

**DERBYSHIRE COUNTY COUNCIL****CABINET MEMBER****7 JANUARY 2019****Joint Report of the Strategic Director of Adult Care  
and the Director of Finance & ICT****2018-19 REVENUE BUDGET MONITORING  
ADULT CARE PORTFOLIO – PERIOD 5 (To 31 August 2018)****1. Purpose of the Report**

To provide the Cabinet Member with an update of the Adult Care Portfolio Revenue Budget position for 2018-19 to period 5 (1 April 2018 to 31 August 2018).

**2. Information and Analysis****2.1 Budget Position**

The Revenue Budget Monitoring Statement prepared at period 5 indicated that there was a projected year end underspend of £2.886m. This is based on the assumption that the £8.768m balance on the Improved Better Care Fund will be fully spent within the current financial year. The £2.267m Adult Social Care Support Grant that will be used to contribute towards the £30m Older People's Housing Strategy Capital Programme has been moved to reserves and is not therefore included in the underspend. There are no one-off funding items in this year's budget. The significant areas which make up this projection are shown in the table below:

|                           | <b>Controllable<br/>Budget</b> | <b>Full Year<br/>Forecast</b> | <b>Forecast<br/>(Under)/Over<br/>Spend</b> |
|---------------------------|--------------------------------|-------------------------------|--|
|                           | <b>£m</b>                      | <b>£m</b>                     | <b>£m</b>                                  |
| <b>Strategic Director</b> | 6.204                          | 2.788                         | (3.416)                                    |
| <b>Purchased Services</b> | 223.278                        | 227.611                       | 4.333                                      |

|                                      |                |                |                |
|--------------------------------------|----------------|----------------|----------------|
| <b>Commissioning and Performance</b> | 17.745         | 13.942         | (3.803)        |
| <b>Total</b>                         | <b>247.227</b> | <b>244.341</b> | <b>(2.886)</b> |

## 2.2 Budget Savings

Budget savings totalling £4.973m were allocated for the year, with a brought forward figure from 2017-18 of £1.122m, giving an overall target of £6.095m. Savings achieved up to the period end totalled £4.300m and it is expected that the full target will be achieved within the financial year. The table below shows performance against the savings identified.

| <b>Budget Saving Target</b>                            | <b>Budget Reduction Amount<br/>£m</b> | <b>Achieved To Date<br/>£m</b> | <b>Balance to Be Achieved<br/>£m</b> |
|--|---------------------------------------|--------------------------------|--------------------------------------|
| Consolidate Block Contracts                            | 0.200                                 | 0.123                          | 0.077                                |
| Reduction in Commissioning & Performance Staffing      | 0.200                                 | 0.135                          | 0.065                                |
| Demand Management                                      | 2.500                                 | 1.042                          | 1.458                                |
| Use of improved Better Care Fund to Support Adult Care | 3.000                                 | 3.000                          | 0.000                                |
| Unidentified   | 0.195                                 | 0.000                          | 0.195                                |
| <b>Total Budget Savings</b>                            | <b>6.095</b>                          | <b>4.300</b>                   | <b>1.795</b>                         |

## 2.3 Budget Growth Items

The main budget growth items included in the 2018-19 budget are:

|                            | <b>Amount<br/>£m</b> |
|----------------------------|----------------------|
| Adult Social Care Precept  | 5.297                |
| Improved Better Care Fund  | 6.687                |
| Residential Care Home Fees | 6.000                |
| Pay Award                  | 2.272                |
| <b>Total Growth Items</b>  | <b>20.256</b>        |

This additional funding has been earmarked to cover additional commitments including the pay award, independent sector fee increases, demographic growth, additional costs associated with the reduction in hospital discharge delays and pressures associated with health budget saving initiatives (reduction in

Continuing Health Care, Transforming Care Programme and reduced LD Short term residential provision).

## 2.4 Potential Risks

The main risks which could impact on the portfolio's outturn position are:

| Service                     | Risk  | Sensitivity<br>£m | Likelihood<br>(1 = Low,<br>5 = High) |
|-----------------------------|---|-------------------|--------------------------------------|
| Transforming Care programme | 24 clients to move from Health provision to Adult Care provision                      | 0.652             | 4                                    |
| Sleep-Ins                   | A potential risk of having to fund independent sector provider sleep-in back payments | 8.540             | 1                                    |
| Information Governance      | Additional staffing to meet the GDPR requirements                                     | 0.322             | 3                                    |

Any additional costs incurred as a result of the above risks will be met from within existing budgetary resources or from the unallocated part of the Improved Better Care Fund and therefore none of these issues are expected to impact on the overall budget position for 2018-19. These potential risks have been assessed and currently no additional cost implications have been included in the budget monitoring.

## 2.5 Reserves

Earmarked reserves totalling £14.892m are currently held to support future expenditure. Details of these reserves are shown below:

|                                 | Amount<br>£m  |
|---------------------------------|---------------|
| Replacement ICT System          | 0.250         |
| Healthy Homes                   | 0.097         |
| Older People's Housing Strategy | 14.545        |
| <b>Total Earmarked Reserves</b> | <b>14.892</b> |

## 3. Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality of

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opportunity; and environmental, health, human resources, property, social value and transport considerations.

**4. Background Papers**

None

**5. Key Decision**

No

**6. IS IT REQUIRED THAT CALL-IN BE WAIVED FOR ANY DECISION ON THIS REPORT?**

No

**7. OFFICER RECOMMENDATION**

That the Cabinet Member notes the position with the 2018-19 Revenue Budget.

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