

Public Report
Overview and Scrutiny Management Board

Committee Name and Date of Committee Meeting

Overview and Scrutiny Management Board – 04 March 2020

Report Title

Adult Care: Budget Forecast and Savings Update

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

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Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

The purpose of the report is to update OSMB members on the current budget forecast and savings position for 2019/20 and 2020/21.

Recommendations

1. To note the information contained within the report.

Background Papers

- December Financial Monitoring 2019/20 – Cabinet
- Budget and Council Tax 2020/21 and Medium Term Financial Strategy - Cabinet 17 February 2020
- Budget and Council Tax 2019/20 and Medium Term Financial Strategy - Council 27th February 2019

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Adult Care: Budget Forecast and Savings Update

1. Background

- 1.1 This report provides an update of the forecast budget position for Adult Care, Housing General Fund and Public Health. The savings plan is an integral part of the financial position and further information is provided to explain the impact in 2019/20 and how this relates to the Council's Budget report.

2. Key Issues

- 2.1 The Adult Care Housing and Public Health Directorate is forecasting an overspend of £1.4m largely as a result of an increase in demand for Adult Social Care. This is based on full delivery of savings identified by implementing the new target operating model and part year savings from the reassessment programme and review of Learning Disability services.
- 2.2 Whilst the overall number of people in receipt of care is stable, people are presenting with increasingly complex needs and the average cost is increasing. For example, the average number of hours for a home care package is increasing.
- 2.3 There are some timing issues associated with the delivery of some savings and also some budget pressures which are addressed in the Council's Budget report. The principle remains that the Adult Care savings will be delivered in full by 2021/22, either in the way originally proposed or by approved variations where required.

3. Revenue Monitoring 2019/20: P9 December 2019

Table 1:

Service	Annual Net Budget 2019/20	Forecast Net Outturn 2019/20	Variance (over (+) / under (-) spend)
	£m	£m	£m
Adult Social Care	59.9	61.8	+1.9
Housing General Fund	-0.8	-1.3	-0.5
Public Health	15.9	15.9	0
Total	75.0	76.4	+1.4

- 3.1 Adult Care Services are forecast to overspend by £1.9m, largely as a result of demand for services. In 2018/19 there were c.640 people who required a new service and c.800 ended service. This net reduction was less than expected with around 250 more people in receipt of services than anticipated resulting in a cost pressure of £1.8m. There are further demand pressures in the current year with a forecast additional cost of £0.3m.
- 3.2 The budget includes savings of £5.7m, of which £2.3m is estimated to be delivered giving a shortfall of £3.4m in 2019/20. A number of mitigating actions have been identified, including maximising the use of one-off

resources, which are expected to bridge the savings shortfall this financial year. Further detail is provided in section 4.

Table 2: Summary Adults of Variances

Pressure/-saving	£m
2018/19 demand pressure	1.8
2019/20 demand pressure	0.3
Delays to savings	3.4
Savings mitigations	-3.9
Legal costs	0.3
Reduced income	0.3
Staffing vacancies	-0.3
Adult Care total	1.9

3.3 Housing services' latest forecast is an overall underspend position due to additional fee income from the Furnished Homes scheme (-£0.3m) plus additional contributions from the HRA for advocacy and appeals.

3.4 Public Health is forecasting a balanced position. This includes a budgeted transfer from the Public Health Grant reserve of £0.2m in order to set a balanced budget. A Budget saving agreed as part of the budget setting process totalling £0.1m in respect Sexual Health contract is forecast to be fully achieved in year.

4. **Savings Update**

New Target Operating Model

4.1 The new Targeted Operating Model was implemented as planned on 21st October 2019. All the key milestones have been met. The consultation concluded and new model confirmed on the 3rd July. The planned savings (£1.6m, 2019/20 and £3.1m, 2020/21) are forecast to be fully delivered.

4.2 This is a significant change programme for the directorate where halfway through the financial year the whole service moved to a new staffing structure; including new pathways and new ways of working.

4.3 The change is supported by a workforce development programme supported by external partners. This is a people centred programme designed to empower and engage staff from front line through to senior leaders, which has been implemented and utilised across the Health and Care system. It is a 12-15-week programme, where the purpose for Rotherham will be to build capability and confidence in our staff to be able to deliver our future model. This has now been completed with further training planned throughout next financial year to support the ongoing professional development of staff.

Reassessment Programme

Table 3:

Reassessment programme (Older People, Phys Dis and Mental Health)	2019/20
	£'000
Cumulative savings required per budget	873
Estimated delivery of savings (cumulative)	408
Forecast shortfall in delivery	465

- 4.4 The Reassessment Programme aims to ensure that care packages are proportionate across Older People, Physical Disability and Mental Health client groups by undertaking care package reviews of existing eligible customers.
- 4.5 The difficulty in recruiting staff has impacted the ability of the reassessment teams to deliver the required level of activity. In April 2019 we commenced the rolling Adult Social Care Social Worker recruitment campaign, to address the vacancy pressures as well as applying more rigorous selection processes to raise the standards of candidates and quality of workforce. The reassessment team is now at full capacity, but initial delays mean the saving will not be fully delivered in 2019/20.

My Front Door Programme

Table 4:

My Front Door (Learning Disabilities)	2019/20
	£'000
Cumulative savings required per budget	2,780
Estimated delivery of savings (cumulative)	-182
Forecast shortfall in delivery	2,962

- 4.6 The My Front Door programme has been re-profiled for the amended In-House Services timeline. The net additional cost (£182k) is due to the cost of new packages of care. The programme prioritises the care and support needs of people who use the in-house services, ensuring the new arrangements are in place prior to existing services being decommissioned (and before any saving can be released). The timing of the overall programme has been delayed but it is expected to be delivered in full by 2021/22.

Other savings

Table 5:

Other savings	2019/20
	£'000
Cumulative savings required per budget	459
Estimated delivery of savings (cumulative)	459

- 4.7 This covers a number of smaller savings mainly on commissioned contracts as agreed in the Budget Report 2019/20. The savings are expected to be delivered in full.

Table 6: Savings mitigations

2019/20 mitigations:	2019/20 £'000
In-year budget savings	-2,101
Savings on Transforming Care	-1,059
One off additional income - client contributions and continuing healthcare (CHC)	-500
Direct Payment audits	-240
Total Adults Mitigations	-3,900

- 4.8 In-year budget savings were agreed in October to support the delay in delivery of the planned savings. This is made up of a number of small savings across the Directorate, including: holding vacancies, delaying spending on supplies and services, and use of reserves. Savings on Transforming Care are due to delays in the Council assuming funding responsibility for community packages which have previously been fully funded by Health: this is dependent on the availability of suitable provision in the community. Additional income: this relates to previous financial years and is one-off.

5. **Summary and Next Steps**

- 5.1 The savings have been re-profiled for future years and this has been reflected in the Budget Report 2020/21. The approved savings will continue to be delivered into 2020 and are anticipated to be achieved by 2021/22 either in the way originally proposed or by approved variations where required.

6. **Consultation on proposal**

- 6.1 The Council consulted extensively on the two-year budget proposals for 2019/20 and 2020/21. Details of the consultation are set out in the Budget and Council Tax 2019/20 report approved by Council on 27th February 2019.

7. **Financial and Procurement Advice and Implications**

- 7.1 The financial implications are contained within the main body of the report. There are no direct procurement implications.

8. **Legal Advice and Implications**

- 8.1 No direct legal implications.

9. **Human Resources Advice and Implications**

- 9.1 No direct implications.

10. **Implications for Children and Young People and Vulnerable Adults**

10.1 The report includes reference to the cost pressures in the Adult Social care budget.

11. Equalities and Human Rights Advice and Implications

11.1 No direct implications.

12. Implications for Partners

12.1 No direct implications.

13. Risks and Mitigation

13.1 Forecast assumptions have been made based on the activity completed during 2019/20. Future service changes will be impacted by factors outside of the Directorate's control some of which cannot be predicted. Where these are significant enough to impact on the overall achievement of the service plans approval will be sought to take mitigating actions as and when required.

14. Accountable Officers

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

Owen Campbell, Head of Finance (Adult Care, Housing and Public Health)