

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER

19 September 2019

**Joint Report of the Executive Director of Adult Social Care and Health
and the Director of Finance & ICT**

**BUDGET MONITORING 2019-20 – PERIOD 3 (as at 30 June 2019)
(ADULT CARE)**

1. Purpose of the Report

To provide the Cabinet Member with an update of the Revenue Budget position of the Adult Care portfolio for 2019-20 up to the end of June (Period 3).

2. Information and Analysis

2.1 Forecast Summary

The net controllable budget for the Adult Care portfolio is £252.712m.

The Revenue Budget Monitoring Statement prepared at period 3 indicates that there is a projected year-end underspend of £4.628m. In addition there is an estimated increase in the Better Care Fund of £1.350m. After the additional funding the forecast position is an underspend of £5.978m. Due to the high projected underspend, it is proposed that base budget of £5m be transferred back to Corporate.

The significant areas which make up this projection are shown in the table below:

	Controllable Budget £m	Projected Actuals £m	Forecast Over/(Under) Spend £m
Purchased Services	216.108	219.249	3.141
Assistive Technology & Equipment	7.354	5.453	(1.901)
Social Care Activity	23.622	23.141	(0.481)
Information & Early Intervention	14.256	14.015	(0.241)
Commissioning & Service Delivery	14.259	13.812	(0.447)

Health Funding	(26.694)	(27.586)	(0.892)
Unallocated Budgets	3.807	0.000	(3.807)
Total	252.712	248.084	(4.628)

2.2 Key Variances

2.2.1. Purchased Services, overspend £3.141m. Mainly due to the following:

- Increased costs for complex care packages
- Reduction in Continuing Health Care funding

2.2.2. Assistive Technology & Equipment, underspend £1.901m - due to more targeted issuing of community equipment, to ensure only the most appropriate equipment is supplied.

2.3 Budget Savings Targets

	£m
Unachieved brought forward from previous year	0.000
Current Year Allocation	5.732
Total Target	5.732
Total Identified	5.732
(Shortfall)/Additional Identified Savings	0.000
Forecast to be Achieved by Financial Year End	5.703
Actual (Shortfall)/Additional Savings Target	(0.029)

The table below shows performance against each initiative.

Identified Savings Initiatives	Budget Reduction Amount £m	Forecast to be Achieved by the end of 2019-20 £m	(Shortfall)/Additional Savings Achieved £m
Electronic Home Care Recording	0.350	0.000	(0.350)
LD Block Contracts and High Cost Placements	0.500	0.821	0.321
Use of iBCF to Support Services	4.882	4.882	0.000
Total of Identified Savings Initiatives	5.732	4.703	(0.094)
Shortfall of Identified Savings	0.000		
Total Savings Target	5.732	4.703	(0.094)

2.4 Growth Items and One-Off Funding

The portfolio received the following additional budget allocations in 2019-20:

2.4.1 Adult Social Care Precept - £6.290m ongoing

2.4.2 Improved Better Care Fund - £6.149m ongoing

Both of these items were used to fund the £8.567m increase in independent sector fees and the £3.385m pay award, with the balance of £0.487m being used to partly address the equitable allocation of budgets across the eight districts.

2.5 Risks

There is a risk that the following issues could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary above:

Service	Risk	Sensitivity* £m	Likelihood 1 = Low, 5 = High
Transforming Care Programme	There is currently an NHS England aim to transfer long-term hospital clients from health to Social Care. Currently it is expected that health will fund 50% of these placements, but the remainder will have to be met by ASCH.	0.912	4

*Sensitivity represents the potential negative impact on the outturn position should the event occur.

2.6 Earmarked Reserves

Earmarked reserves totaling £32.443m are currently held to support future expenditure. Details of these reserves are as follows:

Reserve Description	Amount £m
Adult Care IT System	0.250
Adult Care Budget Savings Pump Priming	2.160
Healthy Homes	0.033
Older People's Housing Strategy	30.000
Total Earmarked Reserves	32.443

2.7 Debt Position

The profile of the debt raised, relating to income receivable by services within the Adult Social Care and Health department, is as follows:

0 - 30 Days £m	31 - 365 Days £m	1 - 2 Years £m	2 - 3 Years £m	3 - 4 Years £m	4 - 5 Years £m	Over 5 Years £m	Total £m
1.045	6.682	1.246	0.826	0.326	0.248	0.371	10.744
9.7%	62.2%	11.6%	7.7%	3.0%	2.3%	3.5%	100.0%

In addition, at the end of June 2019 there was a further £2.525m of debt relating to residential and co-funding charges that had not been invoiced.

In the 12 months up to the end of June 2019 the value of debt that has been written off totals £0.360m.

3. Financial Considerations

As detailed in the report.

4. Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality of opportunity; and environmental, health, human resources, property, social value and transport considerations.

5. Key Decision

No.

6. Call-In

Is it required that call-in be waived in respect of the decisions proposed in the report? No.

7. Background Papers

Held on file within the Adult Social Care and Health Department. Officer contact details – Graham Woodhouse, extension 32104.

Public

8. Officer Recommendations

That the Cabinet Member notes the report.

**Helen Jones, Executive Director, Adult Social Care and Health
and Peter Handford, Director of Finance & ICT**