

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER

17 August 2016

**Joint Report of the Strategic Director of Adult Care
and Director of Finance**

REVENUE OUTTURN 2015/16 ADULT CARE

Adult Social Care

1 Purpose of the Report

To report the final revenue outturn position for 2015/16 for the Adult Care Department.

To identify significant variations in expenditure from the budget and assess the impact of growth items built into the budget

To identify the impact of the 2015/16 outturn on future years and any action proposed.

To note the transfer from reserves.

To approve the use of the 2015/16 underspends.

2. Information and Analysis

2.1 Summary

Attached as Appendix 1 to this report is a statement setting out the final outturn position for 2015/16. Net controllable expenditure was £198.867m compared to a budget (adjusted for transfers to/from earmarked reserves) of £204.205m resulting in a controllable underspend of £5.338m.

The main reasons for this improved year-end position as compared to 2014/15 are:

- The majority of the additional responsibilities outlined in the Care Act have been met using existing resources. This means that the £4.567m Care Act Grant has not yet been utilised.
- Budget cuts of £1.107m have been achieved ahead of schedule.

- Some of the Better Care Fund allocation has been used to fund the additional resources that were put in place over a number of previous years to reduce the level of delayed hospital discharges.

However, a number of one-off items increased the final underspend and the underlying underspend for 2015/16 is as follows:

	£m
Final Underspend	(5.338)
Add back; One-Off Funding for Demographic Growth	3.000
Add back; One-Off Element of the Care Act Grant	2.293
Underlying Underspend	0.045

A summary of controllable expenditure variances is in paragraph 2.2.

2.2 Variances

There was an underspend of £5.338m on controllable expenditure. The main variations were:

Service	(Under)/Over Spend £m	Major Reasons for Outturn Position
Purchased Services (All Client Groups). This covers our main client-based spend on both Independent Sector and In-House Services.	10.775	Combination of demographic pressure and cost of complex cases
Social Care Activity	(1.299)	High level of vacancies due to difficulty in recruiting qualified staff
Commissioning and Service Delivery	(1.172)	Vacancy management and efficiency measures
Housing Related Support	(2.099)	A number of services have ceased or been re-commissioned at a lower cost
Unallocated Budgets	(11.071)	Budgets held at the centre to offset the anticipated overspend in Purchased Services. Also, implementation of the Care Act was achieved, where possible, through the use of existing resources which ensured that the Care Act Grant of £4.567m has not yet been utilised.

2.3 Growth Items

The following items were included in the 2015/16 budget as a growth item:

Demographic Growth £7.000m + £3.000m One-Off

This contributed towards funding the increased pressures on budgets due to the aging population and increased demand within the county from a number of factors e.g. increased life expectancy for people with moderate to severe disabilities.

Residential Fee Increase £1.760m

To fund the increase in residential care home fees in excess of inflation.

2.4 Transfers to/from Earmarked Reserves

A detailed analysis of the earmarked reserves is shown below.

	Opening Balance £m	Additions £m	Used/ Returned £m	Closing Balance £m
Care Home Fee Provision	1.275	0.000	(1.275)	0.000
ICT System Replacement	0.250	0.000	0.000	0.250
	1.525	0.000	(1.275)	0.250

The remaining earmarked reserve has been reviewed and is required to meet commitment already agreed for 2016/17.

2.5 Savings achieved in 2015/16

Savings were achieved in 2015/16 in the following areas:-

	£m
Supported Living Schemes	2.324
Meals and Laundry	0.124
Transport	0.205
FACS to Substantial	0.852
Cut Grants to Vol Orgs (funded from Comm Safety and Public Health)	1.591
Housing Related Support	5.707
Consolidate Block Contracts	0.329
Community Equipment	0.337
Review "No AA/DLA" Clients	0.226
Increase Co-Funding Contributions	3.816
Consistent Application of the RAS	8.799
Reduce Business Services Staffing	0.107
Reduction in Leadership Job Family	0.088
Direct Care Trading Income	0.554
Total Savings	25.059

2.6 Impact on the future

The start of year projection for the 2016/17 position is as follows:

	£m
Underlying underspend from 2015/16	(0.045)
Cuts Target 2016/17 inc Balance b/f and Adult Care Precept Adj	17.043
Less; Demographic Growth Budget Settlement 2016/17	(10.000)
Projected Demographic Growth 2016/17	12.844
Total Budget Pressures	19.842
Actions already identified (see below)	(14.997)
Underlying Budget Position	4.845

2.7 Action to be taken to deal with the Budget Pressures for 2016/17

A number of actions are in progress. These are:

	£m
Supported Living Schemes	0.272
Cut Grants to Voluntary Organisations	1.134
Housing Related Support	5.092
Consolidate Block Contracts	0.400
Review "No AA/DLA" Clients	0.105
Increase Co-Funding Contributions	0.387
Close Springfield Avenue	0.147
Revise Skill Mix and Management Structure	0.253
Review S117 Cases	0.200
Address Double Handling	0.500
Savings on recent HOPs Closures	1.225
Reduction in Business Services Staffing	0.047
Reduction in Commissioning and Contracting Staffing	0.042
Increase Use of Assistive Technology	0.350
Reduction in Leadership Job Family	0.203
Demand Management	3.300
Review In-House Day Care Provision	0.600
Reduce Accommodation and Support Strategy Costs	0.290
Review Other Prevention Services	0.150
	14.697

Additional one-off funding has been agreed as follows:-

	£m
Phase introduction of Co-Funding increases	0.300
	0.300
Total Savings Identified	14.997

2.8 Action to be taken to deal with the Budget Pressures from 2017/18 onwards

Work is already being undertaken to identify further cuts for 2017/18 to 2019/20 with the aim that all budget cut targets will be fully met for those financial year onwards. Any new proposals will be the subject of future cabinet reports.

2.9 Proposal for the use of 2015/16 Underspends

Due to a number of factors, there is some slippage in the budget cuts for 2016/17. It is therefore proposed that the underspend of £5.338m be used as follows:

	£m
Use of the Care Act Grant to cover the slippage on 2016/17	
budget cut proposals	4.567
Funding of additional resources to ensure achievement of the cuts	0.771
Total Proposed Use of Underspends	5.338

3. Background Papers

Held in Room F1, Finance Section, Adult Care Department.

4. OFFICERS' RECOMMENDATIONS

- 4.1 That the report be noted
- 4.2 That the proposed use of 2015/16 underspends be approved.

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Strategic Director

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Director of Finance

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Matlock

Adult Care Department Outturn 2015/16

Appendix 1

	Budget £	Expenditure £	(Under)/ Over £	Tfr to/(from) Reserves £	Adjusted (Under)/ Over £
All Client Groups					
Purchased Services	150,753,864	162,402,700	11,648,836	(873,405)	10,775,431
	150,753,864	162,402,700	11,648,836	(873,405)	10,775,431
Equipment					
Pooled Equipment	935,565	0	(935,565)	0	(935,565)
Non-Pooled Equipment	726,843	701,165	(25,678)	0	(25,678)
Telecare	(158,919)	(39,357)	119,562	0	119,562
	1,503,489	661,808	(841,681)	0	(841,681)
Social Care Activity					
Assessment	11,383,496	9,979,504	(1,403,992)	0	(1,403,992)
Management & Support	1,781,362	1,886,093	104,731	0	104,731
	13,164,858	11,865,597	(1,299,261)	0	(1,299,261)
Information & Early Intervention					
Client Support	80,088	67,452	(12,636)	0	(12,636)
Grants	1,296,649	1,235,366	(61,283)	0	(61,283)
Welfare Rights	1,425,319	1,306,272	(119,047)	0	(119,047)
Prevention	612,045	491,974	(120,071)	0	(120,071)
Learning Disability Dev Fund	372,642	182,389	(190,253)	0	(190,253)
Supported Employment	176,682	137,766	(38,916)	0	(38,916)
Other Schemes	462,033	1,582,103	1,120,070	0	1,120,070
	4,425,458	5,003,322	577,864	0	577,864
Commissioning & Service Delivery					
General	604,674	644,037	39,363	0	39,363
Strategic Director	494,438	576,354	81,916	0	81,916
Strategy & Commissioning	3,390,260	3,376,966	(13,294)	0	(13,294)
Finance	2,875,906	2,635,385	(240,521)	0	(240,521)
Human Resources	1,954,245	1,351,204	(603,041)	0	(603,041)
Performance & Efficiency	1,253,866	1,213,772	(40,094)	0	(40,094)
Business Support	2,999,299	2,602,439	(396,860)	0	(396,860)
	13,572,688	12,400,157	(1,172,531)	0	(1,172,531)
External Funding					
External Funding	(241,695)	(158,975)	82,720	0	82,720
	(241,695)	(158,975)	82,720	0	82,720
Derbyshire Discretionary Fund					
Derbyshire Discretionary Fund	1,445,234	1,154,016	(291,218)	0	(291,218)
	1,445,234	1,154,016	(291,218)	0	(291,218)
Housing Related Support					
Young People	240,301	242,793	2,492	0	2,492
Older People	4,147,417	2,515,766	(1,631,651)	0	(1,631,651)
Physical Disability	32,786	20,825	(11,961)	0	(11,961)
Learning Disability	2,150,647	1,859,991	(290,656)	0	(290,656)
Mental Health	409,608	372,847	(36,761)	0	(36,761)
Generic Services	655,898	525,691	(130,207)	0	(130,207)
	7,636,657	5,537,913	(2,098,744)	0	(2,098,744)
Unallocated Budgets					
Unallocated Budgets	11,070,798	0	(11,070,798)	0	(11,070,798)
	11,070,798	0	(11,070,798)	0	(11,070,798)
Total Controllable Expenditure	203,331,351	198,866,538	(4,464,813)	(873,405)	(5,338,218)