE:	25 JANUARY 2010
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 30th November 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: 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 30th November 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.

	Annual Budget	July 09 Net Forecast Over or (Under) spend £000	October 09 Net Forecast Over or (Under) spend £000	November 09 Net Forecast Over or (Under) spend £000
Older People	14,931	945	316	610
Learning Disabilities	11,133	1,344	1,504	1,572
Mental Health	7,010	552	133	70
Physical Disabilities / Sensory Impairment	3,806	284	538	543
Section 75 Arrangements	895	34	118	118
Adults	(1,630)	(64)	21	(53)
Commissioning Directorate	1,536	(151)	(54)	(58)
Other Services	384	(324)	(71)	(177)
Total Adult Social Care	38,065	2,620	2,505	2,625
Strategic Housing	1,917	35	(30)	(77)
Total	39,982	2,655	2,475	2,548

Adult Social Care

5. The forecast outturn position is an over spend of £2.625 million. The forecast includes savings of £1.059m arising from the recovery plan and £70k of from continuing healthcare pressures. Further recovery action is being undertaken and is outlined in the report. The detailed income and expenditure variances are set out in Appendix 1.
6. The final outturn position for 2008/09 was £713k overspent. This included a number of non-recurrent income adjustments totaling £217k, therefore the true value of the on-going commitments was approximately £930k over spent which set an immediate deficit as at 1st April on social care budgets. In addition inflation on contracts of 1.7% equating to £700k across all service costs for 2009/10. Giving a baseline starting position of £1.6m over spend.
7. The 2009/10 forecasts are based on current client packages paid to date adding in those approved at panel with an assumption that the current care will continue until 31st March 2009 for all types of service with the exception of Homecare. Payroll commitments are based on payments to date assuming staff will continue in service until 31st March unless otherwise stated, and managers assumptions where vacancies are due to be filled from the estimated start date. Homecare commitments are based on actual payments taking into account, disputed invoices and extrapolated to a full year. Any changes in outturn are quantified against the homecare system which records the hours approved and will indicate where there are major changes in the number of clients an hours delivered. The system presently does not hold all the package information and therefore is not adequate to use in order to supply an accurate commitment reporting. This is due to resolved by the implementation of Frameworki in April 2010.
8. The attached activity information table, appendix 2, shows the trend in packages for 2009/10 and indicates the increases in all areas except mental health. A more robust panel process for younger adults and the use of the mental health intermediate care project has helped to dampen down the affect of numbers going into residential care. Service Managers are now challenging care packages in all client groups put forward to panel, and have access to void information to aid their decision making.

9. Residential care is the most expensive category of care and the attached graph in appendix 2 illustrates the trend in residential numbers for the current year for each client group. The numbers are generally falling due to the move to Personal Budgets, apart from Older People which is at a relatively consistent level this year, but higher than 2008/09.
10. The key area of overspend is Learning Disabilities (£1,572k). Work is on-going to reduce the overspend by transferring clients out of residential care into supported living making use of block contracts and housing related support purchased through the supporting people programme. Savings will have a part-year effect of around £20k if achieved and the full-year effect for 2010/11 is estimated at around £120k. There will be an increase in spend due to the transition of four clients from children's services which if transferred at current cost level will have an impact of £279k in 2010/11. There is a further pressure due to the reduction of LSC funding for those clients going into further education.
11. Older People overspend is predicted to be £610k. There has been an increase of 33 new packages of which 18 are Residential care. The costs have increased also due to more complex care needs.
12. The number of residential voids is currently 15% of the total number of places equating to an annual cost of £518k. The number of residential voids has dropped from July to the end of November by 5 to 17 saving £35k. The number of day care voids is currently 10% of the total number of places and have fallen by 70 to 439 saving £60k. The number of contract voids is currently forecast to reduce by a further 10% from 1st January saving and is built into the forecast assumptions.
13. There have been increases for all client groups in the number of homecare packages agreed at panel. This is due to a combination of new clients and additional support hours required to meet increasing need following review. The recent bed crisis at the County Hospital has meant that patients were discharged in order to cope with exceptional demand. There is no budget to fund these packages.
14. The integrated community equipment store has seen an increase in the number of equipment issues by 3%, but a decrease of 8% in the number of pieces returned to the store. This is further emphasised by the number of purchases over £500 which has risen year to date to 65 compared to 35 for the whole of 2008/09. The impact of this is a £119k over spend if remedial action is not taken. The, overspend will be shared between the Council and the PCT on a 50:50 basis. The percentage of equipment returned to stores has been investigated and there are rigorous processes in place to reclaim equipment.
15. Modernisation projects being implemented, such as electronic monitoring, and external brokerage will enhance the customer experience and help to deliver services in a more efficient and effective way. The projects will start to show an impact on costs in 2010/11. Project implementation costs are fully funded by the Social Care Transformation Grant.
16. There has been a decrease in the projected staffing spend for the Integrated Commissioning Directorate due to staff vacancies.
17. Additional budget savings are expected of around £20k in 2009/10 from the hold on all non-essential spend within adult services and all agency staff are now approved by the relevant Head of Service. All other recovery action is noted in the plan below and Heads of Service will attend a further recovery meeting in December to ensure additional measures are in place to reduce the current overspend.

Supporting People

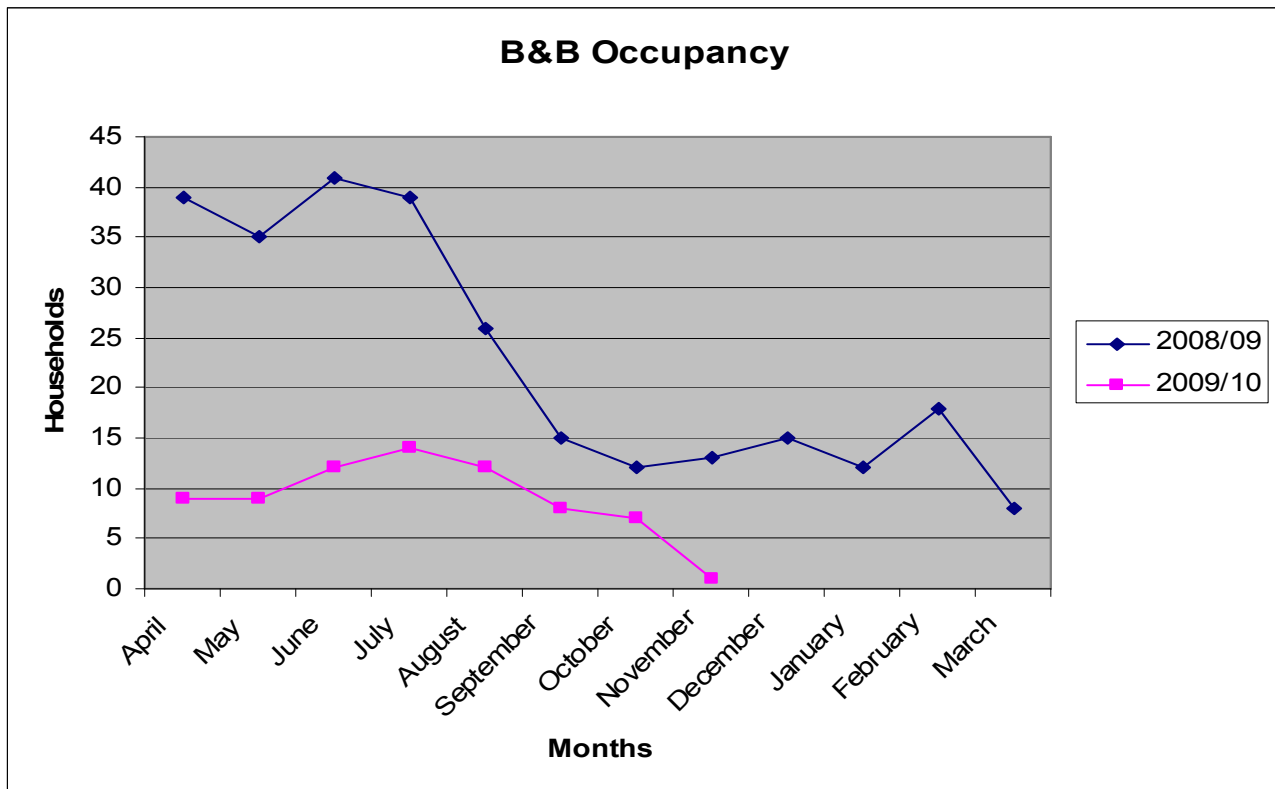
18. The 2009-10 grant is £5.88 million and fully committed. The cumulative carried forward under spend brought forward into 2009-10 was £4.83 million. A large proportion of the carry forward is committed to fund a number of pilot schemes and the shortfall between on-going costs and the annual grant. The expected carry forward under spend at year end, based on current commitments, will be £1.320m.
19. In 2010-11 the grant will be part of the Area Based Grant. The grant has now been divided into the Herefordshire Partnerships three priorities; Health and Wellbeing (£3.9m), Safer Communities £788k) and Stronger Communities (£1.7m) in order to secure funding for the future. Presently there is only funding guarantee for one year due to the annual grant announcement.

Strategic Housing

20. Strategic Housing is projected to under spend by £77k. £75k of this is due to homelessness prevention. Prevention is forecast to spend more than in 2008/09 but less than the 2008/09 budget. The prevention budget was increased for 2009/10 but there has been lower than expected activity on rent/deposit loans. Up to £30,000 is expected to be utilised in pump priming local credit unions to arrange loans to help prevent homelessness..
21. In previous years the under-spend in prevention measures has been more than offset by overspending on temporary accommodation. This will not happen this year largely due to the success of the team in avoiding the use of expensive bed and breakfast accommodation. The graph below shows the occupancy of B&B at the end of each month in both 2008/09 and 2009/10 to date.

Category	April	July	August	Sept.	Oct.	Nov
Families with children	2	3	2	3	4	5
Other(couples, siblings)	1	1	1	1	0	0
Single	6	10	9	4	8	3
Total	9	14	12	8	12	5

20. The following table illustrates that the reduction in total B&B numbers which started in the last half of 2008/09 has been sustained so far this year.



22. There has been an expansion in the use of other temporary accommodation but this is much more cost effective as most of the cost can be recovered through housing benefit. As a result the temporary accommodation budget is forecast to be under-spent by about £8k.
23. Housing Needs is likely to under-spend by around £13k due to a staff vacancy.
24. Housing administration will overspend by £28k due to the agreed transfer of budget to integrated commissioning.

Recovery Plans

23. The Adult Social Care recovery plan has highlighted a number of actions which could potentially generate savings of £1.7m. £75k has already been achieved through the hold on vacancies and the utilisation of daycare voids. A number of other savings totalling £1.059m have been assessed as achievable and these are included within the October forecast and are as defined as:
 - a. The transfer of eligible expenditure to capital grants of £495k.
 - b. The transfer of eligible housing related support expenditure within adult services to the Supporting People Programme Grant of £500k.
 - c. The decrease in the residential voids from the transfer of clients following work completed by the emergency safeguarding team of £44k.
 - d. The movement of eligible expenditure to grants within learning disabilities of £20k.

Further measures identified for present and future financial stability include:

- e. Service Managers are currently working on agreeing backdated care payments for two Physical Disabilities clients where there is a dispute regarding county of residence. This would potentially have a one-off income of £125k with future annual cost savings of £62k.
- f. The new standard rate for residential care is still in progress and due to become effective on 1st April 2010. Contracts are currently working with providers where

they are providing information on an open book basis in order to establish a new standard rate. Rates from other local Authorities is also being gained to benchmark.

- g. There is currently a homecare pricing policy group who are looking at the charging rates to clients.
 - h. The implementation of electronic monitoring in order to ensure that more verification and payment of actual hours delivered during 2010/11.
 - i. The, impact on the hold on all non-essential spend of around £20k.
 - j. The transfer of learning disability clients into supported accommodation. Estimated at around £30k if moved by 1st January 2010 will now be in 2010/11 with an annual saving of £120k.
 - k. Review out of county placements within learning disabilities and the clients outside county with local PCT's where they now are eligible for continuing healthcare funding. Potential £125k in 2010/11.
 - l. Training on the fair funding calculator is underway with care managers and social workers. This will assist them in having more accurate cost information on what type of package cost should be appropriate for a specific clients need. There are currently 50 clients which have been identified where savings may be achieved by better negotiation with providers. This is likely to achieve cost savings in 2010/11.
 - m. The reclaiming of ILF (Independent Living Fund) currently £14k for current learning disability clients.
 - n. Automatic default to legal charge on property on admission to residential care. This will assist, in the reimbursement of cost of packages to be more effectively reclaimed.
24. An action plan to implement, monitor and review the recovery actions is in place and is regularly reviewed by senior management and financial services.

Financial Implications

26. These are contained in the body of the report. The projected outturn is based upon results to the end of November 2009. The consequence of the 2009/10 overspend is a likely to affect the starting financial position for 2010/11.

Legal Implications

27. None

Risk Management

28. The risks are set out in the body of the report in terms of the potential over spend. The report notes the actions planned to address this potential overspend.

Consultees

29. Not applicable

Appendices

Appendix 1 - Revenue Budget Monitoring Report for 2009/10 Period to 30th November 2009

Appendix 2 - Activity Data relating to Adult Social Care