



CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

RESIDENTIAL CARE INCOME

Report by Director of Finance and Corporate Resources

PURPOSE OF REPORT

1. To update the committee on the control systems and risks associated with residential care income.

COMPETENCE

2. Annual income from charging for residential care is in the region of £2m.

BACKGROUND

3. Until 2015 the financial assessment of residential care charges was undertaken by a team based in the social care service.
4. Following a council wide review of financial assessment, it was determined that the best value option for the future delivery of this work would be with a team based within the Revenues and Benefits team.
5. Staff transferred in September 2015 along with all new assessments and reviews from that date. All cases and reviews including those in the backlog were transferred from 1 April 2016.

FORECASTING OUTTURN

6. During the financial year 2017/18, a method for forecasting outturn for residential care income has been developed. This method has used a line by line approach and a minimum charge estimate where new service users have not been assessed.
7. A review will be undertaken during April 2018 to ascertain whether this method of forecasting is appropriate, what the risks are (of under or overstating income) and whether it should be used for 2018/19.
8. At present income forecasts are reduced for the provision for bad debts. The calculation of the provision to be included in the 2017/18 accounts, which utilises a line by line review of all outstanding invoices, will inform what percentage provision should be used in the 2018/19 income forecasts.

BUDGET SETTING

9. The budget for residential income, across the nine care homes for 2018/19, has rolled forward the estimate for 2017/18, namely an income total of £1,981,806.
10. A benchmarking estimate for 2018/19 using a conservative estimate of the average charge per home, vacancy assumptions of 2-3 weeks and a 10% bad debt provision was £1,968,379; £13,427 lower than the figure finally included.





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11. There is a risk that the assumptions used in reaching the total in paragraph 10 relating to service user income are unnecessarily cautious, however, it has been determined that this is the preferred approach at this stage.

FINANCIAL ASSESSMENT

12. A review of financial assessment control systems and processes was undertaken by the Comhairle's Internal Audit Service and is being reported to the Comhairle's Audit and Scrutiny Committee on 27 February 2018. No significant risks were identified and significant improvements since the previous audit were reported.
13. New assessments are being completed in less than the target 90 days once all information is received. Actual performance as at 31 December 2017 was 27.52 days.
14. Regular monitoring reports relating to backlog cases are being presented to each Audit and Scrutiny Committee. The last reported figure was 40 of which 18 are still resident in a care home. A verbal update on current position as at 31 January 2018 will be given at the meeting.

SUMMARY

15. Monthly forecast outturn projections are now being completed and are used for financial monitoring. The method used to calculate the outturn figure will be reviewed for accuracy at the financial year to ensure further reliance on estimates can be made in 2018/19.
16. The 2018/19 income budgets have been set using the 2017/18 figures. The total income figure was benchmarked against calculations which used a combination of actual charges levied in 2017/18 along with estimates of new residents' income and consequent charges to be levied.
17. Financial assessment of current residents is being undertaken in line with agreed performance targets. The backlog of cases is decreasing and the last reported total was 40 cases. A verbal update of the position as at 31 January 2018 will be given at the meeting.

RECOMMENDATION

18. It is recommended that the Audit Committee note the position in relation to residential care income and financial assessment.

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