

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER

6th November 2013

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

**2013/14 REVENUE BUDGET MONITORING
ADULT CARE – PERIOD 5 (TO 31st AUGUST 2013)**

1. Purpose of the Report

To provide the Cabinet Member with an update of the Adult Care Revenue Budget position for 2013-14 up to the end of August (period 5).

2. Information and Analysis

The Revenue Budget Monitoring Statement prepared at period 5 indicated that there was a projected year end overspend of £14.8m. Please see below for a further breakdown.

	Budget 2013/14	Actual to Month 5	Rest of Year Estimate	Full Year Forecast	Forecast (Under)/Over Spend Month 5
	£000s	£000s	£000s	£000s	£000s
Strategic Director	(7,313)	(4,756)	(3,738)	(8,494)	(1,181)
Purchased Services (including Fieldwork and Direct Care) See Note 1	165,808	74,187	106,922	181,110	15,302
Mental Health	8,695	6,072	4,347	10,418	1,723
Strategy and Commissioning	37,671	14,058	22,741	36,799	(872)
Miscellaneous	835	203	492	695	(139)
PROJECTED YEAR-END POSITION	205,696	89,794	130,764	220,528	14,833

Note 1: 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'.

The budget has been increased by £810k for the 1% cost of living allowance and a provision has been included for the same amount of expenditure.

The overspend is due to the impact of demographic pressures and the increasing complexity of clients' needs. At the start of the year Adult Care had 12,238 clients with a purchased service. This is projected to increase to 13,018 by the end of the year. Based on average personal budgets for new clients up to period 5, this will result in an additional projected cost of £5.3m. For clients already in receipt of a service, reviews on increased complexity of needs results in an average increase of £70 per week. Based on review activity up to period 5 the projected extra cost will be around £8.56m. This is greater than the total projected overspend within purchased services.

The savings target for 2013/14 is £9.017m. Actions to reduce spending by £5.730m were approved by cabinet on 29th January 2013. To date £4.786m of these approved savings have been achieved and it is expected that all identified approved savings will be achieved by the end of the financial year.

With identified savings and the use of departmental reserves, the final overspend should reduce to around £12m.

The Adult Care budget remains under pressure from increased demand and proposals have been put forward to reduce spending in future years.

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

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 2013-14 Revenue Budget.

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