

Public Report  
Overview and Scrutiny Management Board

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**Committee Name and Date of Committee Meeting**

Overview and Scrutiny Management Board – 02 September 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**

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

**Report Author(s)**

Owen Campbell, Head of Finance (Adults, Public Health & Housing)  
(01709) 822098 or [owen.campbell@rotherham.gov.uk](mailto:owen.campbell@rotherham.gov.uk)

**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 2020/21.

**Recommendation**

That the Overview and Scrutiny Management Board note the information contained within the report.

**Background Papers**

- May 2020/21 Financial Monitoring – Cabinet 20 July 2020
- 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 2020/21 and how this relates to the Council's Budget report.																								
2.	Key Issues																								
2.1	The overall Directorate forecast is an overspend of £8.4m on general fund services after taking account of the additional one-off budget support of £4.65m for 2020/21. This is in the context of the overall financial impact for the Council of £24.4m as reported in the May 2020/21 Financial Monitoring to Cabinet on 20th July 2020.																								
2.2	Covid-19 is estimated to have a cost impact of £8.4m in Adult Care. £6.3m is additional expenditure, this includes: new packages of care; additional funding to support the independent sector; and £1.1m for personal protective equipment.																								
2.3	Delivery of savings have been delayed (£2.1m) as Covid-19 has diverted staff resource to support work related to the pandemic and away from planned transformational activity. Anticipated additional income has reduced as social distancing has prevented some of the tasks required from taking place.																								
3.	Revenue Monitoring 2020/21: May 2020																								
	Table 1: <table><tr><th>Service</th><th>Annual Net Budget 2020/21</th><th>Forecast Net Outturn 2020/21</th><th>Variance (over (+) / under (-) spend)</th></tr><tr><td></td><td>£m</td><td>£m</td><td>£m</td></tr><tr><td>Adult Social Care</td><td>63.5</td><td>71.9</td><td>+8.4</td></tr><tr><td>Housing General Fund</td><td>-0.8</td><td>-0.8</td><td>0</td></tr><tr><td>Public Health</td><td>16.2</td><td>16.2</td><td>0</td></tr><tr><td>Total</td><td>78.9</td><td>87.3</td><td>+8.4</td></tr></table>	Service	Annual Net Budget 2020/21	Forecast Net Outturn 2020/21	Variance (over (+) / under (-) spend)		£m	£m	£m	Adult Social Care	63.5	71.9	+8.4	Housing General Fund	-0.8	-0.8	0	Public Health	16.2	16.2	0	Total	78.9	87.3	+8.4
Service	Annual Net Budget 2020/21	Forecast Net Outturn 2020/21	Variance (over (+) / under (-) spend)																						
	£m	£m	£m																						
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Total	78.9	87.3	+8.4																						

3.1	<b>Summary of Variances</b>																		
	Table 2:																		
	<table> <tr> <th>Pressure/-saving</th><th>£m</th></tr> <tr> <td><u>Covid-19 impact:</u></td><td></td></tr> <tr> <td>Additional expenditure</td><td>6.3</td></tr> <tr> <td>Delays to savings</td><td>2.1</td></tr> <tr> <td><b>Subtotal</b></td><td><b>8.4</b></td></tr> <tr> <td><u>Other variances:</u></td><td></td></tr> <tr> <td>Reduced cost of placements</td><td>-0.4</td></tr> <tr> <td>Staffing</td><td>0.4</td></tr> <tr> <td><b>Adult Care total</b></td><td><b>8.4</b></td></tr> </table>	Pressure/-saving	£m	<u>Covid-19 impact:</u>		Additional expenditure	6.3	Delays to savings	2.1	<b>Subtotal</b>	<b>8.4</b>	<u>Other variances:</u>		Reduced cost of placements	-0.4	Staffing	0.4	<b>Adult Care total</b>	<b>8.4</b>
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Reduced cost of placements	-0.4																		
Staffing	0.4																		
<b>Adult Care total</b>	<b>8.4</b>																		
3.3	Excluding the cost of Covid-19, the cost of care packages is forecast to be £0.4m underspent. This is due to savings on transforming care. Staffing budgets are forecast to overspend by £0.4m due to low vacancy numbers.																		
3.4	Neighbourhood Services' (Housing) and Public Health are both forecast at budget.																		
4.	<b>Savings Update</b>																		
4.1	The MTFS included additional one-off budget support of £4.65m for 2020/21 with a forecast delivery of £7.4m of savings. Significant savings have been delivered during 2019/20. Covid-19 has delayed some of the delivery of further savings planned in 2020/21. The total estimated delivery in 2020/21 including prior years is £5.3m giving a shortfall of £2.1m.																		
4.2	<b>Savings Delivery Forecast</b>																		
	Table 3:																		
	<table> <tr> <th>Saving Description</th><th>£m</th></tr> <tr> <td>New target operating model for Adult Care, Housing &amp; Public Health</td><td>3.1</td></tr> <tr> <td>HRA contribution to Housing Related Support</td><td>0.3</td></tr> <tr> <td>Commissioning/contracts</td><td>0.3</td></tr> <tr> <td>Reassessment Programme</td><td>0.8</td></tr> <tr> <td>Additional income</td><td>0.6</td></tr> <tr> <td>Others</td><td>0.2</td></tr> <tr> <td><b>Total</b></td><td><b>5.3</b></td></tr> </table>	Saving Description	£m	New target operating model for Adult Care, Housing & Public Health	3.1	HRA contribution to Housing Related Support	0.3	Commissioning/contracts	0.3	Reassessment Programme	0.8	Additional income	0.6	Others	0.2	<b>Total</b>	<b>5.3</b>		
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<b>Total</b>	<b>5.3</b>																		

4.3	<b>Reassessment Programme</b>									
	<p>Table 4:</p> <table> <tr> <th rowspan="2">Reassessment programme</th><th>2020/21</th></tr> <tr> <th>£m</th></tr> <tr> <td>Cumulative savings required per budget</td><td>1.9</td></tr> <tr> <td>Estimated delivery of savings (cumulative)</td><td>0.8</td></tr> <tr> <td><b>Forecast shortfall in delivery</b></td><td><b>1.1</b></td></tr> </table>	Reassessment programme	2020/21	£m	Cumulative savings required per budget	1.9	Estimated delivery of savings (cumulative)	0.8	<b>Forecast shortfall in delivery</b>	<b>1.1</b>
Reassessment programme	2020/21									
	£m									
Cumulative savings required per budget	1.9									
Estimated delivery of savings (cumulative)	0.8									
<b>Forecast shortfall in delivery</b>	<b>1.1</b>									
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 Targeted Reassessment team has supported the Covid-19 response working alongside the Locality teams. Peoples' care and support has had to change to factor in services no longer available (e.g. day care) or to support people where their existing care and support arrangements could not be maintained through the lockdown period due to social distancing.									
4.6	As part of the response to support the wider Health and Care system additional packages of care have been commissioned to avoid people being admitted to hospital. The position remains challenging as a number of these packages now need to be reviewed and further pressures are also likely to emerge in the lead up to Winter.									
4.7	<b>My Front Door</b>									
	The My Front Door programme is expected to be cost neutral in 2020/21. This 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 team has supported the Covid-19 response. As a result, there has been some delay to new packages of care resulting in a small saving (£0.1m) in 2020/21.									

4.8	<b>Staffing savings</b>									
	<p>Table 5:</p> <table> <tr> <th rowspan="2">Staffing savings</th><th>2020/21</th></tr> <tr> <th>£m</th></tr> <tr> <td>Cumulative savings required per budget</td><td>0.2</td></tr> <tr> <td>Estimated delivery of savings (cumulative)</td><td>0.1</td></tr> <tr> <td><b>Forecast shortfall in delivery</b></td><td><b>0.1</b></td></tr> </table>	Staffing savings	2020/21	£m	Cumulative savings required per budget	0.2	Estimated delivery of savings (cumulative)	0.1	<b>Forecast shortfall in delivery</b>	<b>0.1</b>
Staffing savings	2020/21									
	£m									
Cumulative savings required per budget	0.2									
Estimated delivery of savings (cumulative)	0.1									
<b>Forecast shortfall in delivery</b>	<b>0.1</b>									
4.9	The review of Adults Strategic Commissioning has been delayed as the team were integral to the Covid-19 response by working to support the independent sector. This is partially offset by managed vacancies within the team.									
4.10	<b>Savings mitigations</b>									
	<p>Table 6:</p> <table> <tr> <th rowspan="2">2020/21 mitigations:</th><th>2020/21</th></tr> <tr> <th>£m</th></tr> <tr> <td>Planned in-year budget savings</td><td>1.3</td></tr> <tr> <td>Current forecast</td><td>0.3</td></tr> <tr> <td><b>Forecast shortfall in delivery</b></td><td><b>1.0</b></td></tr> </table>	2020/21 mitigations:	2020/21	£m	Planned in-year budget savings	1.3	Current forecast	0.3	<b>Forecast shortfall in delivery</b>	<b>1.0</b>
2020/21 mitigations:	2020/21									
	£m									
Planned in-year budget savings	1.3									
Current forecast	0.3									
<b>Forecast shortfall in delivery</b>	<b>1.0</b>									
4.8	This is made up of a number of small savings across the Directorate, including: holding vacancies and additional income in Adults and Housing services. The impact of Covid-19 has reduced the ability of the service to continue to manage the vacant posts. Additional forecast income is now unlikely to be realised in full as social distancing has prevented some of the work required and demand for some Housing services reduced during lockdown.									
5.	<b>Summary and Next Steps</b>									
5.1	The delay to saving delivery beyond 2020/21 is currently being assessed along with potential mitigating actions. Any change to the expected saving profile will be addressed in the Council's Budget reports.									
6.	<b>Consultation on proposal</b>									
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. A further consultation was carried out on the Council budget for 2020-21, which took place from December 13 2019 to January 13 2020. Details of the consultation are set out in the Budget and Council Tax 2020/21 report approved by Council on 26th February 2020.
7.	<b>Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)</b>
7.1	The financial implications are contained within the main body of the report. There are no direct procurement implications.
8.	<b>Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)</b>
8.1	1.1 No direct legal implications.
9.	<b>Human Resources Advice and Implications</b>
9.1	1.2 No direct implications.
10.	<b>Implications for Children and Young People and Vulnerable Adults</b>
10.1	The report includes reference to the cost pressures in the Adult Social care budget.
11.	<b>Equalities and Human Rights Advice and Implications</b>
11.1	No direct implications.
12.	<b>Implications for Partners</b>
12.1	No direct implications.
13.	<b>Risks and Mitigation</b>

13.1.	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.
<b>14.</b>	<b>Accountable Officers</b>
	Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health
	Owen Campbell, Head of Finance (Adults, Public Health & Housing)