

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER

27 July 2017

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

REVENUE OUTTURN 2016-17 ADULT CARE

Adult Care

1 Purpose of the Report

To report the final revenue outturn position for 2016-17 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 2016-17 outturn on future years and any action proposed.

To note the transfer 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 2016-17. Net controllable expenditure was £209.602m compared to a budget of £209.507m, resulting in a controllable overspend of £0.095m.

However, one-off items decreased the final overspend and the underlying overspend for 2016-17 is as follows:

	£m
Final Overspend	0.095
Add back; One-Off Funding for Demographic Growth	2.000
Add back; One-Off Budget Savings	0.451
Underlying Overspend	2.546

2.2 Variances

There was an overspend of £0.095m 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)	0.892	Combination of demographic pressure and cost of complex cases
Pooled Equipment (ICES)	(1.376)	Savings made on the Integrated Community Equipment Service pooled with the Derbyshire Clinical Commissioning groups
Social Care Activity	(1.154)	High level of vacancies due to difficulty in recruiting staff
Information and Early Intervention	(0.925)	Savings on various schemes including Commissioned Carer Services and Healthwatch
Commissioning and Service Delivery	(2.038)	Vacancy management and efficiency measures
Better Care Fund	2.437	Funding returned to the CCGs due to underspends on the following BCF-funded schemes: ICES, Carer's Services, Dementia Services and Local Area Co-ordinators
Housing Related Support	(0.966)	Under-utilisation on a number of spot contracts
Unallocated Budgets	3.588	Net balance of budgets savings and budget growth not allocated to services.

2.3 Growth Items

The following significant changes were included in the 2016-17 budget as growth items:

Demographic Growth

£11.000m + £2.000m One-Off

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.

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Independent Sector Fee Increase £10.335m

To fund the increase in home care and care home fees in excess of inflation required to meet the new National Living Wage of £7.20 per hour from 1 April 2016.

Adult Social Care Precept £5.322m

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

National Insurance Contributions 1.272m

To fund the additional National Insurance contributions due from April 2016.

Pay Award 0.830m

To fund the 1% pay award agreed for 2016-17

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	0.000	4.567	0.000	4.567
Budget Savings Pump Priming	0.000	0.771	0.000	0.771
Voluntary Org Grants Reserve	0.000	1.633	0.000	1.633
	0.250	6.971	0.000	7.221

The earmarked reserves have been reviewed and are required to meet commitment already agreed for 2017-18.

2.5 Savings achieved in 2016-17

Savings were achieved in 2016-17 in the following areas:-

	£m
On-Going Savings	
Supported Living Schemes	0.198
Reduce Grants to Vol Orgs	0.290
Housing Related Support	3.810
Consolidate Block Contracts	0.967
Community Equipment	0.224
Review "No AA/DLA" Clients	0.276
Increase Co-Funding Contributions	0.301

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Close Springfield Avenue	0.126
Review S117 Cases	0.108
Address Double Handling	0.221
Close Homes for Older People	0.796
Reduction in Leadership Job Family	0.096
Demand Management	4.006
Use of Public Health funding	0.207
Reduction in ILF Packages	0.684
Saving on care Act Implementation Grant	2.186
	14.496

One-Off Savings

Reduce Grants to Vol Orgs (funded from Public Health)	0.150
Increase Co-Funding Contributions	0.301
	0.451

Total Savings	14.947
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2.6 Impact on the future

The start of year projection for the 2017-18 position is as follows:

	£m
Underlying overspend from 2016-17	2.546
Savings Target 2017-18	12.249
Total Budget Pressures	14.795
Actions already identified (see below)	(13.845)
Underlying Budget Position	0.950

2.7 Action to be taken to deal with the Budget Pressures for 2017-18

	£m
A number of actions are in progress. These are:	
Transport Policy	0.300
Increase Co-Funding Contributions	0.300
Review S117 Cases	0.400
Address Double Handling	0.750
Demand Management	3.300
Review Other Prevention Services	0.150
Use of the Improved Better Care Fund to support Adult Care Services	5.318
	10.518

A number of schemes completed during 2016-17 have a full year affect in 2017-18. These are:

Grants to Voluntary Orgs	0.040
Consolidate Block Contracts	0.714
Review "No AA/DLA" Clients	0.012
Savings on HOPs Closures	0.326
	1.092

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Additional one-off funding has been agreed as follows:-

Grants to Voluntary Orgs (Public Health Funding and use of reserves)	2.235
	2.235

Total Savings Identified	13.845
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2.8 Action to be taken to deal with the Budget Pressures from 2017-18 onwards

Work is already being undertaken to identify further savings for 2017-18 to 2020-21 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 funding of the 2016-17 Overspend

It is proposed that the overspend of £0.095m be funded from the Adult Care Budget Savings Shortfall Reserve.

3. Background Papers

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

4. OFFICERS' RECOMMENDATIONS

That the report be noted.

Joy Hollister
Strategic Director

Peter Handford
Director of Finance

County Hall
Matlock

PUBLIC
ADULT CARE BUDGET OUTTURN 2016-17

APPENDIX 1

	Budget £	Expenditure £	(Under)/ Over £
All Client Groups			
Purchased Services	184,939,777	185,811,572	871,795
	184,939,777	185,811,572	871,795
Equipment			
Pooled Equipment	7,617,837	6,241,677	(1,376,160)
Non-Pooled Equipment	726,843	657,649	(69,194)
Telecare	117,372	176,153	58,781
	8,462,052	7,075,479	(1,386,573)
Social Care Activity			
Assessment	17,994,337	16,839,964	(1,154,373)
Management & Support	2,258,705	2,358,502	99,797
	20,253,042	19,198,466	(1,054,576)
Information & Early Intervention			
Client Support	80,089	62,030	(18,059)
Grants	2,268,607	2,129,239	(139,368)
Welfare Rights	1,682,714	1,678,784	(3,930)
Prevention	1,025,956	930,946	(95,010)
Learning Disability Dev Fund	51,190	43,522	(7,668)
Supported Employment	176,960	150,969	(25,991)
Other Schemes	3,882,728	3,247,748	(634,980)
	9,168,244	8,243,238	(925,006)
Commissioning & Service Delivery			
General	1,157,963	1,124,794	(33,169)
Strategic Director	547,663	588,292	40,629
Strategy & Commissioning	3,043,483	2,755,880	(287,603)
Finance	3,256,092	2,938,463	(317,629)
Human Resources	2,392,475	1,716,801	(675,674)
Performance & Efficiency	1,576,134	1,343,769	(232,365)
Business Support	3,203,530	2,671,762	(531,768)
	15,177,340	13,139,761	(2,037,579)
External Funding			
External Funding	0	(204,189)	(204,189)
Better Care Fund	(31,765,788)	(29,328,769)	2,437,019
	(31,765,788)	(29,532,958)	2,232,830
Derbyshire Discretionary Fund			
Derbyshire Discretionary Fund	1,445,234	1,217,195	(228,039)
	1,445,234	1,217,195	(228,039)
Housing Related Support			
Young People	172,000	172,000	0
Older People	3,390,157	2,748,684	(641,473)
Physical Disability	6,223	5,377	(846)
Learning Disability	858,187	804,608	(53,579)
Mental Health	565,120	565,121	1
Generic Services	423,388	153,587	(269,801)
	5,415,075	4,449,377	(965,698)
Unallocated Budgets			
Unallocated Budgets	(3,588,022)	0	3,588,022
	(3,588,022)	0	3,588,022
Total Controllable Expenditure	209,506,954	209,602,130	95,176