

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Adult Independence Health & Well Being
2	Date:	Monday 17 January 2011
3	Title:	Adult Services Revenue Budget Monitoring Report 2010/11.
4	Directorate :	Neighbourhoods and Adult Services

### 5 Summary

**This Budget Monitoring Report provides a financial forecast for the Adult Services Department within the Neighbourhoods and Adult Services Directorate to the end of March 2011 based on actual income and expenditure to the end of November 2010.**

The forecast for the financial year 2010/11 is an overall balanced budget against the revised approved net revenue budget of £71.3m. The revenue budget and financial projection takes into account in year savings contributions by Adult Services of £868k (total for NAS Directorate was £1.140m) towards the overall Council's in year budget pressures as agreed by The Cabinet on 17th November 2010.

### 6 Recommendations

**Members are asked to note:**

**The latest financial projection against budget for the year based on actual income and expenditure to the end of November 2010 for Adult Services.**

## 7 Proposals and Details

### 7.1 The Current Position

7.1.1 The original approved net revenue budget for Adult Services for 2010/11 was £72.2m. Included in the approved budget was additional funding for demographic and existing budget pressures together with a number of new investments and efficiency savings identified through the 2010/11 budget setting process.

7.1.2 During 2010/11 a number of significant budget pressures emerged across the wider Council and as part of meeting these in year budget pressures, Adult Services have contributed a total of £868k savings from it's original approved budget (NAS Directorate £1.14m). These savings were approved by The Cabinet on 17 November 2010 and the revenue budget for Adult Services amended accordingly.

7.1.3 These savings included delaying the implementation of community based alternatives to residential care within Physical and Sensory Disabilities (£250k), increased levels of Continuing Health Care funding from Health (£500k) and efficiency savings within commissioning and training including a review of grant funding (£118k).

7.1.4 The table below summarises the forecasts against both the original and revised budgets:-

Service Area	Original Budget £000	Original forecast £000	Original Variation £000	Revised Budget £000	Revised forecast £000	Revised Variation £000
Commissioning & Partnerships	4,716	4,614	-102	4,598	4,614	16
Assessment & Care Management	31,096	30,433	-663	30,446	30,433	-13
Independent Living	1,871	1,819	-52	1,871	1,819	-52
Health & Well Being	34,482	34,431	-51	34,382	34,431	49
<b>Total</b>	<b>72,165</b>	<b>71,297</b>	<b>-868</b>	<b>71,297</b>	<b>71,297</b>	<b>0</b>

7.1.5 The latest year end forecast shows there are a number of underlying budget pressures which are offset by a number of forecast underspends. The underlying pressures include:

- An overall forecast overspend within Older Peoples' Home Care Service (+£779k) mainly due to actual contract hours greater than activity (In House) plus increased demand for maintenance care within independent sector.
- There is also a pressure on independent home care within Physical and Sensory Disability Services (+£80k) due to a continued increase in demand. An additional increase of 60 new clients on service since April (+787 hours).
- Budget shortfall in respect of income from charges within in-house residential care +£330k.
- Continued budget pressure on Learning Disabilities Day Care Transport (+£293k) due to an increase in demand and costs.
- A forecast overspend on Direct Payments (+£424k) across all client groups. A net increase of 58 new clients since April.
- Slippage on income from Day Care Transport and the introduction of the new day care charge, which was delayed and reduced from a proposed £6 to £4 charge per day (+£123k).

7.1.6 These pressures have been offset by the following forecast underspends:-

- Forecast net underspend on Older People independent sector residential and nursing care due to placements less than planned (-47), additional continuing health care funded placements and income from property charges (-£301k).
- Continued underspend on employee costs within Extra Care Housing (-£266k).
- Underspend within Transport Unit within employees and leasing costs plus additional income (-£125k).
- Forecast underspend within Learning Disabilities residential and nursing care due to admissions less than planned (-£459k).
- Additional Continuing Health Care Income plus a underspend on Supported Living Schemes within Physical and Sensory Disabilities (-£146k).
- Slippage on vacant posts within Assessment & Care Management (Older People and Mental Health, -£350k).
- Forecast underspend on Richmond Fellowship SLA (-£62k).
- Underspend within Mental Health Residential and Nursing Care (-£111k) mainly due to increase in income from health.
- Slippage on developing Adult placement scheme within Physical and Sensory disabilities has resulted in a forecast underspend of -£150k.
- Vacancies within the Safeguarding team (-£40k).
- Underspend on employee costs due to vacancies and running costs within Older People and Mental Health Day Care Services (-£106k).

7.1.7 For the period April to November 2010 total expenditure on Agency staff for Adult Services was £270,533 (of which £30,396 was off contract). The main costs were in respect of residential care and assessment and care management staff to cover vacancies and sickness. There was no expenditure on consultancy costs.

7.1.8 Actual expenditure to the end of November 2010 on non-contractual overtime for Adult Services was £232,356, broken down as follows:-

- Assessment and Care Management £6,615.
- Health and Well Being £225,741.

The actual costs of both Agency and non contractual overtime are included within the financial forecasts.

The latest forecast includes forecasts against the savings and investments agreed as part of the budget setting process and excludes any costs associated with Voluntary Early Retirements and Voluntary Severance.

## **7.2 Current Action**

To mitigate any further financial pressures within the service budget meetings with Service Directors and managers continue to be held on a monthly basis to monitor financial performance against the revised approved budget and ensure expenditure is within this revised budget.

## **8. Finance**

Finance details are included in section 7 above and the attached appendix shows a summary of the overall financial projection for each main client group both against original approved budget and the revised budget approved by The Cabinet.

## **9. Risks and Uncertainties**

There are a number of underlying pressures within the service which continue to be reviewed and closely monitored. The report includes forecasts against the savings approved as part of the budget setting process which include increasing fees and charges, review of management structures, review of the cost of placements within physical and sensory disabilities and day care services within Learning disability services and the achievement of the corporate savings targets in respect of agency staff, printing, mileage etc.

Close monitoring of the impact of winter pressures over the coming months is essential in order to ensure any additional budget pressures are contained within the revised cash limited budget.

Careful scrutiny of expenditure and income and close budget monitoring remains essential to ensure equity of service provision for adults across the Borough within existing budgets.

## **10. Policy and Performance Agenda Implications**

The delivery of Adult Services within its approved cash limit is vital to achieving the objectives of the Council and the CSCI Outcomes Framework for Performance Assessment of Adult Social Care. Financial performance is also a key element within the assessment of the Council's overall performance.

## **11. Background Papers and Consultation**

- Report to Cabinet on 24 February 2010 –Proposed Revenue Budget and Council Tax for 2010/11.
- The Council's Medium Term Financial Strategy (MTFS) 2008-2011.
- 2010-11 Budget Report to The Cabinet – 17 November 2010.

This report has been discussed with the Strategic Director of Neighbourhoods and Adult Services and the Strategic Director of Finance.

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