

## **BUDGET REPORT 2006/2007**

**Report By: Assistant County Treasurer**

### **Wards Affected**

County-wide

### **Purpose**

1. To report on the current budget position in Adult Social Care and Strategic Housing.

### **Financial Implications**

2. As contained in the report.

### **Budget 2006/07**

#### **Adult Social Care**

3. The projected outturn for Adult Social Care, is an overspend of £3.4m, slightly lower than that reported to Cabinet in June. Details of the projected service area overspends are as follows:-
  - Learning Disabilities - £1,219,837 overspend;
  - Older People – £749,000 overspend;
  - Physical Disabilities - £487,108 overspend;
  - Mental Health - £812,627 overspend;
  - Service Strategy - £95,880 overspend.
4. Cabinet received a report on 29th June outlining the potential budget position for 2006/07. The recommendations in this report were agreed as follows:
  - Cabinet welcomes the reassurance of the internal audit of budget management and control and recognises the need to maintain close monitoring of the 2006/07 Budget;
  - It is recognised there is a need to work with other local authorities to monitor and lobby for future funding of Social Care (Adults); and
  - Progress be given to the identified options to modernise services as outlined and in the emerging scrutiny review.

5. This report needs to be seen in conjunction with these recommendations. The variations to the forecast budget outturn position reported then are as follows:
- An increase of £130k on Learning Disabilities due to an additional and very expensive care package commitment.
  - An increase in physical disabilities of £200k. This is partly due to an inflationary increase on the Shaftsbury contract and JE increases at Canal Road which have not been covered corporately. Home care costs are also proving to be very expensive.
  - Very small increase in mental health overspend.
  - The modernisation agenda for learning disabilities is placing a pressure on the service strategy budget although the movement towards independent living will result in long-term savings for the service.
  - A reduction in the Commissioning and Improvement overspend of £230k.
  - Minimal movement on the older people budget position although there is emerging potential here to utilise budgets in offsetting overspends elsewhere. It is expected to see a change in the current position and this will be highlighted in future Integrated Performance Reports to Cabinet.
6. Appendix 1 shows summarised budget performance for the services. This will be reviewed in detail during the year and budgets more closely aligned with spend and service demand. The Directorate will continue to make every effort to minimise the overall overspend by transferring underspending budgets to those areas under greater pressure.
7. The frequency of budget clinics between finance and operational staff has increased and these are now held monthly. The financial position is discussed at these meetings with any risks identified and noted for incorporation into the year-end projections.
8. There are Section 31 agreements with the PCT for Mental Health and Learning Disabilities, the risk sharing agreements have changed in 2006/07. The Council carries the full financial risk for its proportion of the mental health service. Any overspend relating to the Council's proportion will not be funded by the PCT therefore the risk falls to the Council.
9. The learning disabilities service also has a different arrangement to previous financial years. The Council is the host organisation and carries full financial risk for the Council and PCT outturn position. Therefore the total overspend will be funded by the Council.
10. The key budget pressure within all adult social care service divisions is community care placements. This is providing care to service users within the nursing or residential care home setting. Monthly reports are compiled identifying terminations and new places for the packages, this information is sent to the relevant budget-holders.

**Strategic Housing**

11. The projected outturn for Strategic Housing is an overspend of £83k and this is based on current demand levels for temporary accommodation. The situation is being closely monitored as this position could easily change particularly if demand levels take an upward turn.
12. The projections reflect the decrease in the number of people presenting themselves as homeless. The total number of people in temporary accommodation is:-
  - Highest 2005/06 – 98;
  - Lowest 2005/06 – 66;
  - Average 2005/06 – 82;
  - April 2006 – 58;
  - May 2006 – 42;
  - June 2006 – 32;
  - Average 2006/07 – 44.
13. Since January 2006 there is a prevention team within the homeless section. The team's key objective is to prevent service users going into temporary accommodation. As the figures above indicate, there is a significant decrease in this happening.
14. The prevention activity figures are:-
  - Prevention fund – 157 (payments);
  - Mediation – 14;
  - Private Sector Lease – 10;
  - Rent Deposits / Arrears – 39 (payments).

**RECOMMENDATION**

**THAT the report on Adult Social Care and Strategic Housing Budget be noted.**

**BACKGROUND PAPERS**

None