

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

|          |                      |  |
|----------|----------------------|--|
| <b>1</b> | <b>Meeting:</b>      | <b>Cabinet Member for Adult Social Care</b>                    |
| <b>2</b> | <b>Date:</b>         | <b>Monday 9 December 2013</b>                                  |
| <b>3</b> | <b>Title:</b>        | <b>Adult Services Revenue Budget Monitoring Report 2013/14</b> |
| <b>4</b> | <b>Directorate :</b> | <b>Neighbourhoods and Adult Social Services</b>                |

### **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 2014 based on actual income and expenditure for the period ending October 2013.

The forecast for the financial year 2013/14 at this stage is an overall overspend of £1.366m, against an approved net revenue budget of £72.809m, a reduction in the overspend of £52k since the last report. The main budget pressure areas relate to slippage on a number of budget savings targets including continuing health care funding and implementing the review of in-house residential care. Management actions continue to be developed by budget managers to bring the forecast overspend in line with the approved cash limited budget.

### **6 Recommendations**

**That the Cabinet Member receives and notes the latest financial projection against budget for 2013/14.**

## 7 Proposals and Details

### 7.1 The Current Position

The approved net revenue budget for Adult Services for 2013/14 is £72.809m. The approved budget included additional funding for demographic and some existing budget pressures (£0.949m) together with a number of savings (£7.186m) identified through the 2013/14 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                  | 1,783         | 1,729            | -54           | -3.03        |
| Older People                    | 29,455        | 30,146           | +691          | +2.35        |
| Learning Disabilities           | 23,527        | 23,947           | +420          | +1.78        |
| Mental Health                   | 5,004         | 4,815            | -189          | -3.78        |
| Physical & Sensory Disabilities | 5,270         | 5,832            | +562          | +10.66       |
| Safeguarding                    | 729           | 743              | +14           | +1.92        |
| Supporting People               | 7,041         | 6,963            | -78           | -1.11        |
|                                 |               |                  |               |              |
| <b>Total Adult Services</b>     | <b>72,809</b> | <b>74,175</b>    | <b>+1,366</b> | <b>+1.88</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 across all client groups plus pressures on external transport provision within Learning Disability services, increased demand in year for independent sector residential and home care and slippage on budget savings within in house residential care and additional continuing health care contributions. These pressures are being reduced by a number of forecast non recurrent under spends and management actions to enable spend to be contained within the approved budget by the end of the financial year.

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

#### **Adults General (-£54k)**

This area includes the cross cutting budgets (Workforce planning and training, and corporate charges) are forecasting an overall under spend based on estimated charges including savings on training budgets.

### **Older People (+£691k)**

- Overspend on In-House Residential Care due to delays on implementation of budget savings target due to extended consultation (+£262k) and recurrent budget pressure on residential care income (+£63k).
- Recurrent budget pressure in Direct Payments over budget (+£558k). However, client numbers have reduced (-27) since April together with a reduction in the average cost of packages.
- Under spend on In House Transport (-£40k) due to forecast additional income.
- Forecast under spend on Enabling Care and sitting service (-£243k) based on current level of service. However, there is an over spend on Independent sector home care (+£771k), which has experienced an increase in demand since April (+48 clients).
- An over spend on independent residential and nursing care (+£618k) due to an additional 47 clients receiving a service than forecast. Additional income from property charges is reducing the overall overspend.
- Forecast under spend in respect of Community Mental Health budgets due to planned delay's in developing dementia services in order to reduce the overall Directorate overspend (-£249k).
- Under spend on carers services due to vacancies and reduced take up in carers breaks (-£183k).
- Planned delay's on recruitment to vacant posts within Assessment & Care Management and Community Support plus additional income from Health (-£624k).
- Forecast saving on in-house day care (-£66k) due to vacant posts and the moratorium on non-pay budgets.
- Overall under spend on Rothercare (-£130k) due to slippage in service review including options for replacement of alarms together with additional income.
- Other minor under spends in other non pay budgets due to the moratorium on non essential spend (-£46k).

### **Learning Disabilities (+£420k)**

- Overspend on independent sector residential care budgets due to 3 new admissions in July and shortfall on CHC income (+£103k). Work is ongoing regarding CHC applications and an internal review of all high cost placements.
- Forecast overspend on Day Care (+£237k) due to a delay on the implementation of day care review including increase in fees and charges, plus recurrent budget pressure on the provision of external transport.
- Overspend in independent sector home care (+£102k) due to increase in demand and slippage in meeting budget savings.
- High cost placements in independent day care is resulting in a forecast overspend of +£74k. Pressure reduced due to additional CHC funding and one client moving out of the area.

- High cost community support placements is resulting in a forecast overspend of £90k.
- A delay in developing Supported Living schemes plus additional funding from health is resulting in a forecast under spend (-£67k).
- Efficiency savings on SLA's for advice and information and client support services (-£63k).
- Lower than expected increase in demand for direct payments (-£25k).
- Additional staffing costs and essential repairs with In house Residential care offset by planned delays in recruiting to vacant posts within Assessment & Care Management (-£31k).

### **Mental Health (-£189k)**

- Projected over spend on residential care budget (+£124k) due to slippage on budget savings target plan to move clients into community support services. This pressure is offset by an under spend in community support budget (-£367k).
- Budget pressure on Direct Payments (+£12k), additional income recovery is reducing the overall pressure on budget.
- Overspends on employees budgets due to lower than expected staff turnover, additional overtime and agency cover (+£42k).

### **Physical & Sensory Disabilities (+£562k)**

- Continued Pressure on Independent Sector domiciliary care (+£242k) due to a continued increase in demand for service.
- Further increase in demand for Direct Payments (+ 10 clients), forecast overspend (+£642k).
- Under spend on community support (-£52k) as clients move to a direct payment.
- Forecast under spend on Residential and Nursing care due to planned slippage in developing alternatives to respite provision (-£140k).
- Reduction in contract with independent sector day care provider (-£70k).
- Under spend on equipment and minor adaptations budgets (-£35k).
- Forecast efficiency savings on contracts with Voluntary Sector providers (-£25k).

### **Safeguarding (+£14k)**

- Over spend due to lower than expected staff turnover and use of agency support.

### **Supporting People (-£78k)**

- Efficiency savings on subsidy contracts have already been identified against budget.

### **7.1.3 Agency and Consultancy**

Actual spend on agency costs to end October 2013 was £244,050 (no off contract), this is a significant increase compared with actual expenditure of £161,371 (no off contract) for the same period last financial year. The main areas of spend are within Assessment & Care Management Teams, residential care and safeguarding to cover front line 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 2013 was £235,327 compared with £216,957 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 final quarter of 2012/13 shows that Rotherham remains below average on spend per head in respect of continuing health care (10<sup>th</sup> out of 15 Authorities).

## 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 20 February 2013 –Proposed Revenue Budget and Council Tax for 2013/14.
- 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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