

**DERBYSHIRE COUNTY COUNCIL**

**CABINET MEMBER**

**5 August 2015**

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

**REVENUE OUTTURN 2014/15 ADULT CARE**

**ADULT SOCIAL CARE**

**1 Purpose of the Report**

To report the final revenue outturn position for 2014/15 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 2014/15 outturn on future years and any action proposed.

To approve the transfers to/from reserves.

**2. Information and Analysis**

**2.1 Summary**

Attached as Appendix 1 to this report is a statement setting out the final outturn position for 2014/15. Net controllable expenditure was £216.954m compared to a budget (adjusted for transfers to/from reserves) of £217.526m resulting in a controllable underspend of £0.573m.

However, a number of one-off items reduced the final overspend and the underlying overspend for 2014/15 is as follows:

	£m
Final Underspend	0.573
Additional PCT Funding for Winter Pressures	1.000
One-Off Funding for Demographic Growth	4.000
Return of contribution to Debt Charges	2.171
Underlying Overspend	<b>6.598</b>

A summary of controllable expenditure variances is in paragraph 2.2.

## 2.2 Variances

There was an underspend of £0.573m 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.	8.172	Combination of demographic pressure and cost of complex cases
Integrated Community Equipment Service	1.405	45% contribution towards the overspend on the ICES Pooled Budget
Information and Early Intervention	(0.670)	General savings achieved on Grants Welfare Rights, Prevention and the Learning Disability Development Fund
Commissioning and Service Delivery	(0.992)	Holding vacancies and efficiency measures
Derbyshire Discretionary Fund	(0.450)	The scheme continues to be developed and the eligibility criteria is being reviewed to ensure the best use of the fund.
Accommodation and Support	(2.067)	A number of services have ceased or been re-commissioned at a lower cost
Unallocated Budgets	(5.527)	Budgets held at the centre to offset the anticipated overspend in Purchased Services

### 2.3 Growth Items

The following items were included in the 2014/15 budget as a growth item:

**Demographic Growth** £5.400m + £4.000m 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                      £1.750m**

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

**Living Wage Increase                      £0.152m**

To fund the additional costs of moving lower paid staff towards the living wage.

**Housing Related Support                      £0.450m**

To reduce the overall level of cuts proposed in Housing Related Support services.

**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	8.000	0.000	(6.725)	1.275
IT System Replacement	2.000	0.000	(1.750)	0.250
Derbyshire Discretionary Fund	0.000	0.790	(0.790)	0.000
	<b>10.000</b>	<b>0.790</b>	<b>(9.265)</b>	<b>1.525</b>

Both earmarked reserves have been reviewed and are required to meet commitments already agreed for 2015/16.

**2.5      Savings achieved in 2014/15**

Savings were achieved in 2014/15 in the following areas:-

	£m
Non-Allocation of Inflation	1.195
Reduced Consumables Spend	0.569
Re-commissioning of Learning Disabilities Day Services	0.173
Reduction in the Training Offer	0.479
Savings on the Frozen Meals and Laundry Services	0.149
Re-Modelling of Services for Low and Moderate Needs	0.812
Funding of Grants to Vol Orgs by Public Health	1.348
Saving on Housing Related Support	2.596
Funding of Housing Related Support by Public Health	0.512
Consolidate Block Contracts	0.812
Increase in Co-Funding Contributions	3.572
Revised Skill Mix and Management Structure	0.411
Consistent Application of the Resource Allocation System	3.650
Reduction in staffing costs	0.183
Impact on Home Care of the Re-ablement Service	0.102
<b>Total Savings</b>	<b>16.563</b>

## 2.6 Impact on the future

The start of year projection for the 2015/16 position is as follows:

	£m
Underlying Overspend from 2014/15	6.598
Efficiency Target 2015/16 inc Balance B/fwd	23.952
Less; Demographic Growth Budget Settlement 2015/16	(10.000)
Demographic Growth 2015/16	10.535
Return of contribution to Debt Charges	(1.922)
<b>Total Budget Pressures</b>	<b>29.163</b>
Actions already identified (see below)	(24.114)
<b>Underlying Budget Position</b>	<b>5.049</b>

## 2.7 Action to be taken to deal with the Budget Pressures for 2015/16

A number of actions are in progress. These are:

	£m
• Reduction in Supported Living Schemes	1.728
• FACS to Substantial	0.650
• Reduction in Housing Related Support	3.285
• Consolidate Block Contracts	0.300
• Integrated Community Equipment Service	0.290
• Increased Co-Funding Contributions	3.816
• Consistent Application of the Resource Allocation System	8.000
• Direct Care Trading Income	0.100
	<b>18.169</b>

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

	£m
• Public Health – Grants to Voluntary Organisations	1.168
• Public Health – Housing Related Support	2.701
• General Reserves – Housing Related Support	0.784
	<b>4.653</b>

Following the consolidating of all Domestic Violence services within Community Safety, the following commitments have been transferred:-

	£m
• Domestic Violence Grants	0.442
• Domestic Violence Housing Related Support	0.850
	<b>1.292</b>

<b>Total Savings Identified</b>	<b>24.114</b>
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**2.8 Action to be taken to deal with the Budget Pressures from 2016/17 onwards**

Work is already being undertaken to identify further cuts for 2016/17 onwards and any proposals will be the subject of future cabinet reports.

**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 transfers to/from reserves outlined in the report be approved

**Mary McElvaney**  
**Strategic Director, Adult Care**

**Peter Handford**  
**Director of Finance**

**County Hall**  
**Matlock**

# Adult Care Department Outturn 2014/15

# Appendix 1

	Budget £	Expenditure £	(Under)/ Over £	Tfr to/(from) Reserves £	Adjusted (Under)/ Over £
<b>All Client Groups</b>					
Purchased Services	168,721,462	181,591,017	12,869,556	(4,697,361)	8,172,195
	<b>168,721,462</b>	<b>181,591,017</b>	<b>12,869,556</b>	<b>(4,697,361)</b>	<b>8,172,195</b>
<b>Equipment</b>					
Pooled Equipment	1,935,839	3,340,944	1,405,105	0	1,405,105
Non-Pooled Equipment	759,189	650,185	(109,003)	0	(109,003)
Telecare	103,000	142,711	39,711	0	39,711
	<b>2,798,028</b>	<b>4,133,840</b>	<b>1,335,813</b>	<b>0</b>	<b>1,335,813</b>
<b>Social Care Activity</b>					
Assessment	15,914,529	15,637,060	(277,469)	0	(277,469)
Management & Support	2,053,398	2,091,283	37,884	0	37,884
	<b>17,967,927</b>	<b>17,728,343</b>	<b>(239,585)</b>	<b>0</b>	<b>(239,585)</b>
<b>Information &amp; Early Intervention</b>					
Client Support	80,088	44,350	(35,739)	0	(35,739)
Grants	1,639,816	1,477,329	(162,487)	0	(162,487)
Welfare Rights	1,365,256	1,224,961	(140,295)	0	(140,295)
Prevention	814,027	555,834	(258,194)	0	(258,194)
Learning Disability Dev Fund	487,372	177,251	(310,121)	0	(310,121)
Supported Employment	315,538	290,045	(25,494)	0	(25,494)
Other Schemes	2,235,934	2,498,625	262,691	0	262,691
	<b>6,938,031</b>	<b>6,268,395</b>	<b>(669,639)</b>	<b>0</b>	<b>(669,639)</b>
<b>Commissioning &amp; Service Delivery</b>					
General	665,624	834,564	168,939	0	168,939
Strategic Director	566,307	701,795	135,488	0	135,488
Strategy & Commissioning	2,095,193	1,987,801	(107,393)	0	(107,393)
Finance	2,569,850	2,497,322	(72,528)	0	(72,528)
Human Resources	2,200,604	1,705,560	(495,044)	0	(495,044)
Performance & Efficiency	1,315,638	1,245,250	(70,388)	0	(70,388)
Business Support	3,271,072	2,720,115	(550,958)	0	(550,958)
	<b>12,684,288</b>	<b>11,692,407</b>	<b>(991,884)</b>	<b>0</b>	<b>(991,884)</b>
<b>External Funding</b>					
External Funding	(17,884,695)	(16,520,216)	1,364,479	(1,500,000)	(135,521)
	<b>(17,884,695)</b>	<b>(16,520,216)</b>	<b>1,364,479</b>	<b>(1,500,000)</b>	<b>(135,521)</b>
<b>Derbyshire Discretionary Fund</b>					
Derbyshire Discretionary Fund	1,468,151	1,017,674	(450,477)	0	(450,477)
	<b>1,468,151</b>	<b>1,017,674</b>	<b>(450,477)</b>	<b>0</b>	<b>(450,477)</b>
<b>Supporting People</b>					
Young People	1,031,367	1,031,367	0	0	0
Older People	5,149,049	3,872,422	(1,276,627)	0	(1,276,627)
Physical Disability	32,843	31,765	(1,078)	0	(1,078)
Learning Disability	2,481,625	2,243,054	(238,571)	0	(238,571)
Mental Health	1,962,887	1,962,887	0	0	0
Generic Services	2,451,480	1,900,687	(550,793)	0	(550,793)
	<b>13,109,251</b>	<b>11,042,182</b>	<b>(2,067,069)</b>	<b>0</b>	<b>(2,067,069)</b>
<b>Unallocated Budgets</b>					
Unallocated Budgets	5,223,807	0	(5,223,807)	(302,731)	(5,526,538)
	<b>5,223,807</b>	<b>0</b>	<b>(5,223,807)</b>	<b>(302,731)</b>	<b>(5,526,538)</b>
<b>Total Controllable Expenditure</b>	<b>211,026,250</b>	<b>216,953,642</b>	<b>5,927,387</b>	<b>(6,500,092)</b>	<b>(572,705)</b>