

ADULT SOCIAL CARE - 2014/15 FINANCIAL MONITORING REPORT (QUARTER 3) – DECEMBER 2014

Summary

- 1 This report provides an update on the financial position of the Adult Social Care directorate for 2014/15. Discussions have now been held with the majority of the individual directorate budget managers on three occasions. In addition an assessment of the implications of the 2013/14 outturn and 2014/15 budget settlement have been undertaken, with particular emphasis on any variations in delivering against directorate savings and growth items for 2014/15. Table 1 below provides a high level summary.

Table 1: Adult Social Care Financial Projections Summary 2014/15

Quarter 3 December	2014/15 Latest Approved Budget			Projected Outturn Variation	
	Gross Spend £000	Income £000	Net Spend £000	£000	%
Adult Assessment & Safeguarding	40,256	13,736	26,520	+124	+0.5%
Adult Commissioning, Provision & Modernisation	28,633	5,265	23,368	+390	+1.7%
Director of Adult Social Care	575	157	418	+14	+3.3%
Total Adult Social Care	69,464	19,158	50,306	+528	+1.0%

Adult Assessment & Safeguarding (+£124k / 0.5%)

- 2 The on-going implications of the significant overspends in 2013/14 and the estimated increase in numbers for 2014/15 result in projected pressures across a number of budgets that are £91k in excess of the amount of growth and contingency funding that the council was able to allocate to the service over the two financial years.
- 3 Staffing costs are currently projected to overspend by £98k due mainly to additional safeguarding staff hours required in the first half of the year to deal with a backlog of cases, and additional management capacity over and above the amount provided for in the budget.

Adult Commissioning, Provision & Modernisation (+£390k / 1.7%)

- 4 There is a significant projected overspend of £918k within the Elderly Persons Homes budgets. The vast majority of this is due to overspends and pressures

that were identified during 2013/14 but were not covered by the additional growth funding allocated to Adult Services as part of the 2014/15 budget process:

- Utilities, cleaning, catering and R&M. This is the largest projected variance for this area and reflects the actual increase in costs to 2013/14 for essential services at the residential homes, which continues into 2014/15. (+£353k)
- Increased staffing ratios. The budgeted staffing ratios do not fully take into account either the impact of the move to the household model of provision in the two dementia care homes, nor the changing client mix within the remaining five homes. Both of these changes have increased the ratio of staff to residents and result in a continuing overspend in 2014/15. (+£180k)
- Temporary staffing costs. The nature of the service provision has meant that the use of temporary staff has increased in recent years, for which there is no specific budget provision. (+£282k)
- Undelivered 2013/14 budget saving following changes to the EPH re-provision project. (+£165k)
- Net additional income. The residential homes receive income from beds commissioned by health partners and from charges to residents who do not have their care fully funded by the council. Based on current patterns, there is a projected surplus for 2014/15. (-£62k)

5 Additional income to support the reablement service of £300k has been negotiated and received from the CCG.

6 Other variations within Small Day Services, Contracted Services, SHECs, Home Care Nights Service and staffing budgets contribute to a net projected underspend of £228k.

Directorate of Adult Social Care General (+£14k / 3.3%)

7 The projected variation is due to a small overspend on the directorate redundancy and early retirement budget, and a number of other minor pressures.

Further Action

8 The Adult Social Care Directorate Management Team are committed to doing all they can to try and contain expenditure within their budget for 2014/15 and reduce the projected overspend as far as possible by the year end. Dealing with the budget pressures is a standing item at DMT meetings with all options available to further mitigate the current overspend projection being explored, including consideration of the following:

- Continue to review the most expensive care packages, with a view to exploring all options for delivery of the required care at a lower cost.
- Review the level of, and secure additional, continuing health care contributions where appropriate.

- Continue the restrictions on all discretionary spend and hold recruitment to vacant posts wherever possible and safe to do so.
- Completing the Zero Based Budget Review.
- Completing the implementation of the improvements and actions set out in the recent Mazars report on adult social care budget management.

9 It is also important to recognise that many of the pressures identified for 2014/15, particularly within adult social care, are underlying and will continue into future years. This, compounded with the significant future implications of implementing the Care Act, mean that it is extremely important to ensure that the funding identified to protect adult social care within the Better Care Fund (BCF) is delivered. It is therefore important that the council works closely with health colleagues to ensure that we not only deliver on the BCF improvement plans but realise the monies to help support the sustainability of social care provision going forward.

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