

DERBYSHIRE COUNTY COUNCIL**CABINET MEMBER****6 September 2018****Joint Report of the Strategic Director of Adult Care
and Director of Finance & ICT****REVENUE OUTTURN 2017-18 ADULT CARE****Adult Care****1 Purpose of the Report**

To report the final revenue outturn position for 2017-18 for the Adult Care Portfolio.

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 2017-18 outturn on future years and any action proposed.

To note the balance on reserves and their revised uses

To note the use of the 2017/18 underspends

2. Information and Analysis**2.1 Summary**

Attached as Appendix 1 to this report is a statement setting out the final outturn position for 2017-18. Net controllable expenditure was £216.059m compared to a budget of £224.405m, resulting in a controllable underspend of £8.346m.

However, one-off items decrease the underlying underspend for 2017-18 as follows:

	£m
Final Underspend	(8.346)
Add back One-Off Funding of Voluntary Organisations:	
From reserves	1.633
From Public Health	0.602
Underlying Underspend	(6.111)

2.2 Variances

There was an underspend of £8.346m on controllable expenditure. The main variations were:

Service	(Under)/Over Spend £m	Main Reasons for Outturn Position
Purchased Services (All Client Groups including both Independent Sector and In-House Services)	(1.551)	Over-achievement of the target to reduce costs through demand management
Pooled Equipment (ICES)	(0.840)	Savings made on the Integrated Community Equipment Service pooled with the Derbyshire Clinical Commissioning groups
Social Care Activity	(1.619)	High level of vacancies due to difficulty in recruiting staff
Information and Early Intervention	(1.187)	Savings on various schemes including Commissioned Carer Services, Healthwatch and Memory Services
Commissioning and Service Delivery	(2.238)	Vacancy management and efficiency measures
Better Care Fund	1.340	Funding returned to the CCGs due to underspends on the following BCF-funded schemes: ICES, Dementia Services and Workforce Development
Housing Related Support	(1.408)	Under-utilisation on a number of spot contracts
Unallocated Budgets	(0.448)	Net balance of budgets savings and budget growth not allocated to services.

2.3 Growth Items

The following significant changes were included in the 2017-18 budget as growth items:

Adult Social Care Precept

£5.613m

Funds raised from an additional 2% increase in Council Tax specifically to support Adult Social Care services.

Adult Social Care Support Grant

£3.644m

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.

Improved Better Care Fund

£18.219m

Additional funding made available to spend on the following areas:-

- Meeting adult social care needs
- Reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready
- Ensuring that the local social care provider market is supported

Independent Sector Fee Increase

£6.468m

To fund the increase in home care and care home fees in excess of inflation required to meet the new National Living Wage of £7.50 per hour from 1 April 2017.

Pay Award

£1.065m

To fund the 1% pay award agreed for 2017-18

Savings in Debt Charges Contributions

£1.400m

Return of contributions previously made toward projected debt charges that were subsequently not incurred.

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
ICT System Replacement Reserve	0.250	0.000	0.000	0.250
Budget Savings Shortfall Reserve	4.567	0.000	(1.406)	3.161
Budget Savings Pump Priming	0.771	0.000	0.000	0.771
Voluntary Org Grants Reserve	1.633	0.000	(1.633)	0.000
	7.221	0.000	(3.039)	4.182

The earmarked reserves have been reviewed and the ICT System Replacement Reserve is required to meet commitment already agreed for 2018-19. Cabinet approval was given on 26 July 2018 for the Budget Savings Shortfall Reserve of £3.161m and the Budget Savings Pump Priming Reserve of £0.771m to be transferred to a reserve to contribute towards the capital cost of implementing the Older People's Housing Strategy.

2.5 Savings achieved in 2017-18

Savings were achieved in 2017-18 in the following areas:-

	£m
On-Going Savings	
Reduce Grants to Vol Orgs	0.068
Consolidate Block Contracts	0.982
Review "No AA/DLA" Clients	0.011
Increase Co-Funding Contributions	0.300
Review S117 Cases	0.134
Address Double Handling	0.370
Close Homes for Older People	0.326
Demand Management	5.641
Use of Improved Better Care Fund	5.840
	13.673
One-Off Savings	
Review Grants to Vol Orgs (funded from Public Health)	0.602
Review Grants to Vol Orgs (use of reserves)	1.633
	2.235
Total Savings	15.908

2.6 Impact on the future

The start of year projection for the 2018-19 position is as follows:

	£m
Underlying underspend from 2017-18	(6.111)
Savings Target 2018-19	6.095
Total Budget Pressures	(0.016)
Actions already identified (see below)	(5.900)
Underlying Budget Position	(5.916)

However, there are significant further budget pressures arising from the following:-

- Transforming Care Programme (TCP)
 - Learning Disability
 - Mental Health
- Quality, Innovation, Productivity and Prevention Programme (QIPP)
- Backdated Sleep-In Payments
- Learning Disability Short Breaks

To date it has not been possible to quantify the above, but work is currently underway to further understand the potential financial impact on the department.

2.7 Action to be taken to deal with the Budget Pressures for 2018-19

£m

A number of actions are in progress. These are:

Consolidate Block Contracts	0.200
Reduction in Commissioning & Performance Staffing	0.200
Demand Management	2.500
Use of the Improved Better Care Fund to support Adult Care Services	3.000
Total Savings Identified	5.900

2.8 Action to be taken to deal with the Budget Pressures from 2019-20 onwards

Work is already being undertaken to identify further savings for 2019-20 to 2021-22 with the aim that all budget savings targets will be fully met for those financial year onwards. Any new proposals will be the subject of future cabinet reports.

2.9 Proposal for the use of the 2017-18 Underspend

At cabinet on 26 July 2018 approval was given to transfer the underspend of £8.346m to a reserve to contribute towards the capital cost of implementing the Older People's Housing Strategy.

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

Held in Room 325, Finance Section, Adult Care Department.

5. Key Decision

No

6. Is it required that call-in be waived for any decision on this report?

No

7. Officers' Recommendations

7.1 That the report be noted

7.2 That the revised use of the earmarked reserves be noted

7.3 That the use of 2017/18 underspends be noted

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Director of Finance & ICT

ADULT CARE BUDGET OUTTURN 2017/18

APPENDIX 1

	Budget £	Expenditure £	(Under)/ Over £
All Client Groups			
Purchased Services	195,353,442	193,802,255	(1,551,187)
	195,353,442	193,802,255	(1,551,187)
Equipment			
Pooled Equipment	6,823,928	5,983,219	(840,709)
Non-Pooled Equipment	726,843	537,971	(188,872)
Telecare	117,372	125,901	8,529
	7,668,143	6,647,091	(1,021,052)
Social Care Activity			
Assessment	19,216,548	17,597,366	(1,619,182)
Management & Support	2,418,595	2,380,414	(38,181)
	21,635,143	19,977,780	(1,657,363)
Information & Early Intervention			
Client Support	80,089	50,213	(29,876)
Grants	697,478	605,620	(91,858)
Welfare Rights	1,639,710	1,510,776	(128,934)
Prevention	1,053,703	1,069,514	15,811
Learning Disability Dev Fund	51,190	49,227	(1,963)
Supported Employment	169,928	126,366	(43,562)
Other Schemes	5,217,632	4,310,533	(907,099)
	8,909,730	7,722,249	(1,187,481)
Commissioning & Service Delivery			
General	970,897	1,084,798	113,901
Strategic Director	659,766	553,290	(106,476)
Strategy & Commissioning	4,010,132	3,460,273	(549,859)
Finance	3,314,937	2,967,381	(347,556)
Human Resources	2,664,117	2,088,634	(575,483)
Performance & Efficiency	1,543,265	1,247,855	(295,410)
Business Support	3,149,965	2,673,226	(476,739)
	16,313,079	14,075,457	(2,237,622)
External Funding			
Better Care Fund	(32,592,407)	(31,252,011)	1,340,396
	(32,592,407)	(31,252,011)	1,340,396
Derbyshire Discretionary Fund			
Derbyshire Discretionary Fund	1,445,234	1,268,827	(176,407)
	1,445,234	1,268,827	(176,407)
Housing Related Support			
Young People	172,000	172,000	0
Older People	3,408,987	2,368,988	(1,039,999)
Physical Disability	6,223	5,515	(708)
Learning Disability	586,972	548,054	(38,918)
Mental Health	565,120	565,120	0
Generic Services	485,804	157,528	(328,276)
	5,225,106	3,817,205	(1,407,901)
Unallocated Budgets			
Unallocated Budgets	447,610	0	(447,610)
	447,610	0	(447,610)
Total Controllable Expenditure	224,405,080	216,058,853	(8,346,227)