



Adult Social Care Select Committee
14 February 2013

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 £4.3m, an increase of £0.4m over the £3.9m forecast reported to the Committee's November meeting. That is the position before the outcome of the Council's £2.9m Winter Pressures bid to the NHS is known. Clearly, a favourable outcome to that bid would have a positive effect, and in addition every effort will be made to manage this figure down. Nonetheless, the pressures on the budget make 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 6% 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 mainly one-off – measures. Members will be aware that the use of one off measures does come with a consequential need to replace them in the following year, and that factor has featured in the 2013/14 budget setting process.

Conclusions:

3. Significant pressures have developed over the course of 2012/13. Measures will continue to be taken to minimise any overspend, concentrating on maximising income from partnership arrangements and any under-utilised Direct Payments (given that changes to care packages have a limited effect this late in the year, the impact of such reviews will be felt significantly only in 2013/14). Nonetheless, the current projection is for an overspend of £4.3m (less any Winter Pressures funding received).

Financial and value for money implications

4. 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

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

Risk Management Implications

6. 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:

7. The Committee is requested to scrutinise the current budget position.

Report contact: Paul Carey-Kent, Strategic Finance Manager, Adult Social Care

Contact details: 020 8541 8536; paul.carey-kent@surreycc.gov.uk

Sources/background papers: None