

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Adult Independence Health & Well Being
2	Date:	Monday 11 April 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 February 2011.

The forecast for the financial year 2010/11 is an overall underspend of £946,000, 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. Increasing numbers of residential care clients are now receiving full funding through continuing health care. This has been underpinned by tight financial management within the service.

In addition to the forecast underspend of £946,000, additional income from NHSR in respect of 2010/11 funding announced by the Government for the support of social care has been confirmed. Negotiations have now concluded with NHSR to transfer funding under a section 256 agreement of £1.1m towards the delivery of reablement services and the prevention of hospital admissions, including winter pressures.

6 Recommendations

Members are asked to note:

- 1. The latest financial projection against budget for the year based on actual income and expenditure to the end of February 2011 for Adult Services.**
- 2. Note the additional funding from NHSR towards the costs of reablement and the prevention of hospital admissions.**
- 3. Note that the underspend achieved on the Council's budget following confirmation of the additional health funding (£1.1m) has been earmarked to support the Council's 2011/12 budget.**

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 forecast outturn against both the original and revised budgets (excluding additional income from health):-

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	4,496	-102
Assessment & Care Management	31,096	30,433	-663	30,446	30,054	-392
Independent Living	1,871	1,819	-52	1,777	1,622	-155
Health & Well Being	34,482	34,431	-51	34,476	34,179	-297
Total	72,165	71,297	-868	71,297	70,351	-946

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

- An overall forecast overspend within Older Peoples' Home Care Service (+£691k) mainly due to actual contract hours greater than activity (In House), under recovery of income plus increased demand for maintenance care within independent sector.
- There is also a pressure on independent home care within Physical and Sensory Disability Services (+£79k) due to a continued increase in demand. An additional increase of 68 new clients on service since April (+933 hours).
- Shortfall in respect of income from charges within in-house residential care +£390k.
- Additional employee costs to cover vacancies and sickness within in-house residential care (+£218k).
- An overall forecast overspend on Direct Payments (+£404k). A net increase of 42 new clients since April 2010.

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 overall placements less than planned, additional clients moving to fully funded continuing health care (+77) and greater than expected income from property charges (-£620k).
- Continued underspend on employee costs within Extra Care Housing (-£283k) 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 (-£106k).
- Forecast underspend within Learning Disabilities residential and nursing care due to admissions less than planned (-£550k).
- Additional Continuing Health Care Income plus a underspend on Supported Living Schemes within Physical and Sensory Disabilities (-£137k).
- Slippage on vacant posts within Older Peoples Assessment & Care Management(-£375k).
- Forecast underspend on Richmond Fellowship SLA (-£63k) as clients move to Direct Payments.
- Underspend within Mental Health Residential and Nursing Care (-£219k) mainly due to discharges and an increase in income from health.
- Slippage on developing the Adult placement scheme within Physical and Sensory disabilities has resulted in a forecast underspend of -£150k.
- Underspend on Rothercare Direct (-£125k) due to vacant posts, additional income and reduced leasing costs.
- Vacancies during the year within the Safeguarding team (-£80k).

This forecast outturn excludes any costs associated with Voluntary Early Retirements and Voluntary Severance.

7.1.7 For the period April 2010 to February 2011 total expenditure on Agency staff for Adult Services was £312,893 (of which £42,155 was off contract). This compares with an actual cost of £452,926 for the same period last year (of which £43,746 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 during the year.

7.1.8 Actual expenditure to the end of February 2011 on non-contractual overtime for Adult Services was £307,106, broken down as follows:-

- Assessment and Care Management £9,314.
- Health and Well Being £297,792.

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

7.1.9 The report refers to the 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 concluded with NHSR in March to finalise the most appropriate way of utilising this funding in 2010/11 and in 2011/12.

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

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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