

TITLE OF REPORT	<b>REVENUE BUDGET MONITORING – JULY 2007 COMMUNITY SERVICES DIRECTORATE</b>
RESPONSIBLE OFFICER	Ann Windiate, Director of Community Services

## 1. Forecast Position

1.1 The directorate, before management action, is forecasting an overspending of £4.450m against the total General Fund budget of £69.206m. Management action of £708,000 has been identified reducing the overspending to £3.742m.

1.2 In respect of the Housing Revenue Account, the Directorate is forecasting a favourable variance of £149,400 when compared to the original budgeted surplus of £275,200.

1.3 The following table analyses the forecast over the directorate's 3 main service areas

Accountability Heading	2007/08 Budget	July Forecast Variance	July Mgt Action	July Adjusted Variance	May Adjusted Variance	Movement
Adult Social Care	50,313	3,728	(692)	3,036	2,959	77
Economic Development Skills & Leisure	14,328	412	(16)	396	69	327
Service Development	4,565	309	0	309	398	(89)
<b>Total</b>	<b>69,206</b>	<b>4,450</b>	<b>(708)</b>	<b>3,742</b>	<b>3,426</b>	<b>316</b>

## 2. Main Variations

2.1 The following table sets out the main movements since the May reported figures.

Accountability Heading	2007/08 Budget	July Forecast Variance	July Mgt Action	July Adjusted Forecast Variance	May Full Year Adjusted Variance	Movement
Older People & P & V Care Provision	18,195	632	(592)	40	195	(155)
Physical Disability & P & V Provision	10,013	1,502	0	1,502	1,240	262
Learning Disability	13,244	886	(100)	786	1,040	(254)
Internal Direct Delivery Services	4,872	348	0	348	103	245
Leisure & Sports	1,726	319	0	319	75	244
Events	505	60	0	60	0	60

## 2.2 Older People (reduction of £155,000)

The forecast overspend has reduced by £95,000 due to an increase in the forecast income, specifically Funded Nursing Care income. The remaining £60,000 is due to an increase in the management action. See point 2.2.4 below.

Although this is a reduction of £155,000 it assumes the following management action (£592,000) will be delivered:

- 2.2.1 The budget included full-year savings of £314,000 in respect of changes to the charging policy for older people in home care. However, the consultation with service users on the policy changes was deferred and commenced in mid June. The current monitoring assumes that £180,000 savings can be achieved.
- 2.2.2 Capping the Council's contribution to older people home care. The budget assumed savings of £69,000 in a full year. The policy was introduced from 29 June. The current monitoring assumes that £52,000 savings can be achieved
- 2.2.3 Investment in Telecare facilities in older people home care. The budget assumed savings for half a year in the cost of care packages for an estimated additional 300 clients receiving the benefits of Telecare. The current monitoring assumes that £300,000 savings can be achieved.
- 2.2.4 In order to comply with legal requirements to respond to service users who are assessed by the care management service, it is proposed to issue new applicants with a free 'life line' so that whilst awaiting full assessment, service users can summons assistance as needed. The cost of these alarms is approximately £11 per month and the number it is anticipated will be issued is 386 per month. The savings to home care and other budgets are estimated at £60,000 for the remainder of 2007-2008

## 2.3 Physical Disability (increase of £262,000)

This increase can be broken down as follows:

- Direct payments increase of £153,000 – this is due to an increase in the number of clients receiving this service. In May the forecast was based on 103 clients, however this has now increased by 13 new clients to 116.
- Home care increase of £65,000 – this is due to a 0.8% increase in the number of client weeks, equating to £21,000 and an increase of 1.7% in the gross unit cost per week, equating to £44,000
- Residential care increase of £43,000 – this is due to a 1.9% increase in the number of client weeks, equating to £82,000, offset in part by a 0.9% reduction in the gross unit cost per week, equating to £39,000

**2.4 Learning Disability (reduction of £254,000)**

Although there have been additional clients receiving this service there has been a reduction in the forecast for future known clients, an increase in the forecast income and an increase in the management action.

This reduction assumes the following management action (£100,000) will be delivered:

- 2.4.1 Adult placements invest to save. The budget assumed savings of £228,700 could be achieved through the employment of 2 family support workers who would place 8 learning disability clients into adult placements rather than residential care. The posts will not be filled until September so the current monitoring assumes only £50,000 savings can be achieved but this should increase as the new post holders recruit additional families.
- 2.4.2 There is the facility to use the Supporting People grant funded services for current clients who can be placed within supported housing rather than in other expensive care packages. The current monitoring assumes that £50,000 savings will be achieved.

**2.5 Internal Direct Delivery Services (increase of £245,000)**

The majority of this increase is due to an increase in the staffing and agency forecasts for Robert Bean Lodge, Shalder House and the domiciliary services. The main reasons being an increase in the forecasts for the costs of the 2<sup>nd</sup> tranche of payments to cover the cost of evenings and weekend working as part of the pay and grade review, agency costs due to difficulties in recruiting permanent staff for night shifts and staff sickness cover.

**2.6 Leisure and Sports (increase of £244,000)**

This increase can be broken down as follows:

- Additional loss of income at the Strand due to the bad weather £36,000
- Sites maintenance savings no longer being taken £134,000
- Potential restructuring costs £85,000
- Direct debit collection savings not being delivered due to timing of implementation £19,000
- Offset in part by a reduction in the national non-domestic rates £20,000

**2.7 Events (increase of £60,000)**

This is mainly due to an under recovery of income from ticket sales for the Summer Concerts, mainly due to the bad weather during June and July.

### 3.0 Significant Over / Under Spends

3.1 The major areas of over/under spending contributing to the net forecast overspend of £3.742m are:

Accountability Heading	2007/08 Budget	July Forecast Variance	July Mgt Action	July Adjusted Forecast Variance
Grants & Other Services	(2,786)	397	0	397
Physical Disability & P & V Provision	10,013	1,502	0	1,502
Learning Disability	13,244	886	(100)	786
Internal Direct Delivery Services	4,872	348	0	348
Leisure & Sports	1,726	319	0	319
Events	505	60	0	60
Management Team	686	372	0	372

### 4.0 Potential Risks Not Included In The Current Forecasts

4.1 There are a number of high risk areas within the directorate, but, at this stage, forecasts have been based on known commitments and do not include the following:

- The full anticipated shortfall in income from the leisure centres, including the impact of the restrictions placed on the Black Lion Centre when works commence
- There is currently an ongoing case in respect of a client in the mental health service. This could cost the Council as much as £450,000, or a minimum of £100,000 if the costs can be met from the insurance fund
- Impact of additional unknown clients in older people, physical disability and learning disability services

## 5 Housing Revenue Account (HRA)

5.1 The HRA is showing a projected outturn of £424,500 surplus as at 31<sup>st</sup> July 2007, which is a £149,000 favourable position when compared to the original budget. This is an improvement of £208,000 when compared to the previous reported figures. The main contributor to this improvement is the legislative change in the treatment of the housing benefits overpayments, which, should they be deemed irrecoverable, will now be the responsibility of the General Fund and not the HRA.