

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	<b>Meeting:</b>	<b>Cabinet Member for Adult Social Care</b>
2	<b>Date:</b>	<b>Monday 21 July 2014</b>
3	<b>Title:</b>	<b>Adult Services Revenue Budget Monitoring Report 2013/14</b>
4	<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 2015 based on actual income and expenditure for the period ending May 2014.

The latest forecast for the financial year 2014/15 shows an overall overspend of £1.412m, against an approved net revenue budget of £69.638m. The main budget pressure relates to budget savings from previous years not fully achieved in respect of additional continuing health care (CHC) funding plus recurrent pressures on demand for Direct Payments.

Management actions are being developed with the aim of containing expenditure within the approved cash limited budget by the end of the financial year.

### 6 Recommendations

**That the Cabinet Member receives and notes the latest financial projection against budget for 2014/15.**

## 7 Proposals and Details

### 7.1 The Current Position

The approved net revenue budget for Adult Services for 2014/15 is £69.638m. The approved budget includes budget savings of (£4.472m) identified through the 2014/15 budget setting process with no investments for demographic pressures.

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	1,703	1,703	0	0
Older People	28,418	29,446	+1,028	+3.62
Learning Disabilities	22,135	22,396	+261	+1.18
Mental Health	5,002	4,710	-292	-5.84
Physical & Sensory Disabilities	5,238	5,663	+425	+8.11
Safeguarding	476	476	0	0
Supporting People	6,666	6,656	-10	-0.15
<b>Total Adult Services</b>	<b>69,638</b>	<b>71,050</b>	<b>+1,412</b>	<b>+2.03</b>

7.1.2 The first financial forecast shows there remains a number of underlying budget pressures mainly in respect of continued increase in demand for Direct Payments, pressure on external transport provision within Learning Disability services and unachieved budget savings within Older People's independent sector residential and nursing care together with delayed implementation on the de-commissioning of employment and leisure services for clients with Learning Disability services. These pressures are being reduced by a number of forecast non recurrent under spends including additional one off grant funding.

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

#### **Adults General (Balanced)**

This area includes the cross cutting budgets (Workforce planning and training, and corporate charges) are forecasting a balanced budget at this stage.

### **Older People (+£1.028m)**

- Recurrent budget pressure on Direct Payments over budget (+£540k). Client numbers have increased (+4) since April together with an increase in the amount of a number of care packages.
- Forecast under spend on Enabling Care and sitting service (-£504k) based on current level of service is offsetting an over spend within Independent sector home care (+£386k), which has experienced a slight increase in demand since April (+4 clients).
- An over spend on independent residential and nursing care (+£1.019m) due to delays in achieving the savings target for additional Continuing healthcare income. Additional income from property charges is reducing the overall overspend.
- Planned delay's on recruitment to vacant posts within Assessment & Care Management plus additional income from Health is resulting in an overall underspend (-£329k).
- Overall under spend on Rothercare (-£47k) due to savings on maintenance contracts on the new community alarm units.
- Other under spends in respect of vacancies with Community Support, and Carers (-£37k).

### **Learning Disabilities (+£261k)**

- Independent sector residential care budgets is forecasting an underspend (-£128k) due to additional health funding. Work continues on reviewing all CHC applications and high cost placements as part of budget savings target.
- Forecast overspend within Day Care Services (+£143k) due to a recurrent budget pressure on external transport plus 3 transitional placements from Children's Services. This is being reduced slightly due to staff turnover higher than forecast.
- Overspend in independent sector home care (+£20k) due to increase in demand over and above approved budget.
- New transitional placements from Children's Services into Supported Living, reduced by one off grant income plus additional demand for Shared Lives is resulting in an overall forecast overspend (+£81k).
- Delays in meeting approved budget saving on contracted services for employment and leisure services (+£111k) due to extended consultation.
- Staff turnover lower than forecast within In House Residential Care (+£34k).

### **Mental Health (-£292k)**

- A projected under spend on residential care budget (-£65k) due to a reduction of 3 placements since April.
- An under spend in community support budget (-£241k) due to delays in clients moving from clients from residential care.

- Pressures on employee budgets due to lower than expected staff turnover plus review of night cover arrangements (+£54k) reduced by underspend on Direct Payments (-£40k) due to a review of a number of care packages.

### **Physical & Sensory Disabilities (+£425k)**

- Further increase in demand for Direct Payments (+ 6 clients since April) in addition to a recurrent budget pressure is forecasting a overspend (+£730k).
- Additional CHC contributions and a reduction in average spend on Domiciliary Care is resulting in a forecast underspend (-£288k).
- Minor underspend on residential and nursing care due to a net reduction in placements since April (-£14k) plus minor saving on independent day care contract (-£3k)

### **Safeguarding (Balanced)**

- Includes Safeguarding Assessment and Social work teams together with Domestic Violence and Court of Protection is forecasting a balanced budget at this early stage.

### **Supporting People (-£10k)**

- Efficiency savings on supplies and services budget.

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

Actual spend on agency costs to end May 2014 was £5,544 (no off contract), this is a significant reduction compared with actual expenditure of £106,930 (no off contract) for the same period last financial year. The main area of spend is within Assessment & Care Management Social work Teams.

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 May 2014 was £14,480 compared with £59,115 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 which has not been funded for transitions in 2014/15.

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 third quarter of 2013/14 shows that Rotherham remains below average in terms of activity in respect of continuing health care (16<sup>th</sup> out of the total 23 CCG's).

## **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 26th February 2014 –Proposed Revenue Budget and Council Tax for 2014/15.
- The Council's Medium Term Financial Strategy (MTFS).

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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