

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER

7th AUGUST 2013

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

REVENUE OUTTURN 2012/13 ADULT CARE

1 **Purpose of the Report**

To report the final revenue outturn position for 2012/13 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 2012/13 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 2012/13. Net controllable expenditure was £213.362m compared to a budget (adjusted for transfers to/from reserves) of £205.692m resulting in a controllable overspend of £7.670m.

However, a number of one-off items reduced the final overspend and the underlying overspend for 2012/13 is as follows:

Final Overspend	£7.670m
Additional PCT Funding for Adult Care Support	£1.000m
One-off PCT funding for Winter Pressures	£1.234m
Use of Earmarked Reserves	£0.545m
Underlying Overspend	£10.449m

A summary of controllable expenditure variances are itemised in paragraph 2.2.

2.2 Variances

There was an overspend of £7.670m 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.	14.634	Combination of demographic pressure and cost of complex cases
Housing Related Support	(1.053)	Delay in newly commissioned services coming on-line and savings on re-commissioned services
Other Services	(4.540)	Additional one-off funding from the PCTs for winter pressures etc
Business Support	(1.715)	Holding vacancies and efficiency measures
Other Small Variances	0.344	Net balance of other small variances

The above controllable overspend was funded by a contribution from General Reserve.

2.3 Growth Items

The following item was included in the 2012/13 budget as a growth item:

Demographic Growth

£5.400m

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.

2.4 Transfers to/from Reserves

A detailed analysis of the reserves are shown below.

Reserve	Opening Balance	Additions	Used	Closing Balance
	£	£	£	£
Stroke Victims & Carers	(133,000)	0	133,000	0
Second Homes	(411,715)	0	411,715	0
Section 256 PCT Funding	(1,000,000)	0	0	(1,000,000)
Telecare / Handyvan	0	(59,642)	0	(59,642)
Total Reserves	(1,544,715)	(59,642)	544,715	(1,059,642)

All earmarked reserves have been reviewed and are required to meet commitments already agreed for 2013/14.

The Stroke Victim and Second Homes reserves were used to fund commitments on projects that have continued into 2012/13.

The new reserve for Telecare/Handyvan was the unspent balance on a corporate underspend that had been agreed in the 2011/12 Outturn report.

2.5 Impact on the future

The start of year projection for the 2013/14 position is as follows:

Underlying Overspend from 2012/13	£10.449m
Efficiency Target 2013/14	£9.017m
Full year effect of 2012/13 Demographic Growth	£5.025m
Part year effect of 2013/14 Demographic Growth	£5.025m
Less; Demographic Growth Budget Settlement 2013/14	(£5.400m)
Less; Additional NHS Funding of Social Care 2013/14	(£3.800m)
Total Budget Pressures	£20.316m
Actions already identified (see below)	(£5.730m)
Adjustment following Period 2 Monitoring	(£1.251m)
Underlying Budget Position as at Period 2	£13.335m

To reduce this figure, actions are being taken as outlined below.

2.6 Action to be taken to deal with the Budget Pressures

A number of actions approved in previous years will continue into 2013/14 and will reduce the overall spend within Adult Care. These are:

- Continued impact of Stairlift Maintenance agreements
- Remove Subsidy on Frozen Meals and Laundry Service
- Consistent application of the Resource Allocation System and Support Planning
- Reduce Training Offer
- Impact of Home Care Re-ablement

- Continued Reduction in Consumables spend e.g. Travel, Printing, Stationery etc
- Day Care - Transport & Independent Sector
- Re-modelling of services for low and moderate needs
- Continuing review of high cost placements and other Independent Sector Residential Placements
- Supported Living Schemes

Further actions to deal with the budget pressures are under consideration and will be the subject of future cabinet reports. However, due to the requirement for cabinet approval, public consultation, Equality Impact Assessments and potential notice on contracts with providers, no savings would be realised in the current financial year. It is estimated that these proposals would potentially generate a reduction in spending of £15.625m over the following two years.

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

Bill Robertson
Strategic Director

Peter Handford
Director of Finance

County Hall
Matlock

Adult Care Department Outturn 2012/13

	Budget £	Expenditure £	(Under)/ Over £	Tfr to/(from) Reserves £	Adjusted (Under)/ Over £
Service Strategy and Regulation					
Strategic Director	578,639	567,918	(10,721)	0	(10,721)
	578,639	567,918	(10,721)	0	(10,721)
All Client Groups					
Purchased Services	153,006,890	167,640,907	14,634,018	0	14,634,018
	153,006,890	167,640,907	14,634,018	0	14,634,018
Older People					
Transport	804,471	856,108	51,637	0	51,637
Other Services	646,454	598,775	(47,679)		(47,679)
	1,450,925	1,454,884	3,959	0	3,959
Physical Disability					
Fieldwork	182,320	208,604	26,283	0	26,283
Transport	403,249	255,775	(147,474)	0	(147,474)
Other Services	3,301,607	3,899,107	597,500	0	597,500
	3,887,176	4,363,485	476,309	0	476,309
Learning Disability					
Fieldwork	(99,310)	24,341	123,651	0	123,651
Transport	1,651,768	1,733,905	82,137	0	82,137
Other Services	857,163	607,340	(249,823)	0	(249,823)
	2,409,621	2,365,586	(44,035)	0	(44,035)
Mental Health					
Fieldwork / CMHTs	2,522,958	2,507,131	(15,827)	0	(15,827)
Other Services	416,982	414,871	(2,111)	0	(2,111)
Management	212,830	215,035	2,205	0	2,205
	3,152,770	3,137,038	(15,732)	0	(15,732)
Substance Misuse					
Other Services	153,210	147,260	(5,950)	0	(5,950)
	153,210	147,260	(5,950)	0	(5,950)
Other Adult Services					
Fieldwork	11,422,713	11,149,694	(273,019)	0	(273,019)
Other Services	2,844,696	2,569,119	(275,577)	(118,194)	(393,770)
Management	3,505,727	3,528,125	22,398	0	22,398
	17,773,136	17,246,938	(526,198)	(118,194)	(644,392)
Strategy and Commissioning					
Strategy and Commissioning	3,088,875	3,628,115	539,239	44,836	584,075
	3,088,875	3,628,115	539,239	44,836	584,075
Business Support					
Management & Administration	11,554,421	9,839,919	(1,714,502)	0	(1,714,502)
	11,554,421	9,839,919	(1,714,502)	0	(1,714,502)
Housing Related Support					
Children	1,207,011	1,204,701	(2,310)	0	(2,310)
Older People	4,589,666	4,023,111	(566,555)	0	(566,555)
Physical Disability	34,478	32,558	(1,921)	0	(1,921)
Learning Disability	3,655,307	3,373,703	(281,604)	0	(281,604)
Mental Health	1,962,887	1,930,778	(32,109)	0	(32,109)
Generic Services	3,202,458	3,167,869	(34,590)	0	(34,590)
Management & Administration	537,607	403,657	(133,950)	0	(133,950)
	15,189,414	14,136,377	(1,053,037)	0	(1,053,037)
Other Services					
Pension Fund Adjustments	745,793	734,645	(11,147)	0	(11,147)
NHS Funding of Social Care	(9,614,000)	(11,901,404)	(2,287,404)	0	(2,287,404)
Unallocated Budgets	1,830,215	0	(1,830,215)	(411,715)	(2,241,931)
	(7,037,992)	(11,166,759)	(4,128,767)	(411,715)	(4,540,482)
Total Controllable Expenditure	205,207,084	213,361,667	8,154,583	(485,073)	7,669,510

