

Budget Monitoring Position – March 2017

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	39,189	39,326	39,334	39,346	39,346	39,748	39,748	39,748
Forecast (£'000)	40,402	40,402	40,402	40,121	40,009	39,995	40,003	39,926	39,609	39,878	39,931	40,266
Variance (£'000)	1,183	1,183	1,183	902	820	669	669	580	263	130	183	517

Key Elements of Budget Variances:

STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	10,677	10,677	10,677	10,677	10,648	10,669	10,677	10,677	10,628	11,000	11,000	10,669
Forecast (£'000)	10,813	10,813	10,813	10,758	10,779	10,719	10,661	10,556	10,420	10,829	10,761	10,462
Variance (£'000)	136	136	136	81	131	51	-16	-121	-208	-171	-239	-207

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	1,781	2,005	1,966	1,966	1,865	1,809	1,948	1,918
Variance (£'000)	0	58	-62	-59	-69	-293	-254	-254	-153	-97	-236	-206
FIP Reconciliation period		MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR

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AREA OF RISK	Budget £000	Forecast £000	Variance £000	Status	Comments
Community Care	27,629	28,765	1,136	R	(£985k and £151k detailed in table below) £1m overspend can be categorised as follows: £200k reduction in SPG contribution, £147k unachievable budgetary inflation on income, £150k under achievement of double handling saving, £400k inherent pressure plus £64k working capital write off. Change of £398k between Jan and March - £87k increase to Abacus bad debt provision, additional £51k reported in Feb monitor, 22 additional clients between Feb and March costing £174k
In House Residential Income (Older People)	-996	-807	189	R	The over spend here relates to a loss of income compared to previous years due to deaths, reassessments, refunds and OOA residents moving back to establishments in their original authorities.

SIGNIFICANT VARIANCES	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Community Care Packages			1284	1181	1102	1020	943	980	824	674	725	985
Community Care - Year end increase to bad debt provision plus specific write off												151
Internal Residential & Non Resi income			0	0	0	50	259	164	167	168	186	189
Integrated Community Equipment			-84	-78	-89	-89	-89	-93	-100	-110	-99	-110
Frailty			0	0	0	-25	-89	-46	-60	-66	-74	-92
Adults Staffing Budgets			136	81	131	51	-16	-121	-208	-171	-239	-207
Transport			-153	-111	-78	-40	-44	-44	-39	-22	-6	-25
Homecare			40	6	-31	-68	-69	-91	-93	-98	-115	-124
Adult - Supplies & Services			0	-113	-138	-134	-103	-81	-105	-86	-13	-126
Adult Services Contracts - Circles funded from ICF for 1 year only			0	0	0	0	0	-13	-93	-93	-93	-122
Other			-40	-64	-77	-96	-123	-74	-29	-67	-89	-2
Variance (£'000)	0	0	1,183	902	820	669	669	580	263	131	183	517

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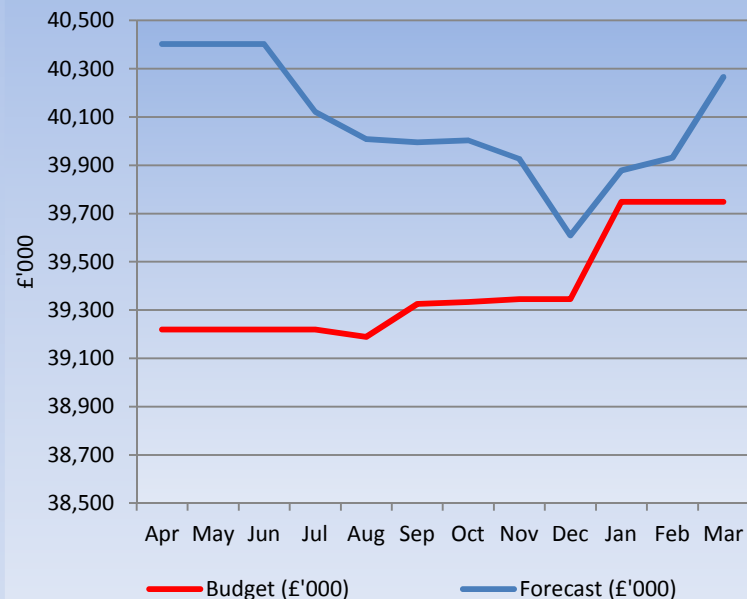
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Change since last month	Current & Emerging Risks / Opportunities (Including non delivery of MTRP savings)
	<p>The final £1.1m overspend on community care budgets has worsened since the last monitor.</p> <p>The main reasons for the overspend can be categorised as follows:</p> <ul style="list-style-type: none"> • £190k reduction in SPG funding allocation with no corresponding reduction to package cost • £64k write off of working capital loan • £87k increase to Abacus bad debt provision • £143k unachievable income inflation added to 16/17 budget • £150k undeliverable Double Handling saving (full target of £300k) • £400k inherent pressure, £120k of which is new S117 cases in 16-17 (£400k pressure now added in 17-18 MTRP) • £120k loss of respite income due to fairer charging policy and increased demand for respite • Offset by early achievement of 17-18 LD savings of £381k
	<p>In House Residential Income - There is a loss of income due to deaths, reassessments, refunds and OOA residents moving back to establishments in their original authorities. The Service Manager also requested that any anticipated income from future house sales is removed based on current residents.</p>
	<p>Integrated Community Equipment Budget £110k u/spend – This is due to the NCC budget allocation being higher than the agreed pooled contribution and an underspend on the pooled budget due to a one off contribution from ICF in 2016/17. In 2017/18 there is an MTRP saving of £70k against this budget.</p>
	<p>Staffing budgets £207k underspend – The staffing underspends are mainly due to one off grant funding for posts (ICF) and early achievement of next years MTRP savings from restructures.</p>
	<p>Homecare savings - £124k due to restructures in the service. Some of this saving is an early achievement of a 17-18 MTRP saving.</p>
	<p>Supplies – The underspends on supplies and services have been reallocated as part of the 1718 budget process.</p>

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2016/17 Forecast History



Head of Service Commentary

Management actions to address position:

Key Budget Variances

Re-provisioning costs were previously not included in the original MTFP but we are now using ICF Funding where possible to mitigate these costs.

Increase in respite demand and loss of income is a direct result of policy change by WG.

Income shortfall illustrates complexity of predicting residents circumstances and increased use of mechanism such as Trusts.

Non Delivery of MTRP Savings

- The double handing saving target proved unachievable as has previously been noted
- The Transport policy is in process of being signed off and discussions are taking place with procurement to explore reducing the costs of transport provision.

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Head of Service Commentary

Head of Service comments/ summary:

The level of income from the in-house residential beds is less than projected and is creating a budget pressure. The profile of residents is difficult to predict and there has been a turnover of residents which has reduced the number of people who are self funding and have properties to sell.

There has been an increase in March in the number of older people moving from the community into residential care. This will include people whose income has reduced below the capital threshold. The strict oversight of placements by service managers and team managers via the ECO process continues. We are doing further work locally and regionally to contest CHC decisions where appropriate. The In Reach project is being rolled out across wards in RGH and St Woolos and it is hoped that this will positively impact on the number of people moving directly from hospital into residential care.

Strategic Director Commentary

Strategic Director Comments:

There has been a £280k increase in the overspend as compared to the February monitor and this reflects the fact that an additional 22 people came into residential care above the number we anticipated and this placed an additional £174k burden on our community care budgets. In addition £87k Abacus bad debt provision and creation of a reserve for WCCIS have added to the pressures.

Overall this represents just over a 1% overspend and given the fact that Adult Social Services has the lowest budget per head of all our comparator local authorities and that we did not receive pressures allocated in the RSG for Social Services, this seems to be a reasonable out turn. Adult Social Services delivered savings this year of £1,952k.

We are presently conducting work to set out options for future investment and savings in Social Services over the next 5 years.