

Report for: Adults and Health Scrutiny Panel - 20th June 2019

Title: Finance update – Adults & Health

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Ward(s) affected: All

**Report for Key/
Non Key Decision:** Not a key decision

1. Describe the issue under consideration

1.1 This report provides an overview of the financial performance of the services within Priority 2 (Enable adults to live healthy, long and fulfilling lives) as at the end of quarter 4, 2018/19.

2. Priority Two outturn 2018/19 – Adults Overspend £4.2m

2.1 Priority Two is projecting overall spend of £104.3m against approved budget of £98.2m resulting in an outturn overspend of £6.2m. This figure is made up of £6.1m overspend in Adults social services, £0.2m underspend in public health (priority 2 element only) and a £0.3m overspend in commissioning. The total overspend reduces to £4.2m after the application of agreed £2m corporate mitigation. The areas with material variances are detailed below.

2.2 Care Packages (£7.2m overspend)

- £3.8m adverse variance which has arisen in the current year and £3.5m carried forward pressure, including £0.5m relating to inflationary uplifts awarded to care providers. The variance is broken down as follows:
 - Learning Difficulties - £3.6m overspend
 - Mental Health - £2.4m overspend
 - Physical Support - £1.42 overspend

2.3 Osborne Grove Nursing Home (£0.7m overspend)

- The management and staffing costs to run the service for limited clients, the loss of client contributions, and loss of health funding for purchased beds contribute to this cost pressure. Consultation with both staff and clients is currently underway, with a view to moving to a single ward by the end of May. This should have the effect of reducing revenue costs by £0.400m in 2019/20.

2.4 Director of Adult Social Services budget (£0.8m underspend)

- A £0.4m underspend against the budget for bad debt provision, a £0.1m underspend on Care Act Implementation, receipt of £0.1m unbudgeted Home Office Resettlement grant and other small combined underspends of £0.2m.

2.5 Adaptations and Surveying (£0.8m underspend)

- Largely due to capitalisation of Occupational Health costs and staff vacancies.

3. Breakdown of Adults Budget 2018/19

3.1 Priority Two Budget Allocation

	Adults Social Care	Public Health	Commissioning	Total
	£m	£m	£m	£m
2019/20 base budget net of grant income	63.611	11.781	4.622	94.589
Net of growth and savings	3.625	(0.486)	(0.600)	2.539
2019/20 net budget	67.236	11.175	4.022	82.432
Grossing up for other income	31.334		0.796	32.130
2019/20 gross budget	98.570	11.175	4.818	114.562

3.2 Breakdown of Adults Social Care Net Budget 2019-20

		2019-20
Area of spend		Net budget (not including overheads)
ASC Budget 2019-20		£m
Directly provided and other ASC		6,644
Other ASC		11,776
Grant/funding receipt		(14,576)
Care Packages:		
Physical Support		26,013
Learning Disabilities		24,915
Mental Health		9,526
Memory & Cognition		2,266
Sensory Support		672
Total		67,236