

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER

6 August 2020

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

BUDGET MONITORING 2020-21 – PERIOD 2 (as at 31 May 2020) (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 2020-21 up to the end of May (Period 2).

2 Information and Analysis

2.1 Forecast Summary

The net controllable budget for the Adult Care portfolio is £261.170m.

The Revenue Budget Monitoring Statement prepared at period 2 indicates that there is a projected year-end overspend of £6.757m.

This overspend will be supported by the use of £7.081m of additional Covid-19 funding. After the use of this funding the forecast position is an underspend of £0.324m.

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	199.869	202.474	2.605
Assistive Technology & Equipment	6.684	6.659	(0.025)
Social Care Activity	23.768	23.635	(0.133)
Information & Early Intervention	9.655	15.571	5.916
Commissioning & Service Delivery	20.176	19.588	(0.588)
Unallocated Budgets	1.018	0.000	(1.018)
Total	261.170	267.927	6.757
Use of Covid-19 Funding	7.081	0.000	(7.081)
Total After Use of Additional Funding	268.251	267.927	(0.324)

2.2 Key Variances

2.2.1 Purchased Services, overspend £2.605m

2.2.2 Information & Early Intervention, overspend of £5.916m

Both of the above variances are mainly due to the additional costs incurred during April and May due to the Covid-19 pandemic.

2.3 Budget Savings

Budget reductions totaling £3.784m were allocated for the year. There was an over-achievement of savings of £0.427m that was brought forward to the current year. This has resulted in total reductions to be achieved of £3.357m at the start of the year.

The value of the savings initiatives which have been identified for implementation in the current year is £0.337m.

The shortfall between the total reductions expected to be achieved and the identified savings initiatives at the start of the year is £3.020m.

It is forecast that £0.337m of savings will have been achieved by the year-end.

The table below shows performance against the target.

Identified Savings Initiatives	Budget Reduction Amount £m	Forecast to be Achieved by the end of 20Y1-Y2 £m	(Shortfall)/ Additional Savings Achieved £m
Better Lives – Whole Life Disabilities Pathway	0.246	0.246	0.000
Better Lives – Older people’s Pathway	0.091	0.091	0.000
Total of Identified Savings Initiatives	0.337	0.337	0.000
Shortfall/(Surplus) of Identified Savings	3.020		
Total Savings Target	3.357	0.337	3.020

Budget Reductions	£m
Prior Year B/f	(0.427)
Current Year	3.784
Total Savings Target	3.357

2.4 Growth Items and One-Off Funding

The portfolio received the following additional budget allocations in 2020-21:

2.4.1 Demographic Growth - £4.500m ongoing

This is being used to fund the additional costs due to the year-on-year increase in the number of clients supported.

2.4.2 Winter Pressures - £3.627m ongoing

This is being used to fund the additional services put in place to help reduce hospital admissions and delays in hospital discharges.

2.4.3 Transforming Care Programme - £0.800m ongoing

To be used to fund the additional care packages for clients that have been discharged from long-term health provision. To date no additional clients have

been discharged in the current financial year, so there has been no spend against this allocation.

2.4.4 Implementation of Better Lives - £0.533m one-off

This additional one-off budget will be used to fund the balance due to our consultant for the Better Lives project. This had not yet been spent, but will be before the end of this year.

2.4.5 Homes for Older People - £3.000m one-off

This budget is to meet some of the costs associated with the remedial work and additional staff required to meet safety standards in a number of our homes.

2.4.6 Care Home and Home Care Fees - £8.787m ongoing

This funding is to meet the increase in independent sector fees and has been fully allocated and the additional spend started in April and is expected to be incurred evenly throughout the whole year.

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
Service-wide	Continuing increase in costs due to the Covid-19 pandemic	24.389	3

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

2.6 Earmarked Reserves

Earmarked reserves totaling £30.046m are currently held to support future expenditure. Details of these reserves are as follows:

Reserve Description	Amount £m
Healthy Homes	0.046
Older People's Housing Strategy	30.000
Total Earmarked Reserves	30.046

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	Over 4 Years £m	Total £m
0.900	7.297	1.150	0.705	0.405	0.640	11.098
8.1%	65.8%	10.4%	6.3%	3.6%	5.8%	100.0%

In the year up to the end of May the value of debt that has been written off totals £0.253m.

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.

8 Officer Recommendations

That the Cabinet Member notes the report.

**Helen Jones
Executive Director
Adult Social Care and Health**

**Peter Handford
Director of Finance
& ICT**