

ABERDEEN CITY COUNCIL

COMMITTEE	Education and Children Services Committee
DATE	03 September 2015
DIRECTOR	Gayle Gorman, Judith Proctor and Head of Finance
TITLE OF REPORT	2015/16 REVENUE BUDGET MONITORING (Adult Social Care)
REPORT NUMBER:	ECS/SCW/
CHECKLIST RECEIVED	Yes/No

1. PURPOSE OF REPORT

1.1 The purpose of this report is to

- i) bring to Committee members attention the current year revenue budget performance for the services which relate to this Committee; and
- ii) Advise on any areas of risk and management action.

2. RECOMMENDATION(S)

2.1 It is recommended that the Committee:

- i) Note this report on the forecast outturn on the revenue budget and the information on areas of risk and management action that is contained herein;
- ii) Instruct that officers continue to review budget performance and report on service strategies.

3. FINANCIAL IMPLICATIONS

- 3.1 Please note that this is the first budget monitoring report since the transfer of Children's Social Work Services to Education and Children's Services on the 1st April 2015.
- 3.2 The revised total Adult Social Care revenue budget amounts to around £88.2m net expenditure.
- 3.3 Based upon present forecasts it is anticipated that the financial performance of the Directorate will result in a budget overspend of £40k.

4. OTHER IMPLICATIONS

- 4.1 Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by Members. This report is part of that framework and has been produced to provide an overview of the current operating position.

5. BACKGROUND/MAIN ISSUES

- 5.1 This report informs Members of the current year Adult Social Care revenue budget performance to date, and provides a high level summary for the consideration of Members, to period 3 (to end of June 2015).
- 5.2 The Directorate's revenue budget report and associated notes are attached at Appendices A to E.

Financial Position

- 5.3 In overall terms, as set out in Appendix A, the position at the 30th June reflects a current underspend of £150k, and a forecast overspend of £40k for the year.

- 5.3.1 The year to date positions shows net expenditure to be £150k below budget. The net underspend is due to variances in the areas outlined below:

- Underspend on other running expenses £280k.
- Overspend on commissioned services including direct payments of £120k.
- Overspend on staffing £10k.

5.3.2 The forecast outturn is for an adverse variance of £40k. The main variances anticipated are in the following areas:

- Overspend on commissioned services (including direct payments) £1.13m. A significant proportion of the Adult Social Cares PBB savings are from within commissioned services. There remains significant pressure on those budgets, and this has also been reflected with growth provisions included in the budget to cover price and demand pressures. There are four main elements:-

in Adult Services there is an anticipated overspend on needs led direct payments of £2.06m;

in Adult Services there is an anticipated overspend of £220k on needs led commissioned services consisting of; overspends in learning disability £2.82m, and mental health £650k; partially offset by underspends in older people £2.03m, physical disability £1.07m and addictions £160k;

in Adult Services there is an anticipated underspend on block funded services of £970k reflecting underspends on mental health £770k, learning disability £220k, addictions £40k and other adult services £30k; partially offset by self directed support (SDS) spend £70k and adult protection £20k;

in criminal justice there is an anticipated underspend on other commissioned services of £180k.

These were partially offset by:-

- Underspend on other running costs £890k:-

The Adult Services directorate has an anticipated net underspend of £90k. This reflects anticipated underspend on learning and development £100k partially offset by overspend on staff travel £10k.

In Adult Services Lead Service Manager 1 budget has an anticipated net underspend of £610k. This results from underspends on additional telecare/responder services for the SDS project not yet being implemented £400k, Older People Change Fund match funding support £190k, disability aids and adaptations £160k, fleet charges £50k, staff travel £30k, rents £30k and other running costs £10k and section payments £20k; partially offset by overspends on Adult Services transport £210k and car parking £70k.

In Adult Services Lead Service Manager 2 budget has an anticipated net underspend of £110k. This results from anticipated underspend on rents £60k (including buy out of lease 8 Alford Place £60k), staff travel £10k and other running costs £10k.

The criminal justice budget has an anticipated net underspend of £80k. This results from a reduction in expenditure on rates and rents due to relocation from Exchequer House to Spring Garden £220k and car-parking charges reduction £10k; partially offset by PBB savings held against this budget head but delivered against other budget heads. (Budget virements to be identified).

- Over-recovery of income £160k:-

This results from anticipated over-recovery of NHS funding £940k (including Integrated Care Fund income £130k), Housing Benefit £310k, contributions from other local authorities £70k, Older People's Change Fund £60k, other recoveries £60k and recoveries from capital £40k and other income £10k; partially offset by under-recovery client contribution £770k, section 27 grant income £290k and rent income on properties £270k.

- Underspend on staffing costs £50k.

This reflects underspends on vacant head of service post £130k, criminal justice £120k, care management teams £100k, vacant directors post (7months) £90k and physical disability teams £60k; partially offset by additional learning disability spend £200k (reflecting increased costs of services brought in-house), two planning and development manager posts £130k (offset by additional Integrated Care Fund Income), capital project officer £60k, additional older people change fund £40k and backfill costs new structure £20k.

5.3.3 Key underlying assumptions and risks concerning the forecast outturn figures are as follows:

- Commissioned Services is a very significant element of the Adult Social Care budget at £104.0m (84%) and also arguably the highest risk element of the budget. The needs led element of the budget can be a problem and it is in this area that major variances have occurred in previous years. There can be major fluctuations in the level of commitment from month to month due to demand pressures and data recording issues. A 1% increase in Adults care packages costs approximately £740k.

- It is still early in the financial year and it may be some months before there is a clear picture in terms of actual spends on needs led services as the demand fluctuates and data recording issues are worked on.
- There are large variances between budgeted income and forecasted income. The reasons for this will be investigated further and budget virements authorized as required.
- The forecasts assume that further savings will be made due to under delivery of home care. There is a risk that under delivery varies significantly from previous pattern +/- £500k.
- Care providers may decide to discontinue some or all of their services within the Aberdeen City area for commercial reasons. There is a risk that alternative provision may need to be met at a premium in the short to medium term + £200k.

6. IMPACT

- 6.1 As a recognised top priority the Council must take the necessary measures to balance its revenue budget. Therefore Committees and Directorates are required to work within a financial constraint. Every effort is being focused on delivering services more efficiently and effectively.

7. EARMARKED RESERVES

As at Period 3 2015/16	Balance b/f 1 April 2015	Forecast for Year	New Amounts / (Unrequired) Amounts	Projected c/f 31 March 2016
	£'000	£'000	£'000	£'000
Projects	53	53	0	0
Revenue Grants	107	107	0	0
Total	160	160	0	0

Project

The single project is Business Plan Service Options. It is to fund a Planning and Development Manager post until the end of this financial year. This post is supporting the change programme within Learning Disability Services (LD) including the LD financial framework and transformation of in-house residential services to tenancies.

Revenue Grants

Local Autism Plan (£28k). AIG are to consider a programme of autism training, awareness and capacity building with a view to spending the ear-marked reserve this financial year.

See Hear Strategic Frame work (£79K). Funding will be used to support the framework by carrying out sensory checks for people living in residential care £26k, awareness training £31k, additional lip reading class £6.5k, sensory loss training £5k, publicity/events £5k and funding for NESS CEO to be lead person for this Local Authority £5k.

8. CAPITAL

As at Period 3 2015/16	Figures for Total Project			Pr	Cu
	Approved Budget	Expenditure to Date	Forecast Expenditure		
Integration Joint Board	£'000	£'000	£'000		
Social Care Facilities: Rosehill Replacement @ Burnside	4,400	162	4,400	G	G
	4,400	162	4,400		

- The business case for the new Rosehill Centre at the former Burnside site has been approved by to SIP & Capital Review Group. Formal tendering of the contract is proceeding, with a 12 month construction contract hopefully initiated in late autumn 2015 and the new facility opening in late 2016.

9. BACKGROUND PAPERS

Financial ledger data extracted for the period.

10. REPORT AUTHOR DETAILS

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Additional contributions to analysis of risks and management action by Director & Heads of Service – Social Care & Wellbeing.

**ABERDEEN CITY COUNCIL
REVENUE MONITORING 2015/2016**

APPENDIX A

DIRECTORATE : ADULT SOCIAL CARE

As at end of June 2016		Year to Date			Forecast to Year End		
Accounting Period 3	Full Year Revised Budget	Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent
	£'000	£'000	£'000	£'000	£'000	£'000	%
Director	399	100	(117)	(217)	186	(213)	(53.4%)
Lead Service Manager 1	82,077	20,519	20,706	187	82,726	649	0.8%
Lead Service Manager 2	5,982	1,493	1,404	(89)	5,676	(306)	(5.1%)
Criminal Justice	(221)	(69)	(99)	(30)	(310)	(89)	40.3%
TOTAL	88,237	22,043	21,894	(149)	88,278	41	0.0%

**ABERDEEN CITY COUNCIL
REVENUE MONITORING 2015/2016**

APPENDIX B

DIRECTORATE : ADULT SOCIAL CARE
HEAD OF SERVICE : Director

As at end of June 2016		Year to Date			Forecast to Year End			CHANGE FROM LAST REPORT
Accounting Period 3	Full Year Revised Budget	Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS	554	139	172	33	621	67	12.1%	0
ADMINISTRATION COSTS	138	35	4	(31)	34	(104)	(75.4%)	0
TRANSPORT COSTS	1		2	2	7	6	600.0%	0
SUPPLIES & SERVICES	166	41	10	(31)	167	1	0.6%	0
COMMISSIONING SERVICES	916	229	51	(178)	916	0	0.0%	0
GROSS EXPENDITURE	1,775	444	239	(205)	1,745	(30)	(1.7%)	0
LESS: INCOME								
OTHER GRANTS & CONTRIBUTIONS			(31)	(31)	(126)	(126)	0.0%	0
CUSTOMER & CLIENT RECEIPTS	(748)	(187)	(198)	(11)	(812)	(64)	8.6%	0
RECHARGES TO OTHER ACCOUNTS	(621)	(155)	(127)	28	(621)	0	0.0%	0
OTHER INCOME	(7)	(2)	0	2	0	7	(100.0%)	0
TOTAL INCOME	(1,376)	(344)	(356)	(12)	(1,559)	(183)	13.3%	0
NET EXPENDITURE	399	100	(117)	(217)	186	(213)	(53.4%)	0
VIREMENT PROPOSALS								
None this cycle								
						PROJECTED VARIANCE	CHANGE	
						£'000	£'000	
REVENUE MONITORING VARIANCE NOTES								
Staff Costs						67	0	
The adverse variance reflects costs of two planning and development manager posts £130k (offset by additional Integrated Care Fund income) and backfill costs new structure £20k; partially offset by vacant Directors post (7 months) £90k.								
Administration Costs						(104)	0	
The favourable variance reflects anticipated underspend on courses.								
Transport Costs						6	0	
Supplies and Services						1	0	
Commissioning Services						0	0	
Income						(183)	0	
The favourable variance is due to anticipated additional NHS funding £130k (Integrated Care Fund for two planning and development managers) and charging policy income £60k.								
						(213)	0	

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ABERDEEN CITY COUNCIL REVENUE MONITORING 2015/2016						APPENDIX C		
DIRECTORATE :		ADULT SOCIAL CARE						
HEAD OF SERVICE :		Lead Service Manager 1						
As at end of June 2016		Year to Date			Forecast to Year End			CHANGE FROM LAST REPORT
Accounting Period 3	Full Year Revised Budget	Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
	£'000	£'000	£'000	£'000	£'000	£'000	%	
STAFF COSTS	8,353	2,088	2,099	11	8,359	6	0.1%	0
PROPERTY COSTS	263	67	61	(6)	231	(32)	(12.2%)	0
ADMINISTRATION COSTS	60	15	20	5	94	34	56.7%	0
TRANSPORT COSTS	166	40	89	49	360	194	116.9%	0
SUPPLIES & SERVICES	1,058	265	54	(211)	268	(790)	(74.7%)	0
COMMISSIONING SERVICES	95,349	23,838	23,724	(114)	94,893	(456)	(0.5%)	0
TRANSFER PAYMENTS	1,802	450	964	514	3,784	1,982	110.0%	0
GROSS EXPENDITURE	107,051	26,763	27,011	248	107,989	938	0.9%	0
LESS: INCOME								
OTHER GRANTS & CONTRIBUTIONS	(13,411)	(3,353)	(3,577)	(224)	(14,240)	(829)	6.2%	0
CUSTOMER & CLIENT RECEIPTS	(10,415)	(2,603)	(2,392)	211	(9,579)	836	(8.0%)	0
RECHARGES TO OTHER ACCOUNTS	(35)	(9)	(73)	(64)	(390)	(355)	1014.3%	0
OTHER INCOME	(1,113)	(279)	(263)	16	(1,054)	59	(5.3%)	0
TOTAL INCOME	(24,974)	(6,244)	(6,305)	(61)	(25,263)	(289)	1.2%	0
NET EXPENDITURE	82,077	20,519	20,706	187	82,726	649	0.8%	0
<u>VIREMENT PROPOSALS</u>								
None this cycle								

							PROJECTED VARIANCE	CHANGE
REVENUE MONITORING VARIANCE NOTES							£'000	£'000
Staff Costs							6	0
The unfavourable variance reflects anticipated overspends in respect of Learning Disability £200k, Capital Project Officer £60k (see rchs to capital) and Older People Change Fund £40k (offset by NHS income); partially offset by underspends on vacant Head of Service post £130k, Care Management £100k and Physical Disability £60k.								
Property Costs							(32)	0
The favourable variance is due to an anticipated underspend on rentals.								
Administration Costs							34	0
The adverse variance reflects an anticipated overspend on legal fees £20k, advertising £10k and conferences £10k; partially offset by underspends on telephones £10k.								
Transport Costs							194	0
The adverse variance is due to anticipated overspends on hire of taxis for clients £210k, to be met from the commissioning costs budget, and car parking £70k, partially offset by underspends on fleet charges £50k and staff travel £30k.								
Supplies and Services							(790)	0
The favourable variance is due to anticipated underspend on telecare/responder service for the Self Directed Support (SDS) project £400k, budget for match funding support to Older People Change Fund £190k, disability aids and adaptations £160k and other expenses £40k.								
Commissioning Services							(456)	0
The favourable variance reflects anticipated underspends on needs led services budgets, excluding Direct Payments, £280k and underspends on block funded services for learning disabilities £220k and other adult services £30k; partially offset by SDS spend £70k (which is met by additional grant income).								
Transfer payments							1,982	0
The adverse variance is due to anticipated overspend on needs led Direct Payments budgets £2m, partially offset by underspend on section 12 payments £20k.								
Income							(289)	0
The favourable variance reflects additional income from NHS funding £820k (including older peoples change fund £60k), housing benefit £310k, other recoveries £60k, recoveries to capital £40k, other income £30k and contributions from other local authorities £10k; partially offset by shortfalls in client contribution £770k and rent income £210k.								
							649	0

ABERDEEN CITY COUNCIL REVENUE MONITORING 2015/2016						APPENDIX D		
DIRECTORATE :		ADULT SOCIAL CARE						
HEAD OF SERVICE :		Lead Service Manager 2						
As at end of June 2016		Year to Date			Forecast to Year End			CHANGE FROM LAST REPORT
Accounting Period 3	Full Year Revised Budget	Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS	3,242	811	809	(2)	3,246	4	0.1%	0
PROPERTY COSTS	107	24	1	(23)	12	(95)	(88.8%)	0
ADMINISTRATION COSTS	49	12	3	(9)	58	9	18.4%	0
TRANSPORT COSTS	40	10	7	(3)	30	(10)	(25.0%)	0
SUPPLIES & SERVICES	25	6	7	1	21	(4)	(16.0%)	0
COMMISSIONING SERVICES	7,494	1,874	1,799	(75)	7,200	(294)	(3.9%)	0
TRANSFER PAYMENTS	2	0	17	17	65	63	3150.0%	0
GROSS EXPENDITURE	10,959	2,737	2,643	(94)	10,632	(327)	(3.0%)	0
LESS: INCOME								
OTHER GRANTS & CONTRIBUTIONS	(4,293)	(1,073)	(1,099)	(26)	(4,396)	(103)	2.4%	0
CUSTOMER & CLIENT RECEIPTS	(684)	(171)	(140)	31	(560)	124	(18.1%)	0
TOTAL INCOME	(4,977)	(1,244)	(1,239)	5	(4,956)	21	(0.4%)	0
NET EXPENDITURE	5,982	1,493	1,404	(89)	5,676	(306)	(5.1%)	0
VIREMENT PROPOSALS								
None this cycle								

								PROJECTED VARIANCE £'000	CHANGE £'000
REVENUE MONITORING VARIANCE NOTES									
Staff Costs								4	0
The small variance reflects anticipated overspend on out of hours team £20k and domestic abuse team £10k; offset by anticipated underspends on mental health teams £10k and integrated service teams £10k.									
Property Costs								(95)	0
The favourable variance reflects anticipated savings on rents (including buy out of the lease on 8 Alford Place £60k).									
Administration Costs								9	0
Transport Costs								(10)	0
The favourable variance reflects anticipated savings on staff travel.									
Supplies and Services								(4)	0
Commissioning Services								(294)	0
The favourable variance reflects an anticipated underspend on block funded for mental health £770k and addictions £40k; partially offset by an overspend on needs led budgets, excluding direct payments, of £500k and block funded adult protection £20k.									
Transfer Payments								63	
The adverse variance reflects anticipated spend on needs led direct payments.									
Income								21	0
The adverse variance reflects under-recovery of client contributions £60k and rent income £60k; partially offset by additional NHS income £50k and contribution from other councils £50k.									
								(306)	0

ABERDEEN CITY COUNCIL REVENUE MONITORING 2015/2016						APPENDIX E		
DIRECTORATE :		ADULT SOCIAL CARE						
HEAD OF SERVICE :		Criminal Justice						
As at end of June 2016		Year to Date			Forecast to Year End			CHANGE FROM LAST REPORT
Accounting Period 3	Full Year Revised Budget	Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS	3,640	910	875	(35)	3,515	(125)	(3.4%)	0
PROPERTY COSTS	289	59	4	(55)	68	(221)	(76.5%)	0
ADMINISTRATION COSTS	26	6	6	0	23	(3)	(11.5%)	0
TRANSPORT COSTS	59	15	11	(4)	56	(3)	(5.1%)	0
SUPPLIES & SERVICES	(126)	(32)	7	39	27	153	(121.4%)	0
COMMISSIONING SERVICES	550	138	93	(45)	370	(180)	(32.7%)	0
TRANSFER PAYMENTS			1	1	4	4	0.0%	0
GROSS EXPENDITURE	4,438	1,096	997	(99)	4,063	(375)	(8.4%)	0
LESS: INCOME								
GOVERNMENT GRANTS	(4,659)	(1,165)	(1,093)	72	(4,373)	286	(6.1%)	0
OTHER INCOME	0	0	(3)	(3)	0	0	0.0%	0
TOTAL INCOME	(4,659)	(1,165)	(1,096)	69	(4,373)	286	(6.1%)	0
NET EXPENDITURE	(221)	(69)	(99)	(30)	(310)	(89)	40.3%	0
VIREMENT PROPOSALS								
None this cycle								
REVENUE MONITORING VARIANCE NOTES						PROJECTED VARIANCE	CHANGE	
						£'000	£'000	
Staff Costs						(125)	0	
The favourable variance reflects anticipated management action to limit expenditure to grant funding. (PBB saving SCW8).								
Property Costs						(221)	0	
The favourable variance reflects anticipated underspends on rates and rent now that the Criminal Justice service has relocated from Exchequer House to Spring Gardens.								
Administration Costs						(3)	0	
Transport Costs						(3)	0	
Supplies and Services						153	0	
The adverse variance reflects anticipated PBB savings held against this budget head but delivered against other budget heads.								
Commissioning Services						(180)	0	
The favourable variance is due to anticipated underspends on commissioned services.								
Transfer Payments						4	0	
Income						286	0	
The adverse variance reflects anticipated levels of grant income.								
						(89)	0	