

**DERBYSHIRE COUNTY COUNCIL****CABINET MEMBER****6 SEPTEMBER 2018****Joint Report of the Strategic Director of Adult Care  
and the Director of Finance & ICT****2018-19 REVENUE BUDGET MONITORING  
ADULT CARE PORTFOLIO – PERIOD 3 (To 30 June 2018)****1. Purpose of the Report**

To provide the Cabinet Member with an update of the Adult Care Portfolio Revenue Budget position for 2018-19 up to the end of June (period 3).

**2. Information and Analysis****2.1 Budget Position**

The Revenue Budget Monitoring Statement prepared at period 3 indicated that there was a projected year end underspend of £1.441m (this is based on the assumption that the £8.889m balance on the Improved Better Care Fund will be fully spent within the current financial year). There are no one-off funding items in this year's budget. The significant areas which make up this projection are shown in the table below:

	<b>Controllable Budget</b>	<b>Full Year Forecast</b>	<b>Forecast (Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Strategic Director</b>	4.191	0.542	(3.649)
<b>Purchased Services - including Prevention &amp; Personalisation and Direct Care (See note 1)</b>	223.155	227.698	4.543
<b>Commissioning and Performance</b>	17.720	15.385	(2.335)
<b>Total</b>	<b>245.066</b>	<b>243.625</b>	<b>(1.441)</b>

## 2.2 Budget Savings

Budget savings totalling £4.973m were allocated for the year, with a brought forward figure from 2017-18 of £1.122m, giving an overall target of £6.095m. Savings achieved up to the period end totalled £3.883m and it is expected that the full target will be achieved within the financial year. The table below shows performance against the savings identified.

<b>Budget Saving Target</b>	<b>Budget Reduction Amount £m</b>	<b>Achieved To Date £m</b>	<b>Balance to Be Achieved £m</b>
Consolidate Block Contracts	0.200	0.123	0.077
Reduction in Commissioning & Performance Staffing	0.200	0.135	0.065
Demand Management	2.500	0.625	1.875
Use of improved Better Care Fund to Support Adult Care	3.000	3.000	0.000
Unidentified	0.195	0.000	0.195
<b>Total Budget Savings</b>	<b>6.095</b>	<b>3.883</b>	<b>2.212</b>

## 2.3 Growth Items

The main budget growth items included in the 2018-19 budget are:

	<b>Amount £m</b>
Adult Social Care Precept	5.297
Improved Better Care Fund	6.687
Residential Care Home Fees	6.000
Pay Award	2.272
<b>Total Growth Items</b>	<b>20.256</b>

This additional funding has been earmarked to cover additional commitments including the pay award, independent sector fee increases, demographic growth, additional costs associated with the reduction in hospital discharge delays and pressures associated with health budget saving initiatives (reduction in Continuing Health Care, Transforming Care Programme and reduced LD Short term residential provision).

## 2.4 Potential Risks

The main financial risks included in the risk register are:

- Uncontrollable provider costs due to National Living Wage increases and national shortage of care staff

- Sustained and rising demand for major housing adaptations
- Health initiatives including:
  - Service Transformation Plan
  - Transforming Care Programme
  - Reductions in Continuing Health Care
  - QIPP Cost Saving Programme

Any additional costs incurred from the above risks will be met from within existing budgetary resources or from the unallocated part of the Improved Better Care Fund and therefore none of these issues are expected to impact on the overall budget position for 2018-19.

## 2.5 Reserves

Earmarked reserves totalling £12.625m are currently held to support future expenditure. Details of these reserves are shown below:

	<b>Amount £m</b>
Replacement ICT System	0.250
Healthy Homes	0.097
Older People's Housing Strategy	12.278
<b>Total Earmarked Reserves</b>	<b>12.625</b>

## 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, social value 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 2018-19 Revenue Budget.

**Helen Jones**  
**Strategic Director – Adult Care**

**Peter Handford**  
**Director of Finance & ICT**