

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Adult Independence Health & Well Being
2	Date:	Monday 14th February, 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 December 2010.

The forecast for the financial year 2010/11 is an overall underspend of £390,000, against the revised approved net revenue budget of £71.3m. A significant part of the forecast underspend is due to an overachievement in the savings associated with the merger of the wardens and care enablers service. The response to voluntary severance has been higher than anticipated. Additional savings have been achieved through holding vacancies to facilitate redeployment of staff in support of the various structural reviews. This has been underpinned by tight financial management within the service.

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 December 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	4,513	-85
Assessment & Care Management	31,096	30,433	-663	30,446	30,189	-257
Independent Living	1,871	1,819	-52	1,871	1,823	-48
Health & Well Being	34,482	34,431	-51	34,382	34,382	0
Total	72,165	71,297	-868	71,297	70,907	-390

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 (+£746k) 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 (+£72k) due to a continued increase in demand. An additional increase of 66 new clients on service since April (+882 hours).
- Budget shortfall in respect of income from charges within in-house residential care +£381k.
- Continued budget pressure on Learning Disabilities Day Care Transport (+£315k) due to an increase in demand and costs.
- A forecast overspend on Direct Payments (+£447k) across all client groups. A net increase of 58 new clients since April.

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 (-33), additional continuing health care funded placements and income from property charges (-£505k).
- Continued underspend on employee costs within Extra Care Housing (-£266k) which is under review as part of the wardens and enabling care merger.
- Underspend within Transport Unit within employees and leasing costs plus additional income (-£155k).
- Forecast underspend within Learning Disabilities residential and nursing care due to admissions less than planned (-£519k).
- 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, -£341k).
- Forecast underspend on Richmond Fellowship SLA (-£65k) as clients move to Direct Payments.
- Underspend within Mental Health Residential and Nursing Care (-£169k) 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 during the year within the Safeguarding team (-£50k).

The latest forecast outturn 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.

7.1.7 For the period April to December 2010 total expenditure on Agency staff for Adult Services was £288,019 (of which £34,113 was off contract). This compares with an actual cost of £379,665 for the same period last year (of which £42,611 was off contract).

The main costs were in respect of residential care and assessment and care management staff to cover vacancies and sickness. There has been no expenditure on consultancy.

7.1.8 Actual expenditure to the end of December 2010 on non-contractual overtime for Adult Services was £262,277, broken down as follows:-

- Assessment and Care Management £7,079.
- Health and Well Being £255,198.

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

7.1.9 The forecast also excludes any additional income from NHSR in respect of additional funding announced by the Government for the support of social care. In October 2010 the Department of Health announced an additional £70m would be allocated to Primary Care Trusts nationally to promote better services for patients upon discharge from hospitals. In January 2011 a further national allocation of £162m was allocated to Primary Care Trusts for spending on social care services that would benefit the NHS during the winter period and required that this should be transferred to Council's under section 256 of the NHS Act 2006. Negotiations are taking place with NHSR to determine the most appropriate way of utilising this funding in 2010-11 and beyond.

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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