

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

CABINET – 1 MAY 2014

**REPORT BY THE TRI BOROUGH EXECUTIVE DIRECTOR OF ADULT
SOCIAL CARE**

**BUDGET MONITORING 2013-14 – QUARTER 4
ADULT SOCIAL CARE**

SUMMARY

REVENUE BUDGET

At this stage, it is forecast that Adult Social Care will **underspend by £3.6m** (5.8%) by the year-end. This excludes the projected underspend against funding from the Department of Health (see paragraph 1.7).

CAPITAL BUDGET

At this stage an underspend of £229,000 is forecast on the Capital Budget.

FOR INFORMATION

1. REVENUE BUDGET

Revenue Budget Monitoring Report - Adult Social Care

	Annual Budget £'000	Projected Outturn £'000	Variance £'000	Variance %	RAG Status
<u>Adult Social Care Functions</u>					
Services for Older People	21,762	21,375	-387	-1.8%	Green
Services for People with a Physical Disability	4,120	3,828	-292	-7.1%	Red
Services for People with Learning Disabilities	10,400	8,822	-1,578	-15.2%	Red
Services for People with a Mental Health Need	5,901	5,935	34	0.6%	Green
Other Adult Services	154	74	-80	-51.9%	Green
Public Transport	9,932	9,528	-404	-4.1%	Amber
Supporting People	1,230	1,040	-190	-15.4%	Red
Management and Support Services	4,224	3,513	-711	-16.8%	Red
Adult Social Care	57,723	54,115	-3,608	-6.3%	Red
Budgets Controlled by Other Services	4,348	4,348	0	0.0%	
Capital Financing Charges	301	301	0	0.0%	
FRS17	400	400	0	0.0%	
Dept Budgets Recharged to Other Services	-155	-155	0	0.0%	
Total	62,617	59,009	-3,608	-5.8%	

RAG Status:

Red = £100k+ variance and over +/-5%

Amber = £100k+ variance and between +/-3-5%

Green = under £100k variance or under +/-3%

- 1.1 Across all service groups in Adult Social Care, there is a projected underspend of £865,000 on residential, nursing and intensive supported living placements. This underspend reflects the net reduction in numbers of residential and nursing placements supported (see graphs in Appendix 1). Three residents at Piper House have been assessed as meeting continuing care criteria and are being funded by Health, this assessment has resulted in the underspend increasing by £225,000. However, the increased underspend has been partly offset by the backdating of additional staffing costs within the Dementia service at Ellesmere, which together with monies due to Care UK following the 5 year contractual review amounts to £154,000. In 2014-15 the budget for these placements has been reduced by £471,000.
- 1.2 An underspend of £190,000 against the Supporting People Budget (ASC services only) will arise from a rationalisation of supported housing services.

- 1.3 There is a projected underspend of £714,000 against the budget previously funded from the Learning Disability and Health Reform Grant. This is mainly due to the complexity of cases being supported, where some of the high cost service users meet continuing care criteria and must therefore be funded by the health service. There is always the risk that additional pressure will be experienced on eligibility decisions. The average cost of a case that is in receipt of Continuing Care funding is around £125,000 a year. It would only take a few of these cases to no longer be eligible to significantly change the projection. Most known transition cases are expected to meet continuing care criteria. However, it is possible that some may not, and in these cases the cost will impact on this budget. In 2014-15 the Budget has been reduced £350,000.
- 1.4 The net budget for home care and direct payments is projected to underspend by £289,000. The underspend continues to reflect the reduction in the number of hours being purchased and the electronic monitoring system ensuring that we only pay for care that is actually delivered. The reduction in hours will partly be due to introducing the contributions policy in 2010, but also reflects the success in providing timely and accurate information and advice to people who wish to make their own arrangements.
- 1.5 An underspend of £32,000 is currently forecast against the Adult Social Care employees budget. This forecast includes redundancy costs of £66,000, following the deletion of 4 officer posts and backdated costs of Single Status amounting to £417,000.
- 1.6 The underspend on Management and Support Services includes the early achievement of efficiency savings (approximately £500,000) brought about by the tri-borough arrangements. In 2014-15 the budget has been reduced by £300,000.
- 1.7 The Department of Health has allocated £3.7m in 2013-14 for the Royal Borough to fund social care activities which also benefit health, this also includes the reablement allocation. This is in addition to the allocations provided in 2011-12 and 2012-13. Current projections indicate that spend in 2013-14 will be in the region of £1.5m. The variance of £3.6m on the Adult Social Care budget does not include this funding.
- 1.8 The Tri-borough authorities have been allocated winter pressures funding by the Clinical Commissioning Groups Collaborative. This is to support the expansion of the social work service to a seven day a week service, to improve access to services and to expand community services. The allocation to the Royal Borough for 2013-14 is £283,000, the latest projections assume an underspend of £112,000 against this

allocation. A proposal will be made to carry forward the balance of £112,000 in order to continue to fund the extension of the seven 7 day a week Service.

- 1.9 An underspend of £404,000 is currently forecast against the budget for Public Transport – there is a continuing underspend on the Taxicard Service reflecting the higher contribution from London Councils. The 2014-15 budget has been reduced by £200,000.
- 1.10 At its meeting in October 2013, Cabinet agreed the use of ASC underspends to create a resource envelope for the ASC Portfolio of projects. The total resources amount to £499,000 and in return for this, ASC is projecting savings of £2.5m over 2 years for the Royal Borough. The initial savings are projected to come from the customer journey mapping and the resultant improvements in business processes. The funding for this portfolio is being met from ASC underspends in 2013-14. Costs arising in 2013-14 are expected to be approximately £215,000.

2. CAPITAL PROGRAMME

- 2.1 The following table summarises the projected outturn on the Capital Programme:

Capital Budget Monitoring Report - Adult Social Care								
Description	Original Budget £'000	Annual Budget £'000	Budget Profile to Mth 11 £'000	Actual Spend To Date	% Annual Budget Spent	Forecast Outturn £'000	Forecast Variation £'000	Slippage 2014-15 £'000
Ellesmere House	-	223	204	32	14%	37	- 186	186
Piper House Refurbishment	296	581	533	560	96%	560	- 21	21
Sub Total - Adult Social Care Managed by Property Services	296	804	737	592	74%	597	- 207	207
Social Care IT System	-	213	195	143	67%	191	- 22	22
Sub Total - Adult Social Care Managed	-	213	195	143	67%	191	- 22	22
TOTAL ADULT SOCIAL CARE	296	1,017	932	735	72%	788	- 229	229
Financed By								
Service Capital Reserve	296	804				597	- 207	207
Other Reserves	-	213				191	- 22	22
Total	296	1,017				788	- 229	229

- 2.2 Following refurbishment, Piper House has now reopened.
- 2.3 £90,000 has now been transferred from the Capital Reserve which enabled the new social care IT system to be fully implemented.

Latest projections anticipate that £191,000 will be spent in the current year with the remainder being spent in 2014-15.

- 2.4 Ellesmere House
In April 2004, the Council signed a development contract with Taylor Woodrow Developments Limited, re-named Taylor Wimpey City (TW), covering the re-development of the Ellesmere Older

Persons Home. Following practical completion in June 2007, a number of snagging matters were identified.

An agreement was reached between the Council and TW in December 2009 concerning the arrangements for undertaking works needed to address these snagging matters and the financial contribution to be made by TW.

Cabinet has recently agreed to establish a budget of £423,000 to undertake these works. This is being funded from the Adult Social Care Capital Reserve, partly financed from a contribution from TW.

Latest projections anticipate that £37,000 will be spent in the current year with the remainder being spent in 2014-15.

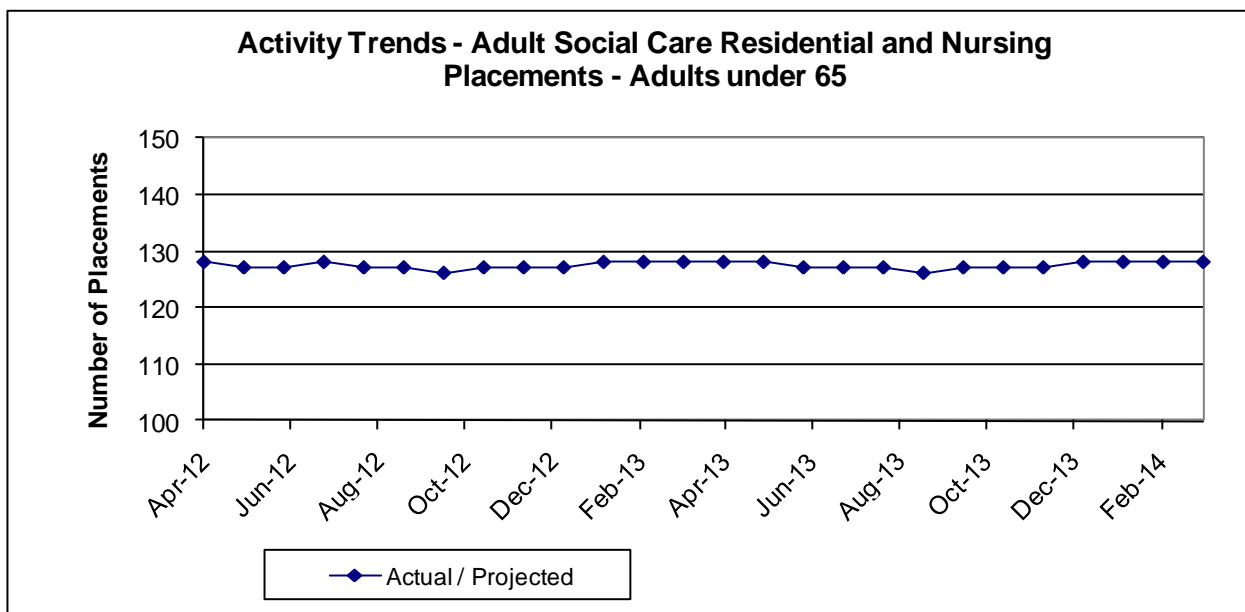
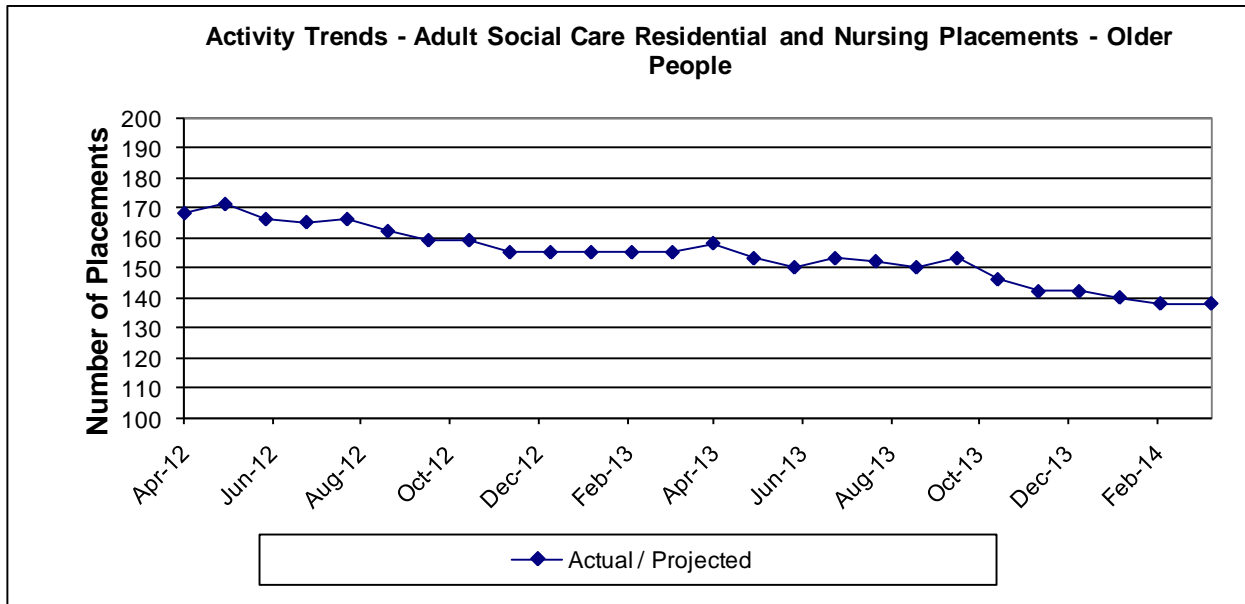
3. RECOMMENDATIONS

3.1 Cabinet is asked to agree:

- a) Any underspend against the 2013-14 winter pressures allocation to fund the seven day a week service (see paragraph 1.8) is carried forward to 2014-15 to fund the extension of the service.

Liz Bruce
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APPENDIX 1



The slight increase in the number of under 65's cases includes the transfer of existing Supported Living cases to Residential.