

# Budget Monitoring Position – July 2016

## Adult & Community Services

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219
Forecast (£'000)	39,219	39,219	40,402	40,121	40,121	40,121	40,121	40,121	40,121	40,121	40,121	40,121
Variance (£'000)	0	0	1,183	902	902	902	902	902	902	902	902	902

### Key Elements of Budget Variances:

STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247
Forecast (£'000)	12,247	12,247	12,383	12,328	12,328	12,328	12,328	12,328	12,328	12,328	12,328	12,328
Variance (£'000)	0	0	136	81	81	81	81	81	81	81	81	81

DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712
Forecast Savings (£'000)	1,712	1,654	1,774	1,771	1,771	1,771	1,771	1,771	1,771	1,771	1,771	1,771
Variance (£'000)	0	58	-62	-59	-59	-59	-59	-59	-59	-59	-59	-59
FIP Reconciliation period		MAY	JUNE	JULY								

AREA OF RISK	Budget £000	Forecast £000	Variance £000	Status	Comments
Community Care	27,536	28,717	1,181	R	Overspend is a result of the following: £150k under delivery of Double Handling Saving, £20k delay of Phase 2 reablement saving, £328k reduction in SPG grant, £143k unachievable inflationary increase on income, £600k historic budget deficit, £30k loss of respite income



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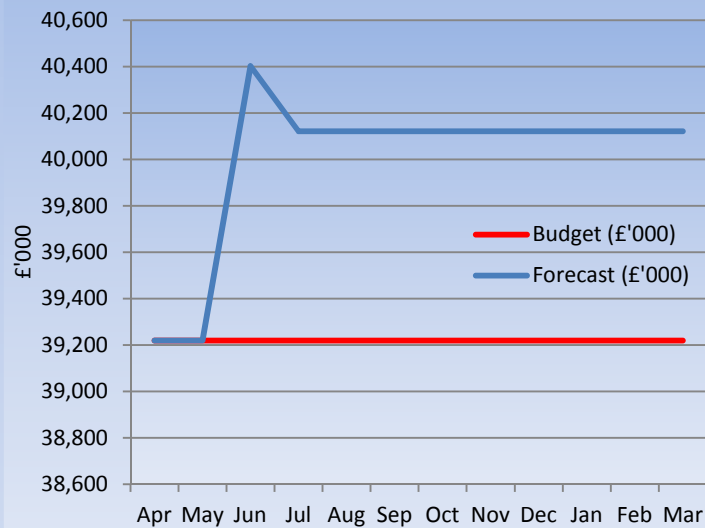
## Adult & Community Services

Change since last month	<b>Current &amp; Emerging Risks / Opportunities</b> <i>(Including non delivery of MTRP savings)</i>
	<p>The £1.181m overspend on community care budgets has reduced by £103k since last month due to the decision to fill BYP vacancies from October 2016.</p> <p>The main reasons for this overspend are as follows:</p> <ul style="list-style-type: none"><li>• £328k reduction is SPG with no corresponding reduction to package cost</li><li>• £143k unachievable income inflation added to 16/17 budget</li><li>• £150k undeliverable Double Handling saving (full target of £300k)</li><li>• £400k inherent pressure from prior years (pressure now added in 17-18 MTRP)</li><li>• £30k loss of respite income due to fairer charging policy</li><li>• £20k shortfall on phase 2 re-ablement work stream . This project has been re-scoped and is now being achieved through reduced Direct payment packages.</li></ul>
	<p>Integrated Community Equipment Budget £78k u/spend – This is due to the NCC budget allocation being higher than the agreed pooled contribution. This budget can be re-allocated to areas of pressure.</p>
	<p>Staffing budgets £81k overspend – Reduced over spend compared to last month. In previous years have tended to underspend overall based on early achievement of savings projects as a result of redundancies. There are significantly less staff in adult services that in prior years as a result of outsourcing services and therefore less scope to make savings in this area. Currently, the vacancy turnover target is not being achieved.</p>
	<p>Transport savings currently being forecasted are as a result of lower car allowances being claimed for homecare staff however there is a planned restructure of extra-care and homecare staff that may need reconfiguring of budgets.</p>
	<p>Supplies – The forecasts against these budgets have been reduced significantly in light of the recent messages regarding reducing spend where possible.</p>

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Adult & Community Services  
2016/17 Forecast History



### BMS Submission Data

% of cost centres submitted by  
budget holder deadline

%

55.56%

### Head of Service Commentary

#### Management actions to address position:

#### Key Budget Variances

- Review Supporting People grants .
- Improve forecasting of Learning Disability projects coming on-stream and re-provisioning.
- Manage down staffing overspends where relating to sickness.

#### Non Delivery of MTRP Savings

- Review of double handing projects and dedicated resource
- Maintain focus on delivering reablement and saving achieved through dedicated resource for reviewing care packages.

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### Head of Service Commentary

#### Head of Service comments/ summary:

There has been some improvement on the previous months budget but the overall context of a reducing budget with increasing demand and complexity remains. There is an underlying deficit in the budget which impacts on the year by year position and MTRP savings erodes the base budget further. The living wage has impacted on the cost of placements and care in the community and costs of placements within care homes is increasing but we are negotiating with the sector and have reopened some residential beds at Blaen Y Pant. *Please note that sufficient budget has been added to accommodate the rise in costs due to the living wage increases – KP 25.8.16.*

The Staffing budget pressures are principally related to the delayed delivery of the call monitoring system within Home Care and factors such as maternity leave in providers services where cover is essential but no budget provision is made. The changes in the WG charging policy has meant that we are now receiving referrals from individuals who were previously self funding their respite care.

### Strategic Director Commentary

#### Strategic Director comments:

The net position has improved this month by £281k, but this is a result of opening closed beds at Blaen-y-Pant and other one off savings. Budget performance is reviewed in Leadership and Performance Boards as well as the Portfolio Boards and extensive work has been undertaken to analyse the reasons for the cost pressures and to attempt to manage down the projected overspend.

Last year we managed to out turn at just £91k overspend – but – Community Care Budgets were £1,298k overspent. We also had an under achievement for income of £457k. This overspend was balanced out by in year savings underspends in Homecare and extra-care due to service restructure (£598k) and Frailty underspend (£327k).

These underlying cost pressures were not dealt with in this year's MTRP because most came in after the completion of the MTRP. These are real cost pressures and the scope for bringing the budget into balance is very limited indeed. We have put the cost pressures into the MTRP for 2017/18 onwards for further discussion. In the meantime we are implementing savings programmes and developing new ways of working but it is important to note that around 70% of budget is taken up by 3<sup>rd</sup> party payments and 20% by employees with just 14% for supplies and services.