

Agenda Item: 3

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER

7th January 2014

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

**2013/14 REVENUE BUDGET MONITORING
ADULT CARE – PERIOD 7 (TO 31st OCTOBER 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 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 £10.545m. Please see below for a further breakdown.

| | Budget 2013/14 | Actual to Month 7 | Rest of Year Estimate | Full Year Forecast | Forecast (Under)/Over Spend Month 7 |
|--|---------------------------|------------------------------|----------------------------------|-------------------------------|--|
| | £000s | £000s | £000s | £000s | £000s |
| Strategic Director | (7,401) | (4,253) | (6,351) | (10,603) | (3,202) |
| Purchased Services (including Fieldwork and Direct Care) See Note 1 | 166,505 | 110,885 | 69,111 | 179,996 | 13,491 |
| Mental Health | 8,741 | 8,457 | 1,875 | 10,332 | 1,591 |
| Strategy and Commissioning | 39,636 | 21,408 | 16,933 | 38,341 | (1,295) |
| Miscellaneous | 835 | 431 | 365 | 795 | (40) |
| PROJECTED YEAR-END POSITION | 208,316 | 136,928 | 81,933 | 218,861 | 10,545 |

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 projected year end overspend of £10.5m has reduced from the period 5 position of £14.6m due to the one-off use of departmental reserves totalling £2.6m, income from the PCT of £1m and other changes to forecast expenditure of £0.5m. However, £3.6m of these changes are for 2013/14 only and the underlying overspend position going into 2014/15 remains at £14.1m.

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 7, this will result in an additional projected cost of £5m. 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 7 the projected extra cost will be around £8.5m. This projected total of £13.5m is seen within the purchased services line on the above total.

The Adult Care budget remains under pressure from increased demand and proposals have been put forward to reduce spending for future years. 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 £5.3m 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.

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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