

MEETING:	ADULT SOCIAL CARE AND STRATEGIC HOUSING SCRUTINY COMMITTEE
DATE:	31ST MARCH 2010
TITLE OF REPORT:	REVENUE BUDGET MONITORING REPORT 2009/10
PORTFOLIO AREA:	ADULT SOCIAL CARE AND STRATEGIC HOUSING

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To advise members of the financial position for the Adult Social Care budget within the Joint Commissioning Directorate, and the Strategic Housing budget within the Regeneration Directorate for the period to 31st January 2010. The report provides the variations against budget 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 31st January 2010 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 £000	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	January 10 Net Forecast Over or (Under) spend £000
Older People	14,893	945	316	610	1,006
Learning Disabilities	11,265	1,344	1,504	1,572	1,221
Mental Health	7,118	552	133	70	70
Physical Disabilities / Sensory Impairment	3,806	284	538	543	382
Commissioning Directorate	1,655	(151)	(54)	(58)	(58)
Section 75 Arrangements	895	34	118	118	45
Other Services	386	(324)	(71)	(177)	(464)
Adults	(586)	(64)	21	(53)	19
Total Adult Social Care	39,432	2,620	2,505	2,625	2,221
Strategic Housing	1,954	35	(30)	(77)	(22)
Total	41,386	2,655	2,475	2,548	2,199

Note: Other Services include Public Contact, Provider Services, Service Strategy, Modernisation and Transport.

Adult Social Care

5. The forecast outturn position for January 2010 is an over spend of £2.2 million. The forecast includes savings of £1.1m delivered via the recovery plan. 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, 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 allowing inflation on contracts of 1.7% equating to £700k, across all service costs for 2009/10 was given. Giving a baseline starting position of £1.6m over-spend.
7. The 2009/10 forecasts are based on current client packages paid to date with an assumption that the current care will continue until 31st March 2010 for all types of service with the exception of Homecare which, 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 a accurate commitment reporting. This is due to resolved by the implementation of Frameworki in April 2010.
8. ABG Grant for the period April to September has been allocated from Corporate, increasing the overall budget by £1.4m. Individual grants has been allocated - Learning Disabilities Fund Grant £132k, Mental Health Capacity Act Grant £107k, Local Involvement Networks Grant £119k, Supporting People Administration Grant £119k.
9. The attached activity information table, appendix 2, shows the trend in packages for 2009/10 and indicates that there have been increases in the year but have subsequently

fallen in the last two months. 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.

10. 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.
11. 2009/10 is the first full year of the implementation of Personal Budgets. Clients have been encouraged to take Personal Budgets where appropriate. There has been some reduction in the number of Residential Care packages and Direct Payments. The graph in appendix 2 shows that the numbers of Personal Budgets have increased significantly during the year. Year to date 19 clients have transferred from Residential Care and 13 from Direct Payments. The total number of Personal Budgets has increased by more than the numbers have decreased in Residential care. This is due to 51 of new clients entering the system of which there is no budget for
12. £60k of eligible expenditure has been capitalised under the Social Care Capital Programme. The full allocation for this Financial Year is £155k. Other areas of expenditure are being investigated to identify any further appropriate expenditure, including IT equipment, GPS tracking and areas for social enterprise. The Capital Programme for 2010/11 reduces to £95k giving less money for capital expenditure and putting more pressure on revenue budgets. £254k of expenditure under the Mental Health Capital Grant has been identified and transferred, a further £86k is available. £55k of expenditure has also been capitalised for larger items of equipment purchased within the ICES budget.
13. The key area of overspend is Learning Disabilities (£1,221k). Year to date to January, there have been 3 new clients with residential care packages, 21 new personal budgets approved and 4 new clients in supported accommodation. The total number of packages has risen by 10 since the start of the year. 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 Learning and Skills Council funding for those clients going into further education.
14. Older People overspend is predicted to be (£1,006k). The full year over spend relates to increased costs in residential and nursing care year to date where there are more expensive and complex packages than budget have been put in place. Overall the total number of packages has risen by 10 to January, although this includes 24 new clients to Personal Budgets.
15. The number of residential voids at the end of January is currently 24% of the total number of places. Based on an average cost of £539 per week, and average percentage voids of 14%, the annual value of unused residential voids would be £470k. Residential voids are also masked by the change in service within Orchard House. During July, beds were kept available due to the possible transfer of clients from homes which were currently undergoing safeguarding issues. Day care voids have reduced from 54% in July to 43% of the total number of places at the end of January. Based on an average of 47% voids for the year, the annual value of unused day care voids is £679k. There is currently a review of all day care services carried out by the project team. Panel now receive a weekly update

on all voids which is produced by the Contracts Team. The broker then ensures that these placements are filled first. This process should mean the voids will be lower in 2010/11 and a target set at 5%. The contracts team are also reviewing some of the long-term contracts to ensure the services purchased within the block are still required by the service users.

16. Day care voids have reduced from 54% in July to 43% of the total number of places at the end of January. Based on an average of 47% voids for the year, the annual value of unused day care voids is £679k. There is now a more robust panel procedure for reviewing voids, and this should be lower in 2010/11 with the re-modelling of contracts.
17. 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.
18. There have been additional pressures within the Integrated Community Equipment Store, due to the high demand for equipment and in particular specialist equipment. Items are kept for longer periods and this should improve as there are now rigorous processes in place to reclaim equipment. There has been an increase in the number of items no longer fit for purpose. The store has been working with clinicians to try to identify which items are no longer suitable for use and these are being written off. The numbers of write-offs year to date are 1,885. The number of purchases over £500 which has risen year to date to 82 compared to 39 for the whole of 2008/09 showing the increase in specialist equipment required. A paper has been discussed by the Occupational Therapists concerning not stocking, nor providing certain small inexpensive items. Although it may not have a high impact on spend, the precedent is set that the Community Equipment Store is to supply only those items that are specialist to the need. To aid this process there is a proposed leaflet that will detail what the service provides and advertising certain items that can be purchased from retailers. If the demand for equipment continues at the current level the projected year end position will be an over spend of £86.6k. A further £4k of capital funding is available and equipment will be identified under the criteria. This would leave a £82.5k overspend to be shared 50:50 with the PCT.
19. Transformation projected spend has reduced by £60k due to project delay or in-house solutions being met. There is a possible further £35k grant from the Joint Improvement Partnership awaiting approval for brokerage work carried out. 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.
20. There has been a decrease in the projected staffing spend for the Integrated Commissioning Directorate due to staff vacancies.
21. Additional budget savings are expected of around £20k in 2009/10 from the hold on all non-essential spend within adult services and any agency staff is approved by the relevant Head of Service. All other recovery action is noted in the plan below. Heads of Service have attended recovery meeting in December, January and February to ensure additional measures are in place to reduce the current overspend.

Supporting People

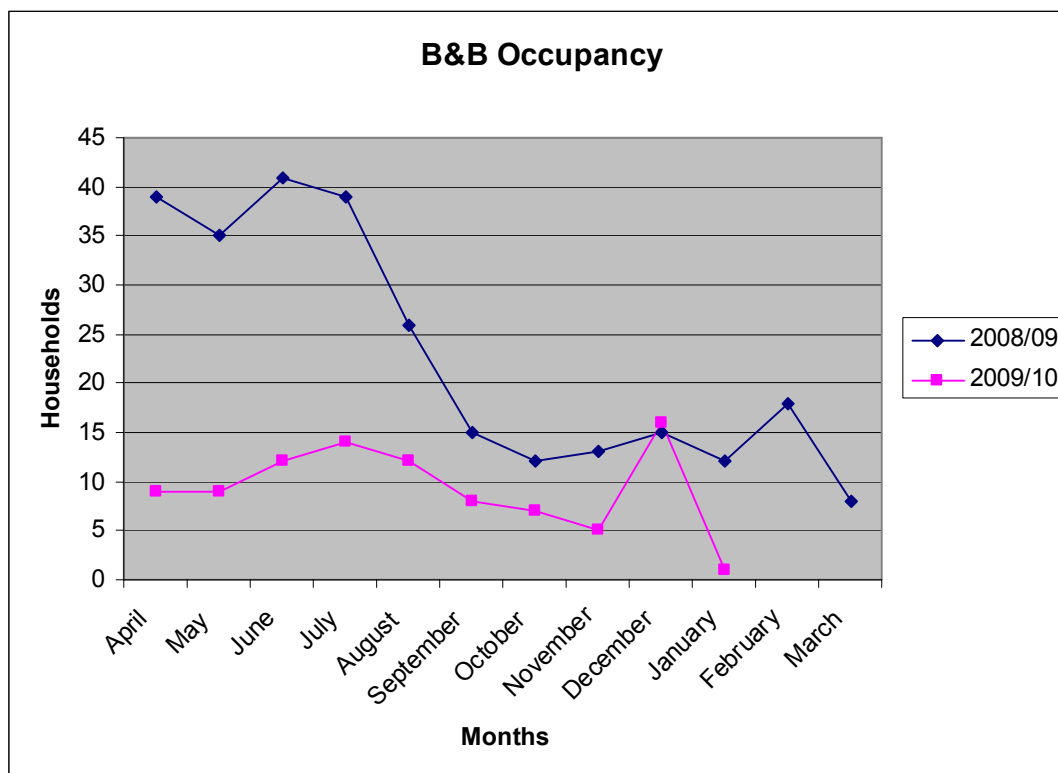
22. The 2009-10 grant is £5.88 million and fully committed. The cumulative carried forward under spend brought forward into 2009-10 was £4.83 million. A large proportion of the carry forward is committed to fund a number of pilot schemes and the shortfall between on-going costs and the annual grant. The expected carry forward under spend at year end, based on current commitments, will be £1.320m.

23. 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

24. The budget on Strategic Housing has increased by £37.5k from £1.197m in November 2009 to £1.953m in January 2010, this reflects the allocation of grant from Department of Health to Home Improvement Agency.
25. Housing is projected to underspend by £22k, which is a reduction of underspend since reported in November 2009 of £55k. This reflects the transfer of the Mortgage Rescue grant, received in this financial year, to 2010/11 when the relevant spend will now take place.
26. The graph below shows the occupancy of Bed and breakfast at the end of each month in both 2008/09 and 2009/10 to date. As can be seen the use of B&B is significantly lower in this financial year than that of 2008/09.

Due to a period of extreme cold in December 2009 B&B figures rose to a temporary high of 17, as households without permanent or temporary accommodation were entitled to extra assistance under “Cold Weather Provision” arrangements. Figures for January 2010 then reduced considerably to one single person in B & B. The homelessness team are working with a local charity to provide a temporary cold weather shelter (for use during periods of extreme cold), which should reduce the extra cost of B&B during cold spells.



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.

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

27. 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.
28. Housing administration will overspend by £31k which is due to the agreed transfer of budget to integrated commissioning.

Recovery Plans

29. Recovery measures already identified and deemed to be realistically achievable have now been factored into the latest out-turn forecast for social care (£1,097k). Already achieved this year is £640k. Responsibility for specific recovery measures has been allocated to the relevant managers and progress is regularly monitored. Some of the measures will take more time to implement and therefore will not have a significant impact on the current year position. The plan includes the following;
- The transfer of eligible expenditure to capital grants of £181k.
 - The transfer of eligible housing related support expenditure within adult services to the Supporting People Programme Grant of £800k.
 - The movement of eligible expenditure to grants within learning disabilities of £20k.
 - 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. It is likely that £96k will occur in 2009/10, the remaining £30k will fall in 2010/11 with future annual cost savings of £62k

Further measures identified for present and future financial stability include

- The decrease in the residential voids from the transfer of clients following work completed by the emergency safeguarding team.
- 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.
- The implementation of electronic monitoring in order to ensure that more verification and payment of actual hours delivered during 2010/11 for homecare
- The impact on the hold on all non-essential spend of around £20k.
- The transfer of learning disability clients into supported accommodation. Estimated at around £30k if moved by 1st January 2010 but will now be in 2010/11 with an annual saving of £120k.

- j. 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 £92k saving in 2010/11.
 - k. 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.
 - l. The reclaiming of ILF (Independent Living Fund) currently £14k for current learning disability clients.
 - m. 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 and promptly reclaimed.
30. 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

30. 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

31. None

Risk Management

32. 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

33. Not applicable

Appendices

Appendix 1 - Revenue Budget Monitoring Report for 2009/10 Period to 31st January 2010

Appendix 2 - Activity Data relating to Adult Social Care