



Adult Social Care Select Committee  
30 November 2012

**Budget Update**

**Purpose of the report:** Scrutiny of Budgets/Performance Management

Regular budget monitoring is a priority for the committee. This report presents the outturn for 2012/13.

**Introduction:**

1. This report presents the current estimated outturn for 2012/13, which shows a projected overspend of £3.9m. Every effort will be made to manage this figure down, but the pressures on the budget are making this difficult.
2. The appendices set out the full detail of the budget position in the usual way. Problems have arisen due to two main factors:
  - Increases in the number of people given social care assistance. From a start of year position in line with the expectations built into the budget, current projections show a 5% increase in numbers. That has been accompanied by a 3% reduction in the average cost per person dealt with in the main change areas of older people and people with a physical disability, but savings of that type were already built into the budget, so this still represents a very significant additional pressure.
  - There have been difficulties in delivering the full £28.4m of savings required by the budget in the anticipated ways. Slippage has occurred due, for example, to a slower and more strategic approach being taken to the review of in-house services, impacts of the NHS reorganisation making it more complicated to take forward some strands of action, and the delayed launch of the telecare strategy. To some extent it has been possible to replace the savings through alternative – but one-off - measures. Members will be aware that the use of one off measures does come with sequential need to replace them in the following year.
3. The result is that, whilst this year is looking difficult, next year comes with three combined potential problems: the increase in demand, the need to replace one

off savings measures, and the need to achieve the very ambitious (£28.6m) savings proposals currently built into the MTFP for 2013/14.

4. There are plans in place to utilise the whole systems funding of £10.6m in 2012/13 on measures which assist in the long term to improve the Health and Social Care system as whole. Given the particular problems faced this year, any slippage against that spending is being recycled where appropriate to assist with the overall budget position. £800,000 has been identified from that source in the current monitoring position. Without this contribution from Whole Systems, the increase from the September position of £3.2m would have been more than the £700,000 reported this month.
5. The key to preventing the projected overspend rising further is controlling demand, and reducing it if possible (that is also the likely key to delivering a sustainable budget in 2013/14). The Director of Adult Social Care is formulating a plan which will implement such measures with imminent effect.

#### **Conclusions:**

6. Significant pressures have developed over the course of 2012/13. Measures will be taken to minimise any overspend, but the current projection is £3.9m (1.2%).

#### **Financial and value for money implications**

7. The national context of reducing public expenditure over the period of the Council's Medium Term Financial Planning has led to the requirement to make significant savings, and this report is an important element in ensuring that these are achieved appropriately.

#### **Equalities Implications**

8. There are no equalities implications arising directly from this report.

#### **Risk Management Implications**

9. The risks associated with implementing the savings required in the Medium Term Financial Plan have been highlighted and continue to be managed in the process of setting and monitoring the budget.

#### **Recommendations:**

10. The committee notes the budget position and steps being taken and makes any relevant comments.

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