

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Adult Social Care
2	Date:	Monday 11th March 2013
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 January 2013.

**The forecast for the financial year 2012/13 at this stage is an overall underspend of £352k, against an approved net revenue budget of £71.445m, an increase in the underspend of £170k since last months report.**

### 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 was £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:-

<b>Division of Service</b>	<b>Net Budget</b>	<b>Forecast Outturn</b>	<b>Variation</b>	<b>Variation</b>
	£000	£000	£000	%
Adults General	1,829	1,819	-10	-0.54
Older People	32,828	32,038	-790	-2.41
Learning Disabilities	17,283	17,942	+659	+3.81
Mental Health	5,408	5,404	-4	-0.07
Physical & Sensory Disabilities	6,223	6,043	-180	-2.89
Safeguarding	711	684	-27	-3.80
Supporting People	7,163	7,163	0	0
<b>Total Adult Services</b>	<b>71,445</b>	<b>71,093</b>	<b>-352</b>	<b>-0.49</b>

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 (+£1.693m) across all client groups plus pressures on residential care and external transport provision within Learning Disability services (+£669k). These pressures are being offset by a number of forecast non recurrent underspends together with management actions.

Since the last report the net budget has reduced to reflect the realignment of procurement savings and associated costs. Non recurrent winter pressures funding has also been received from Health, which is the main reason for the increase in the overall underspend.

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 an overall slight under spend mainly due to savings on postages and telephone charges.

### **Older People (-£790k)**

- 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, reduced by non recurrent winter pressures funding (+£17k).
- Increase in Direct Payments over budget (+£989k), this includes 112 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 (+£48k) 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 (-£331k) based on current budget and level of service which is under review. However, there is now a forecast overspend on Independent sector home care (+£92k) due to increased activity over the last few months. This is after a reduction of £655k commissioning and contract savings achieved as part of the new framework agreement. These budgets have now been revised to partly address the shift in service provision to Direct payments as mentioned above.
- An underspend on independent residential and nursing care (-£478k) due to 49 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.
- 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 (-£183k), reducing pressures on direct payments.
- Forecast slippage 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 Including winter pressures funding (-£323k).
- Savings from the review of day care provision (-£173k).
- Overall under spend on Rothercare (-£129k) due to slippage in service review including options for replacement of alarms.
- General savings on premises and supplies and services due to moratorium on non essential spend (-£36k).

### **Learning Disabilities (+£659k)**

- 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 lower activity on respite care (+£496k).
- Underspend within supported living schemes due to CHC income, use of one off grant funding and vacant posts (-£306k).

- Recurrent budget pressure on Day Care transport (+£258k) including income from charges reduced by under spend on in house day care due to vacant posts and savings on supplies and services as part of the review of service (-£85k).
- Increase in demand for Direct Payments over and above budget (+£106k).
- Forecast overspend in independent sector home care (+£76k) 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 £67k.
- Saving on premises costs and supplies and services as a result of the moratorium (-£20k).

### **Mental Health (-£4k)**

- Projected slight under spend on residential care budget (-£19k) due to more discharges last month, including high cost care packages.
- Budget pressure on Direct Payments (+£136k) offset by savings on Community Support Services (-£157k).
- Overspends on employees budgets due to unmet vacancy factor and use of agency staff (+£36k).

### **Physical & Sensory Disabilities (-£180k)**

- Continued Pressure on Independent Sector domiciliary care (+£66k) due to continued increase in demand for service.
- Loss of CHC funding for one client at Rig Drive (+£52k) being challenged and awaiting outcome of an appeal.
- Increase in demand for Direct Payments (+ 33 clients), forecast overspend (+£463k).
- Underspend on crossroads (-£61k) as clients are redirected to direct payments.
- Forecast overspend on Residential and Nursing care offset by slippage in developing alternatives to residential provision (-£530k).
- Vacant posts within Resource centre and Occupational Therapists (-£43k).
- Underspend on equipment budget (-£75k) and savings due to vacant part-time post at Grafton House (-£15k).
- Review of contracts with independent Day Care providers (-£25k).
- Forecast savings on contracts with Voluntary Sector providers (-£12k).

### **Safeguarding (-£27k)**

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

### **Supporting People (£0k)**

- Efficiency savings of £234k on subsidy contracts are being offset against commissioning savings targets and therefore not reported within Adult Services.

#### **7.1.3 Agency and Consultancy**

Total expenditure on Agency staff for Adult Services for the period ending January 2013 was £307,394 (none of which was off contract). This compares with an actual cost of £287,674 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 January 2013 was £329,783 compared with £266,295 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 Humberside 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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