

DERBYSHIRE COUNTY COUNCIL**CABINET MEMBER****10 DECEMBER 2014****JOINT REPORT OF THE STRATEGIC DIRECTOR OF ADULT CARE
AND THE DIRECTOR OF FINANCE****2014-15 REVENUE BUDGET MONITORING
ADULT CARE – PERIOD 7 (TO 31 OCTOBER 2014)****ADULT CARE****1. Purpose of the Report**

To provide the Cabinet Member with an update of the Adult Care Revenue Budget position for 2014-15 up to the end of October (period 7).

2. Information and Analysis

The Revenue Budget Monitoring Statement prepared at period 7 indicated that there was a projected year end overspend of £5.385m. The significant areas which make up this projection are shown in the table below:

	Controllable Budget	Full Year Forecast	Forecast (Under)/Over Spend
	£m	£m	£m
Strategic Director (See Note 1)	(11.268)	(16.042)	(4.774)
Purchased Services - including Fieldwork and Direct Care (See Note 2)	185.902	196.061	10.159
Strategy and Commissioning (See Note 3)	35.246	34.726	(0.521)
Miscellaneous	0.662	1.181	0.520
Total	210.542	215.927	5.385

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- Note 1: This includes the additional £4m funding agreed as part of the 5 Year Financial Plan report on 15th July 2014.
- Note 2: Purchased Services are defined as 'Agreements for provision of services, primarily residential and nursing care, day care, home care, direct payments and other community services, for individuals by providers, both in-house and independent sector'.
- Note 3: This figure includes the transfer of £1.944m of expenditure on Housing Related Support and Grants to Voluntary Organisations to Public Health.

The projected year end overspend of £5.385m does not take into account the increase in Co-Funding contributions from October 2014. The revised projected outturn position based on the current estimated income from this would be:-

	£m
Current Projected Year-End Position	5.385
Increase to client's co-funding Contributions	(2.750)
Revised Projected Year-End Position	2.635

The above figure does not reflect the additional costs to be incurred when the Extra Care and Residential Centres open over the next two years. This is currently projected to be £0.757m in 2014-15, with a final cost of £3.700m per annum on completion of the scheme.

Budget reductions totalling £11.945m were allocated for the year, with a brought forward figure from 2013-14 of £1.686m to give an overall target of £13.631m. It is anticipated that £13.760m will have been achieved by the year end. The table below shows performance against the target.

Budget Cut Target	Budget Reduction Amount £m	Projected Amount Achieved £m	Not Achieved £m
Non-allocation of inflation	0.500	1.195	(0.695)
Consumables	0.150	0.244	(0.094)
Learning Disability Day Care	0.173	0.173	0.000
Reduce Training Offer	0.479	0.479	0.000
Frozen Meals and Laundry	0.100	0.059	0.041
FACS to Substantial	2.250	0.860	1.390
Cut Grants to Vol Orgs	1.380	1.362	0.018

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Housing Related Support	1.496	1.496	0.000
Consolidate Block Contracts	0.750	0.744	0.006
Co-Funding Contributions	2.750	2.750	0.000
Revise Skill Mix	0.438	0.411	0.027
Consistent Application of the RAS	3.000	3.703	(0.703)
Reduction of Staffing	0.184	0.184	0.000
Reduction in Leadership	0.102	0.102	0.000
Balancing Figure	(0.121)	0.000	(0.121)
Total	13.631	13.761	(0.131)

Earmarked reserves totalling £9.040m are currently held to support future expenditure. Details of these reserves are shown below:

	Amount £m
Adult Care Replacement ICT System	0.250
Derbyshire Discretionary Fund	0.790
Care Home – Backdated Fees	8.000
Total Earmarked Reserves	9.040

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

4. Background Papers

None

5. Key Decision

No

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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 2014-15 Revenue Budget.

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