

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Adult Social Care
2	Date:	Monday, 3rd December, 2012
3	Title:	Adult Services Revenue Budget Monitoring Report 2012-13
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 2013 based on actual income and expenditure for the period ending 31 October 2012.

The forecast for the financial year 2012/13 at this stage is a slight underspend of £24k, against an approved net revenue budget of £74.021m.

6 Recommendations

That the Cabinet Member receives and notes the latest financial projection against budget for 2012/13.

7 Proposals and Details

7.1 The Current Position

The approved net revenue budget for Adult Services for 2012/13 is £74.147m. Included in the approved budget was additional funding for demographic and existing budget pressures (£2.294m) together with a number of savings (£6.258m) identified through the 2012/13 budget setting process.

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

Division of Service	Net Budget	Forecast Outturn	Variation	Variation
	£000	£000	£000	%
Adults General	3,939	3,929	-10	-0.25
Older People	33,023	32,609	-414	-1.25
Learning Disabilities	17,289	17,832	+543	+3.14
Mental Health	5,466	5,524	+58	+1.06
Physical & Sensory Disabilities	6,308	6,158	-150	-2.38
Safeguarding	715	664	-51	-7.13
Supporting People	7,281	7,281	0	0
Total Adult Services	74,021	73,997	-24	-0.032

7.1.2 The latest year end forecast shows there are a number of underlying budget pressures mainly in respect of an increase in demand for Direct Payments across all client groups plus pressures on residential care and external transport provision within Learning Disability services. These pressures are being offset by a number of forecast underspends and management actions.

The main variations against approved budget for each service area can be summarised as follows:

Adults General, Management & Training (-£10k)

This includes the cross cutting budgets (Workforce planning and training, and corporate charges) are forecasting a slight underspend mainly due savings on charges for postages, telephones and printing.

Older People (-£414k)

- Overspend on In-House Residential Care due to a recurrent budget pressure on Part III income (+£92k) plus additional staffing costs due to sickness cover at Davies Court (+£168k).
- Increase in Direct Payments over budget (+£1.004m), this includes 115 new clients since April most of which are clients who previously received independent sector domiciliary care and have requested to remain with their current service provider.
- Overspend on In House Transport (+£50k) due to slippage on the approved budget savings from the review of Transport services and agency costs to cover sickness, partially reduced by additional income.
- Forecast under spend on Enabling Care (-£195k) based on current budget and level of service which is under review. There is also an underspend on Independent sector home care (-£29k) after a reduction of £655k commissioning and contract savings achieved as part of the new framework agreement. These budgets have now been revised to address the shift in service provision to Direct payments as mentioned above.
- An underspend on independent residential and nursing care (-£561k) due to 45 less clients receiving service than budgeted. More self funders receiving care is resulting in a reduction in the average cost per client plus additional income from health and property charges, there is also a forecast underspend on Intermediate Care (-£91k).
- Forecast under spend at this stage in respect of Community Mental Health budgets uncommitted including slippage in developing dementia services (-£225k).
- Under spend on carers services due to vacancies and slippage in carers breaks (-£82k).
- Forecast slippage at the stage on Assistive Technology based on spend to date against approved budget (-£150k).
- Slippage on recruitment to vacant posts within Assessment & Care Management and community support plus additional income from Health (-£395k).

Learning Disabilities (+£543k)

- Overspend on independent sector residential care budgets due increase in clients and average cost of care packages plus loss of income from health, reduced by reduced activity on respite (+£478k).
- Underspend within supported living schemes due to CHC income, use of one off grant funding and vacant posts (-£241k).
- Recurrent budget pressure on Day Care transport (+£230k) including income from charges.
- Increase in demand for Direct Payments over and above budget (+£86k).
- Forecast overspend in independent sector home care (+£51k) due to slippage in meeting budget savings agreed as part of budget setting.
- Three new high cost placements in independent day care is resulting in a forecast overspend of +£67k.

- Increase in community support placements is resulting in a forecast overspend of £57k.
- Use of health funding to support overspend on SYHA residential care costs (-£142k).
- Saving on premises costs (-£16k) and slippage on vacant posts (-£27k).

Mental Health (+£58k)

- Projected slight overspend on residential care budget (+£28k) due to 4 new admissions since April.
- Budget pressure on Direct Payments (+£161k) offset by savings on Community Support Services (-£158k).
- Overspends on employees budgets due to unmet vacancy factor and use of agency staff (+£39k).

Physical & Sensory Disabilities (-£150k)

- Continued Pressure on Independent Sector domiciliary care (+£85k) due to continue increase in demand.
- Loss of CHC funding for one client at Rig Drive (+£33k) being challenged and awaiting outcome of an appeal.
- Increase in demand for Direct Payments (+ 35 clients), forecast overspend (+£438k).
- Underspend on crossroads (-£62k) as clients are redirected to direct payments.
- Forecast overspend on Residential and Nursing care offset by slippage in developing alternatives to residential provision (-£459k).
- Vacant posts within Resource centre and Occupational Therapists (-£83k).
- Underspend on equipment budget (-£25k) and savings due to vacant part-time post at Grafton House (-£14k).
- Review of contracts with independent Day Care providers (-£45k).
- Forecast savings on contracts with Voluntary Sector providers (-£18k).

Safeguarding (-£51k)

- Underspend on employee budgets due to vacant post plus forecast additional income from court of protection fees.

Supporting People (£0k)

- Efficiency savings on subsidy contracts is being offset against Commissioning savings targets not within Adult Services.

7.1.3 Agency and Consultancy

Total expenditure on Agency staff for Adult Services for the period ending October 2012 was £161,371 (none of which was off contract). This compares with an actual cost of £214,952 for the same period last year (of which £1,974 was off contract). Primarily, these costs were in respect of residential and assessment and care management staff to cover vacancies and sickness.

There has been no expenditure on consultancy to-date.

7.1.4 Non contractual Overtime

Actual expenditure in respect of non contractual overtime to the end of October 2012 was £216,957 compared with £190,128 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 including main reasons for variance from budget are included in section 7 above.

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. One potential risk is the future number and cost of transitional placements from children's services into Learning Disability services.

In addition, any future reductions in continuing health care funding would have a significant impact on residential and domiciliary care budgets across Adult Social Care. Regional Benchmarking within the Yorkshire and Humber region for the six month period ending September 2012 shows that Rotherham is slightly below average on spend per head in respect of continuing health 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 22 February 2012 –Proposed Revenue Budget and Council Tax for 2012/13.
- The Council's Medium Term Financial Strategy (MTFS) 2011-2014.

This report has been discussed with the Strategic Director of Neighbourhoods and Adult Services, the Director of Health and Well Being and the Director of Financial Services.

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