



Adult Social Care Select Committee  
26 June 2014

**Budget Update**

**Purpose of the report:** Adult Social Care Budget Position

This report confirms 2013/14 outturn, and provides background for the Committee on the 2014/15 budget ahead of a presentation to be made on the year to date position.

**Introduction:**

The timings for despatch of papers fell awkwardly given the complexities of preparing the first budget monitoring of the new year, so it was thought best to summarise:

- i. the year end position from 2013/14.
- ii. The budgeted position for 2014/15.

and then present the detailed position for 2014/15 to date orally at the meeting in order to ensure this is as informative as possible.

**2013/14 Outturn**

The outturn position, an overspend of £5.1m (1.5%) may be summarised as follows:

<b>2013/14 ASC OUTTURN POSITION</b>			
<b>Division</b>	<b>Full Year Budget</b>	<b>Projected Year-End Outturn</b>	<b>Projected Outturn Variance</b>
Personal Care & Support	254,244,919	261,496,960	7,252,041
Policy & Strategy	1,645,449	751,269	-894,180
Commissioning	58,671,613	57,479,813	-1,191,799
Strategic Support	412,396	506,741	94,345
Service Delivery	22,305,244	22,215,775	-89,469
	<b>337,279,621</b>	<b>342,450,558</b>	<b>5,170,937</b>

This may also be summarised by client group as follows:

Summary of the revenue outturn for the directorate

	Full year (revised) budget	Full year Outturn	Full year Variance
Adult Social Care	£m	£m	£m
Income	-69.0	-81.5	-12.5
Older People	163.4	176.3	12.9
Physical Disabilities	47.4	49.0	1.6
Learning Disabilities	125.5	131.6	6.1
Mental Health	9.1	9.6	0.5
Other Expenditure	60.9	57.5	-3.4
<b>Total by service</b>	<b>337.3</b>	<b>342.5</b>	<b>5.2</b>

The outturn position for Adult Social Care was +£5.2m (1.6%) overspent, which represented no change from the interim outturn forecast.

A projected overspend was highlighted as a risk during 2013/14 budget planning and should be viewed in the context of ASC's very challenging MTFP savings target of £45.9m plus £2.9m demand pressures arising in year. The Directorate succeeded in achieving £34.4m of savings (excluding sums drawn down) which is the most achieved in any year to date. However, the Directorate did not achieve the full £48.8m savings required to achieve the budget, due principally to difficulty in implementing the Family, Friends & Community Support (FFC) programme, as explained below. To mitigate the impact on the 2013/14 budget, the Directorate obtained permission to draw down £9.2m of balances from previous years as follows:

- £7.5m of unused 2011/12 Whole System Funding, approved by Cabinet in the September 2013 monitoring cycle and drawn down in October 2013.
- £1.7m of previous years' Winter Pressures funding, approved by Cabinet in the October 2013 monitoring cycle and drawn down in November 2013.

The most significant element of the Directorate's savings plans is FFC. It is a new and innovative strategy designed to provide more personalised community support options to individuals requiring care, while reducing direct costs to the Council. ASC continues to implement the FFC strategy and it has been a key driver in the recent Rapid Improvement Events on the social care and financial assessment processes.

The FFC savings target for 2013/14 was £15.5m. To succeed, FFC requires fundamental cultural shift and considerable levels of system changes and community developments. The necessary conditions proved to be harder than expected to put in place, and so the savings were not made in 2013/14. Actions are under way to ensure that 2014/15 is

different, and FFC is forecast to deliver £10m in 2014/15 and £35m of ongoing savings over the 2014-19 MTFP period.

The key driver of the underlying pressures ASC faces is individually commissioned care services (also known as spot care). The gross spend in 2013/14 on spot care, excluding Transition (which are clients moving from children's social care to adults social care), was on average £21.6m per month for April to March. That compares with £21.3m in the last quarter of 2012/13, indicating that while ASC largely contained new in year demand pressures, expenditure did not decrease to the budgeted level of £19.9m as planned through the delivery of the FFC savings programme.

In light of the specific nature of the following areas, carry forwards were approved by Cabinet as follows:

- £35k First Point – carry forward of non ring-fence unused grant funding received for set up costs for the Community Interest Company.
- £39k Employability – funding for the Not in Education, Employment or Training (NEET) and Travel Smart programmes that are continuing in 2014/15.
- £45k Apprenticeship one-off funding – due to recruitment delays for these posts.

#### Summary of Adult Social Care outturn

	<b>£m</b>
ASC MTFP efficiency target	-45.9
Additional demand pressure above those anticipated in MTFP 2013-18	<u>2.9</u>
Revised efficiency target	48.8
Total savings achieved before draw downs	-34.4
Whole Systems Funding 2011/12 draw down	-7.5
Winter Pressure Funding 2011/12 draw down	<u>-1.7</u>
Total forecast savings	-43.6
Under / (over) performance against MTFP target	<u>5.2</u>

**2014/15 Budget**

7

The position may be as summarised as follows:

<b>2014/15 ASC BUDGETS</b>		
<b>Division</b>	<b>MTFP BUDGET</b>	<b>CURRENT BUDGET</b>
Personal Care & Support	259,332,013	260,789,406
Policy & Strategy	2,975,349	2,985,149
Commissioning	54,628,483	53,586,456
Strategic Support	-30,436	-30,436
Service Delivery	23,118,547	23,254,469
	<b>340,023,956</b>	<b>340,585,044</b>

As reported to the 1 May meeting of the Committee, delivery of this budget requires that substantial savings be achieved:

	2014/15 £000s
<b>Savings</b>	
<u>Continuing Savings</u>	
Family, Friends and Community support	(10,000)
Section 256 client group savings	(1,500)
Optimisation of Transition pathways	(250)
Preventative savings through Whole Life Systems interventions & Telecare	(250)
Strategic shift from residential to community based provision	(118)
Optimisation of spot care rates	(4,005)
Learning Disabilities Public Value Review	(1,000)
Other commissioning strategies	(730)
Optimisation of main block contract rates	(433)
Optimisation of other block contract rates	(396)
Strategic supplier review ongoing savings	(750)
Strategic renegotiation of main block contracts	(1,400)
Recommission Supporting People contracts	(1,000)
“Protection” of Social Care through Whole Systems funding	(4,000)
Maximising income through partnership arrangements	(2,500)
Public Sector Transformation Network / Health Collaboration	(600)
Strategic review of In-house services	0
Savings through LATC	(700)
Management efficiency savings through restructuring	(300)
Management of team supplies, services and travel	(270)
Savings yet to be identified	(2,600)
<b>Total Continuing Savings</b>	<b>(32,802)</b>
<u>One-off Savings</u>	
Direct payment reclaims	(3,000)
Overprojection due to breaks / one-off reductions in care services	(1,000)
Underusage of call offs	(500)
Strategic supplier review rebates	(750)
General In-house efficiencies	(400)
Manage costs below budget, e.g. vacancies	(3,500)
<b>Total One-off Savings</b>	<b>(9,150)</b>
<b>Total savings</b>	<b>(41,952)</b>

An oral update will be given, with accompanying slides, on progress with savings to date together with other relevant data, e.g. demand trends.

### Recommendations

1. Review details of the Adult Social Care 2013/14 outturn position and 2014/15 budget as set out above and seek clarification of any matters arising at the next committee meeting.

**Report contact:**  
Paul Carey-Kent

Strategic Finance Manager, Adult Social Care

**Contact details:**

020 8541 8536

[paul.careykent@surreycc.gov.uk](mailto:paul.careykent@surreycc.gov.uk)

7