

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Adult Social Care
2	Date:	5th December, 2011
3	Title:	Adult Services Revenue Budget Monitoring Report 2011-12
4	Directorate :	Neighbourhoods and Adult Social 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 2012 based on actual income and expenditure to the end of October 2011.

The forecast for the financial year 2011/12 at this stage is an underspend of £100k, against an approved net revenue budget of £76.725m.

6 Recommendations

That the Cabinet Member receives and notes the latest financial projection against budget for 2011-12.

7 Proposals and Details

7.1 The Current Position

7.1.1 The approved net revenue budget for Adult Services for 2011/12 is £77m. Included in the approved budget was additional funding for demographic and existing budget pressures together with a number of savings identified through the 2011/12 budget setting process. This budget will be subject to additional adjustments to reflect the outcome of a number of directorate wide reviews and the apportionment of a number of cross cutting budget savings targets across all Directorates.

7.1.2 The table below summarises the forecast outturn against approved budgets:-

Division of Service	Net Budget	Forecast Outturn	Variation	Variation
	£000	£000	£000	%
Adults General	4,041	3,993	-48	-1.19
Older People	35,076	35,504	428	+1.22
Learning Disabilities	17,130	16,742	-388	-2.27
Mental Health	5,320	5,352	32	+0.60
Physical & Sensory Disabilities	6,731	6,607	-124	-1.84
Safeguarding	739	739	0	0
Supporting People	7,688	7,688	0	0
Total Adult Services	76,725	76,625	-100	-0.13

7.1.3 The latest year end forecast shows there are a number of underlying budget pressures which are at present being offset by a number of forecast underspends.

The main budget pressures include:

- An overall forecast overspend within Older Peoples' Home Care Service (+£452k) mainly due to increased demand for maintenance care within independent sector.
- Pressure on independent home care within the Physical and Sensory Disability Services (+£180k) due to a continued increase in demand. An additional increase of 78 new clients (+706 hours) on service since April.
- A budget shortfall in respect of income from charges within in-house residential care (+£235k).

- Additional employee costs due to high dependency levels and cover for vacancies and long term sickness within older people in-house residential care (+£183k).
- An overall forecast overspend on Direct Payments across all client groups due to increase in demand is being reduced by savings on independent and voluntary sector contracts as clients in these schemes move to direct payments (+£171k); a net increase of 26 clients since April.
- Recurrent budget pressure on Learning Disabilities Day Care transport (+£297k) including income from charges.

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

- Forecast net underspend on Older People independent sector residential and nursing care due to an increase in the average client contribution and additional income from property charges (-£311k).
- Underspend on employee costs within the Transport Unit plus income from increased activity (-£43k).
- Slippage on developing Supported Living Schemes (Shared Lives) within Physical and Sensory Disabilities (-£140k).
- Review of care packages within learning disabilities supported living resulting in efficiency savings with external providers and additional funding from health (-£409k).
- One-off slippage on vacant posts as part of restructure/reviews including voluntary early retirements (-£264k).
- Underspend on Rothercare Direct (-£63k) due to slippage on vacant posts and a reduction in expenditure on equipment including leasing costs.
- Slippage on recruitment to vacant posts within Older Peoples Assessment and Care Management teams (-£130k).
- Underspend on Older Peoples day care due to slippage on vacant posts plus additional grant income (-£52k).
- Slippage on developing support services for carers (-£80k).
- Underspend on preserved rights clients within residential care and nursing care (-£70k).

7.1.5 Agency and Consultancy

Total expenditure on Agency staff for Adult Services for the period ending 31st October 2011 was £244,178 (of which £1,979 was off contract). This compares with an actual cost of £240,864 for the same period last year (of which £17,864 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 to-date.

7.1.6 Non contractual Overtime

Actual expenditure to the end of October 2011 on non-contractual overtime for Adult Services was £190,128 compared with expenditure of £203,101 for the same period last year.

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

7.2 **Current Action**

To mitigate any further financial pressures within the service, budget meetings and budget clinics are held with Service Directors and managers on a regular basis to monitor financial performance and further examine significant variations against the approved budget to ensure expenditure remains within the cash limited budget by the end of the financial year.

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 together with the main reasons for variation.

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 particularly where the demand and spend is difficult to predict in such a volatile social care market. Any future reductions in continuing health care funding would have a significant impact on residential and domiciliary care budgets across Adult Social Care.

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 23 February 2011 –Proposed Revenue Budget and Council Tax for 2011/12.
- The Council's Medium Term Financial Strategy (MTFS) 2011-2014.
- Revenue Budget Monitoring – September 2011

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

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