



***Revenue Budget
Monitoring,
Adult Social Care
Period 4, 2014/15***

Decision to be taken by: City Mayor
Overview Select Committee date: 16th October 2014
Lead director: Alison Greenhill

Useful information

- Ward(s) affected: All
- Report author: Rod Pearson
- Author contact details: 37 4002

1. Purpose of report

The purpose of the report is to present the spending position of the Adult Social Care Department as at the end of July 2014 (period 4) to the Adult Social Care Scrutiny Commission.

2. Summary

Adult Social Care (ASC) is experiencing considerable budget pressures and is forecasting an overspend of £2.6m in 2014/15.

This report has been brought to the Adult Social Care Scrutiny Commission following consideration of the council's overall period 4 position at the Overview Select Committee on 16th October 2014.

3. Recommendations

The Adult Social Care Scrutiny Commission is recommended to consider the ASC financial position presented within this report and make any observations it sees fit.

4. Report/Supporting information including options considered:

Period 4 is the first full budget monitoring exercise that the council undertakes in the financial year. At this early stage, a number of pressures have been identified in the Adult Social Care budget including the following:

- There have been a number of previous budget reductions where implementation has been delayed compared to the assumptions made in the budget. The largest area of delayed savings relates to the programme of closure and sales of the Council's Elderly Persons Homes. The judicial review of this decision has significantly delayed the closure of one home and required considerable management capacity, creating delays in the programme overall, but has recently been

resolved in the Council's favour, however the decision has subsequently appealed resulting in the continued opening of the home.

- Additional costs anticipated as a consequence of the Council's current review of fees paid to residential care homes
- Costs associated with a significant increase in assessments relating to Deprivation of Liberty Safeguards. This follows the Cheshire West Supreme Court judgement in March 2014 on Deprivation of Liberty safeguards (DoLs). It is estimated that the court ruling has expanded the scope of DoLs by tenfold and the Council is now incurring significantly increased costs.

The early forecast for Adult Social Care is that there will be an overspend of £2.6m on a gross budget of £128.4m (net budget of £89.4m). The appendix to this report sets out the Adult Social Care budget pictorially, identifying how clients enter the system and an overall representation of how much money was spent in the various service areas in 2013/14. The appendix breaks down the 2014/15 budget into more detail and highlights where the significant areas of overspend sit within the overall department, describes the areas of service and relates the individual areas of overspend to the budget.

A summary of the main reasons for the overspend is shown below:

Service Area	Forecast Overspend £m
As a result of delayed savings from reviews:	
Independent Living Support Review	0.1
Elderly Persons Home Review	1.1
Day Centre Review	0.1
Voluntary Sector Review	0.1
Other	
Pressure from Increasing Demand – increases in care packages as people are living longer with more complex needs	0.7
DOLS – Deprivation of Liberty	0.2
Residential Care Home Fees	0.3
TOTAL	2.6

The Adult Social Care Department is undertaking a rigorous exercise to challenge this early forecast and is undertaking management action to mitigate the forecast overspend. Some actions have already been implemented and the position has to some extent been offset by savings achieved through careful management of contracts, with reduced spending amounting to £0.9m.

The next formal budget monitoring report will be at period 6 when progress against this position will be up-dated.

Whilst the department is doing all it can to contain recurrent expenditure, it is clear that there are, and will continue to be, pressures on the department's budget. It has been agreed to review current earmarked reserves held by the department and to transfer sums to a new reserve to mitigate this years and future years' pressures.

5. Financial, legal and other implications

5.1 Financial implications

This report is solely concerned with financial issues.
Alison Greenhill, Director of Finance, Ext 37 4001.

5.2 Legal implications

This report is solely concerned with financial issues.

5.3 Climate Change and Carbon Reduction implications

This report is solely concerned with financial issues.

5.4 Equalities Implications

No Equality Impact Assessment has been carried out as this is not applicable to a budget monitoring report.

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

This report is solely concerned with financial issues.

6. Background information and other papers:

Report to the council on the 26th February 2014 on the General Fund Revenue Budget 2014/15.

7. Summary of appendices:

There are no appendices.

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

No

10. If a key decision please explain reason

N/A