

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Adult Social Care
2	Date:	Monday 17th November 2014
3	Title:	Adult Services Revenue Budget Monitoring Report 2014/15
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 2015 based on actual income and expenditure for the period ending September 2014.

The latest forecast for the financial year 2014/15 shows an overall overspend of £900k against an approved net revenue budget of £69.267m, this represents a reduction of £370k since the last report. The main budget pressures relate to budget savings from previous years not fully achieved in respect of additional continuing health care (CHC) funding, recurrent pressures and increasing demand for Direct Payments plus delays on achieving budget savings proposals within Learning Disability Services.

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 £69.267m. The approved budget includes budget savings of (£4.472m) identified through the 2014/15 budget setting process with no investments for demographic pressures including transitional placements from Children's services.

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	1,810	1,656	-154	-8.50
Older People	27,846	28,085	+239	+0.80
Learning Disabilities	22,125	22,843	+718	+3.24
Mental Health	4,759	4,538	-221	-4.64
Physical & Sensory Disabilities	5,375	5,717	+342	+6.36
Safeguarding	686	713	+27	+3.93
Supporting People	6,666	6,615	-51	-0.77
Total Adult Services	69,267	70,167	900	+1.30

7.1.2 The latest financial forecast shows there remains a number of underlying budget pressures. The main pressures being in respect of continued increase in demand for Direct Payments and unachieved budget savings within Older People's independent sector residential and nursing care. In addition budget pressures remain within Learning Disability Services on external transport provision together with delayed implementation on the de-commissioning of employment and leisure services plus pressures on supported living schemes. 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 (-£154k)

This area includes the cross cutting budgets (Workforce planning and training, and corporate charges) are forecasting an underspend due to higher than anticipated staff turnover within the Contract and Reviewing Officers team and the impact of the moratorium on training budgets.

Older People (+£239k)

- Recurrent budget pressure on Direct Payments over budget (+£384k). Client numbers have increased (+63) since April together with an increase in the average cost of care packages.
- Forecast under spend on Enabling Care and sitting service (-£42k) based on current level of service together with an under spend within Independent sector home care (-£11k), which has experienced a slight reduction in demand (-40 clients) since April.
- An over spend on independent residential and nursing care (+£675k) 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 (-£376k).
- Overall under spend on Rothercare (-£111k) due to savings on maintenance contracts on the new community alarm units and supplies and services.
- Other under spends in respect of vacancies with Community Support and Carers (-£52k).
- The forecasts include one off Winter Pressures funding from the CCG of £228k to increase social work capacity and prevent delayed discharges from hospital.

Learning Disabilities (+£718k)

- Independent sector residential care budget is forecasting a slight overspend (+£5k). Work continues on reviewing all CHC applications and high cost placements as part of budget savings target.
- Forecast overspend within Day Care Services (+£160k) due to a recurrent budget pressure on external transport plus provision for 7 specialist transitional placements from Children's Services. This is being reduced slightly due to staff turnover higher than forecast.
- Overspend in independent sector home care (+£37k) due to increase in demand over and above approved budget.
- New transitional placements from Children's Services into Supported Living, plus additional demand for Shared Lives is being offset by additional CHC and one off funding resulting in an overall forecast underspend (-£115k).
- Delays in meeting approved budget saving on contracted services for employment and leisure services has increased the overspend (+£213k) due to extended consultation to the end of the financial year.
- Forecast pressure on changing the provision of residential care to delivering of Supported Living by RDASH (+£365k).
- Staff turnover lower than forecast within In House Residential Care (+£68k) reduced by saving on RDASH administration support (-£15k).

Mental Health (-£221k)

- A projected under spend on residential care budget (-£160k) due to a reduction of 3 placements since April plus additional Public Health funding for substance misuse.
- Pressures on employee budgets due to lower than expected staff turnover plus review of night cover arrangements (+£19k) offset by underspend on Direct Payments (-£80k) due to a review of a number of care packages plus additional Public Health funding.

Physical & Sensory Disabilities (+£342k)

- Further increase in demand for Direct Payments (+ 29 clients since April) in addition to a recurrent budget pressure is forecasting an overspend (+£436k).
- Efficiency savings on contracts for advice and information (-£18k).
- Underspend on Independent sector homecare (-£76K) as clients migrate to direct payments scheme.

Safeguarding (+£27k)

- The increase in demand for assessments under Deprivation of Liberty Safeguards (144 to date compared to a total of 56 in 2013/14) is putting additional pressure on existing budgets (+£104k). This is being reduced by higher than anticipated staff turnover plus additional one off income from health (-£77k).

Supporting People (-£51k)

- Efficiency savings on supplies and services budgets.

7.1.3 Agency and Consultancy

Actual spend on agency costs to end September 2014 was £88,350(no off contract), this is a significant reduction compared with actual expenditure of £238,867 (no off contract) for the same period last financial year. The main areas of spend is within Residential Care and 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 September 2014 was £92,945 compared with £198,280 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. To-date there has been 28 transitional placements from Children's to Adult Social care services.

Another significant risk is the additional demand and cost of assessments under Deprivation of Liberty Safeguards reported earlier in the report.

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 (16th 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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