

MEETING:	ADULT SOCIAL CARE AND STRATEGIC HOUSING SCRUTINY COMMITTEE
DATE:	21ST JUNE 2010
TITLE OF REPORT:	REVENUE BUDGET OUTTURN 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 March 2010. The report lists the final budget and outturn for the year.

Key Decision

This is not a key decision

Recommendations

THAT:

- (a) **the report be noted and regard is given for financial issues that are likely to have a consequence on the 2010-11 budget**

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 March 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, and provides the changing view of forecast outturn which was predicted throughout the year. The final outturn position was £2,731k overspend for Adult Social Care and a £52k underspend for Strategic Housing.

	Annual Budget £000	July Forecast Over or (Under) spend £000	October Forecast Over or (Under) spend £000	November Forecast Over or (Under) spend £000	January Forecast Over or (Under) spend £000	March Final Actual Over or (Under) spend £000
Older People	14,602	945	316	610	1,006	1,146
Learning Disabilities	11,798	1,344	1,504	1,572	1,221	1,415
Mental Health	7,259	552	133	70	70	178
Physical Disabilities / Sensory Impairment	3,925	284	538	543	382	478
Commissioning Directorate	1,674	(151)	(54)	(58)	(58)	(83)
Section 75 Arrangements	966	34	118	118	45	137
Other Services	372	(324)	(71)	(177)	(464)	(600)
Adults	4,647	(64)	21	(53)	19	60
Total Adult Social Care	45,243	2,620	2,505	2,625	2,221	2,731
Strategic Housing	4,797	35	(30)	(77)	(22)	(52)
Total	50,040	2,655	2,475	2,548	2,199	2,679

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

Adult Social Care

5. The final outturn position for 2009/2010 is an over spend of £2.7 million. The Net Budget for Adult Social Care is £45.2m. Gross expenditure is significantly higher at £63.6m. Expenditure is offset by income of £18.4m received from charges made to clients and grant funding.
6. The detailed income and expenditure variances are set out in Appendix 1.
7. ABG Grant for the full year 2009/10 totalled £3.3m, increasing the overall budget. Other individual grants allocated included Learning Disabilities Fund Grant £132k, Mental Health Capacity Act Grant £107k, Local Involvement Networks Grant £119k, Supporting People Administration Grant £119k, Carer's Grant £833k (which has seen a 42% increase in the number of assessments recorded and a rise of 5,000 carers provided with regular information), Mental Health Grant £444k and Preserved Rights Grant £1,510k.
8. Supporting People grant of £800k, as a one off allocation, was approved in March to assist in reducing the deficit. Programmes which matched the housing related support criteria included minor adaptations funded by the Integrated Community equipment store, roving nights and supported accommodation.
9. Capital. The full allocation of £155k eligible expenditure has been capitalised during 2009/10 under the Social Care Capital Programme. These include FACE £20k, consultants £30k and promotional DVD £10k, Telecare £57k (which has seen a 59% increase in take up), GPS tracking equipment £6k, set up of Pavilion and Pack-it social enterprises £31.5k. £12k of the Mental Health Capital Grant was used to assist in the purchase of CIRCA computers relating to the Tele-Healthcare programme within the PCT. The remaining grant of £332k will be carried forward into 2010/11 to be used on future projects. The improving Management Information grant of £60k was used to fund the EMS procurement, , and a number of computer purchases, although the implementation is held up pending the Frameworki finance module completion. The full allocation of £59k for the Integrated Community Equipment Store (ICES) was used to purchase high value equipment for clients using the store.

10. 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. The number of assessments completed has shown a 25% increase. 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.
11. Residential and nursing 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. Herefordshire is now in the top 10% of LA performance in placements.
12. 2009/10 is the first full year of the implementation of Personal Budgets. Clients have been encouraged to take Personal Budgets where appropriate and there has been a 134% increase in take up in 2009/10. There has been some reduction in the number of Residential Care packages and Direct Payments. Year to date 19 clients have transferred from Residential Care and 13 from Direct Payments. There have also been 53 new clients entering the system, of which there is no budget provision. The total number of Personal Budgets has increased by more than the numbers have decreased in Residential care. This is due to the number of new clients entering the system.
13. The key area of overspend is Learning Disabilities (£1,415k).
 - The recovery plan has delivered a saving of £10k due to the Grant Officer post remaining vacant which is reflected in the full year forecast. Also £431k of Supporting People money was identified for use on Supported Living within Learning Disabilities.
 - The full year over spend relates to increased costs in:
 - a) The uses of expensive packages for nursing and residential care, resulting in a total overspend of £1,016k. More complex needs have meant that the costs of packages have increased and although the numbers have decreased, this could still cause a problem for the start of the new financial year.
 - b) An increase in the number of new clients choosing to take personal budgets resulting in an over spends of £648k.
 - c) The budget did not include any increase for new clients. There have been 3 new clients with residential care packages, 23 new personal budgets approved and 4 new clients in supported accommodation. The total number of packages has risen by 12 since the start of the year.
 - d) The number of domiciliary care packages has increased with a £459k overspend. Invoices from Mencap were unexpectedly received in December totalling £150k. These relate to prior year domiciliary care for several clients and are a one-off backdated payment.
 - The over spends are offset by vacancy under spends £223k. These vacancies are expected to be filled next Financial Year. There has been a one off receipt of income for client contributions relating to 2008-09, £66k received for charges to property.
 - In preparation for the new financial year, the service managers are currently financial modelling within the area to assess the impacts of moving clients between types of care. Out of county placements are being constantly reviewed in detail and although there has been some progress it is a long process involving families, clients and the relevant local

authority. There is a recovery plan to transfer clients out of residential care into supported accommodation making use of block contracts and housing related support purchases through the supporting people programme. If achieved and the full-year effect for 2010/11 is estimated at around £120k

- A new pressure has emerged recently with the change in criteria for ILF funding. This only applies for new cases but as part of the application a client has to be in work for 16 hours per week and receive a package of care over £320 per week. This will reduce future numbers eligible for funding. 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 (£1,146k).

- Supporting People money was approved for extra care facilities at Rose Gardens to the value of £155k. A further £94k was also attributed to aid Supported Living £25k and for the home check facilities. All were approved by the Supporting People board in March.
- 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 into place, this has resulted in an over spend for the year of £221k. The number of nursing and residential care packages has increased since the start of the year from 260 to a high of 278. This has now dropped to 252 due to deaths and health pick-ups.
- Domiciliary care has over spent by £1,023k for the year. This is due to the number of hours and packages rising in the year. The Contract Team have been requested to report quarterly on under and over performance on the block contracts where claw back of payments due or additional payments are required. 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. There is no budget to fund these packages.

15. The number of residential voids as a percentage of contracted places has dropped throughout the year from 15% to 10% at the end of March. Based on an average cost of £530 per week, the annual value of unused residential voids would be £577k. 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 37% of the total number of places at the end of March. Based on an average of 40% voids for the year, the annual value of unused day care voids is £415k. 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. There has been a 38% increase in the number of safeguarding referrals (assessments that are not counted in the NI132, but have created a significant drain on resources).

17. Integrated Community Equipment Store (ICES) delivered an overspend of £17k. The council has been able to contain the overspend by:

- £59k of selected community equipment expenditure has been capitalised.
- £60k of Support People Grant was approved by the Board to cover spend on minor adaptations. This is a one-off occurrence.

- There remain pressures within the Integrated Community Equipment Store due to the high demand for equipment and in particular specialist equipment. Although the total number of referrals and equipment issues is relatively constant in comparison to previous years at approx. 10,000, the number of purchases over £500 which has risen in year to 91 compared to 39 for 2008/09 showing the increase in more expensive and specialist equipment required.
- The store have 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 for the year are 2,280 compared with 2008/09 at 2,171.
- A more rigorous process was put in place for reclaiming equipment and the percentage reclaimed has risen to 72% for the year an improvement on 2008/09 at 61%
- Additional contribution to the pool is being sort by all parties.

Supporting People

18. The 2009-10 grant was £5.88 million and fully committed together with brought forward underspends from the previous year. The final outturn for 2009/10 gave an, underspend of £2,672k which has been carried forward. This takes into account the projects which were approved by the Commissioning Body in March (Social Care £800k and Children's Services £95k).

19. For 10/11 the underspend will be allocated as follows:

Pilot Projects	£627k
Social Care SLA	£500k
Supported Lodgings (SHYPP)	£95k
Shortfall in current commitments	£1,120k

This leaves an, underspend of £330k still to be allocated assuming all contract hours are maximised.

20. This figure assumes a top-slice of £336k (6%) in 2010/11 by the Herefordshire Partnership as the programme is now within the Area Based Grant. An element of the top-slice will be subject to a bidding process and therefore there is opportunity to put in a submission proposal for this.

Strategic Housing

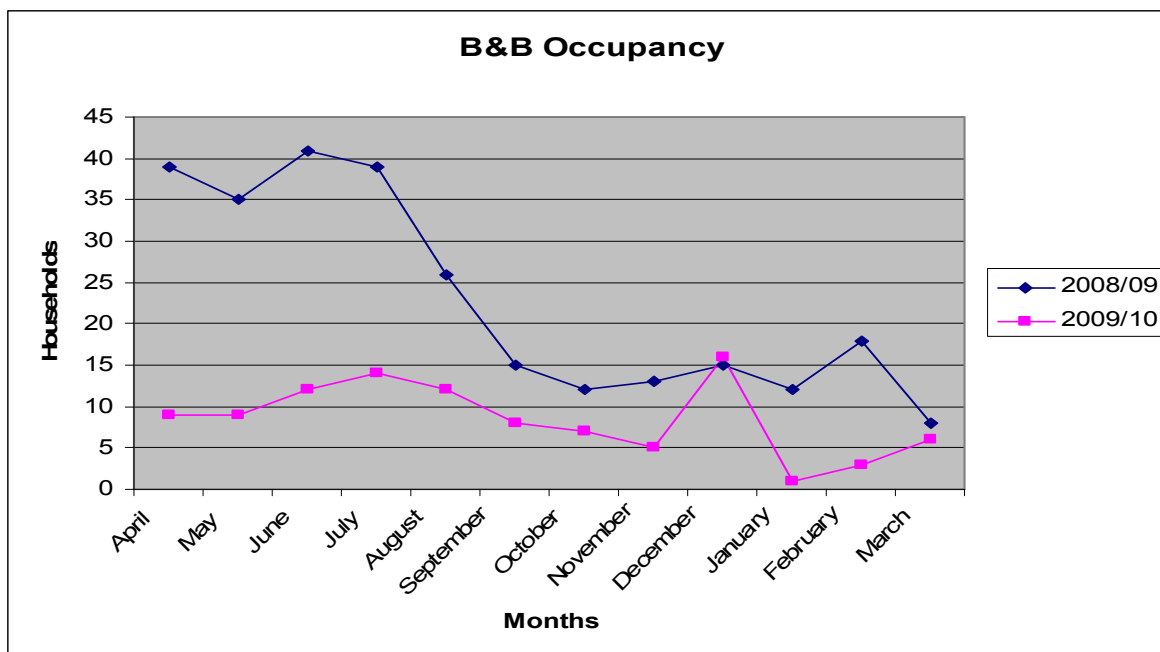
21. The budget for Strategic Housing has increased by £2.844 from £1.953m in January 2010 to £4.797m in March 2010, this reflects the allocation of corporate "recharge" budgets and matching expenditure.

22. The final outturn for Strategic Housing for 2009/10 is an underspend of £52k, which is an improvement on January when an underspend of £22k was reported. The change reflects the receipt, in March 2010, of £35k additional Supporting People Grant into Private Sector Housing.

23. At year end Private Sector Housing is underspent by £41k. In 2009/10 the team were involved in the processing of over 2,000 grants for energy efficiency, care alarms, repairs on prescription, minor rapid-response, Kickstart and handyman materials.

24. Homepoint broke even at the end of 2009/10. During the year the team advertised 1,214 properties, processed nearly 55,000 telephone calls, dealt with 21,531 visitors to the front office and administered 17,679 bids for properties (received from clients).

25. Housing Needs and Development Team at year end 2009/10 shows an underspend of £5k. The team undertook 17 Housing Needs Studies, helped develop 185 affordable homes and helped complete 11 complete 11 homes on rural exception sites.
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. However figures have dropped significantly since then and the overall use of B&B per month in 2009/10 has been 8.5 compared with 22.75 per month in 2008/09.

The following table illustrates that the reduction in total B&B numbers which started in the last half of 2008/09 has been sustained through 2009/10. As at the end of March 2009-10 6 single people were in receipt of the provision of bed and breakfast.

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

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.
28. Housing administration has overspent by £27k which is due to the agreed transfer of budget to integrated commissioning.

Adult Social Care Recovery Plans

29. Recovery measures to the value of £1,474k have been achieved during 09/10.

Achievements in 2009/10:

- Utilisation of the Supporting People grant to offset existing revenue expenditure of £800k
- Utilisation of capital and revenue grants, where applicable to offset existing spend of £175k.
- Collection of direct payment surplus' by social workers of £147k
- The reclaim of costs incurred where county of residence was deemed not to be Herefordshire of £139k.
- Improved utilisation of daycare voids by Commissioning of £164k
- Hold on recruitment and claiming all external funding available £49k.

Recovery Plans for 2010/11:

- Supported Living - A review of costly Learning Disability packages where opportunities exist to transfer clients into supported living.
- Review all expensive out of county placements - Service Managers are currently working on agreeing clients that may meet the criteria.
- Review of voids in existing contracts to ensure maximum value is being achieved. Whilst there are a number of voids, action is being taken by the contracting team to review the services contained in the block contract to ensure that the services contained are still required by clients. A new post for brokerage support is to be advertised which will help with specialism for Learning Disabilities.
- Review Personal budgets where costs exceed previous client packages.
- Charges on property - The exchequer team is looking at ways of ensuring that the charges on property are attributed effectively and efficiently. The team are implementing processes for the 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.
- Surpluses on Direct Payments - The exchequer team is looking at ways of ensuring that direct payment surpluses are collected in a timely manner.
- Review of daycare services - Renegotiation of contracts after review of service which is due in September 2010.
- Charging Policy review - Paper will be presented to Cabinet for changes to the charging policy including whether some services could become chargeable.
- Review in-house services - Plans to improve efficiency and value for money for all Council provided services.

The ASC Business Plan set out the impact of demographic changes on projected demand for the budget

- Learning Disabilities – more than anticipated young people are coming through 'transitions' with packages of care costing in excess of £100k.
- Older People – we have predicted an estimated 2-3% growth year on year and a 50% rise in those who may need some level of care in the next 15years.
- Growth in prevalence in dementia is projected at 4%p.a. (1% for younger adults)

Further measures identified for present and future financial stability include:

- The new standard rate for residential care is being rolled out to providers 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.
- The implementation of electronic monitoring in order to ensure that more verification and payment of actual hours delivered during 2010/11 for homecare.
- 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. This is likely to achieve cost savings in 2010/11.

Further Pressures

- The Area Based Grant has been top sliced by 6% thus reducing the Mental Health Capacity Act Grant, Mental Health Grant, Preserved Rights and Carers Grant for next year. The Acting Director of Adult Social Services is putting in a bid to gain the shortfall in funding, in order that it minimises the impact on service provision.
- Recent changes to the ILF criteria may impact on next financial year. This will reduce the number of clients that can claim this funding.
- The government are cutting grants budgets £1.165bn across England, and it is expected Social Care will have to bear a level of that impact. The most likely impact will be on the Area Based Grant £3.03m for 2010/11 (after 6% top-slice).

An action plan to implement, monitor and review the recovery actions is in place and is regularly reviewed by senior management and financial services.

Continuing to offer care based on these figures will not be possible within the current budget.

Financial Implications

30. These are contained in the body of the report. The consequence of the 2009/10 overspend is a likely to affect the starting financial position for 2010/11. Integrated Commissioning overspent by £2.731m before the application of £779k from the Social Care Contingency reserve. The overspend was funded by underspends in other directorates, savings in pay costs due to the lower than anticipated pay award and lower than planned borrowing costs. Overall the Council delivered a balanced budget for 2009-10.

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 March 2010

Appendix 2 - Activity Data relating to Adult Social Care