

Report for: Adults and Health Scrutiny Panel – 5th September 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 1, 2019/20.

2. Priority Two Forecast outturn 2019/20 – Adults and Health (£3.6m overspend)

2.1 Priority Two is projecting overall spend of £89.93m against approved budget of £86.36m resulting in a forecast overspend of £3.6m.

This figure is made up of £2.9m overspend in Adults social care, £0.3m overspend in Public Health and a £0.4m overspend in Commissioning.

It should be noted that £1.3m set aside for the implementation of the London Living Wage has not been forecast as being spent at this stage. However, if this were to be introduced in this financial year, we would have a corresponding increased overspending position. Taking the total overspend to £4.9m.

The areas with material variances are detailed below.

2.2 Care Packages (£2.7m overspend)

It is expected that the demand pressures for care packages will be maintained a £2.7m. This is based upon the assumption at this stage the savings plans for £3.1m will be made in full.

The variance is broken down as follows:

- Adult Placements - £1.7m overspend
- Learning Disabilities Placements - £0.6m overspend
- Mental Health Placements - £0.4 overspend

It should be noted that once net savings and growth have been applied, the expected overspend for this area with carried forward pressures is £3.9m. However, the service is currently being delivered with a £2.7m overspend.

2.3 Osborne Grove Nursing Home (£0.2m overspend)

Osborne Grove Nursing Home is currently forecasting an overspend of £0.2m.

An additional funding allocation of £0.3m has been provided to the service in this financial year, however, delays in consultation regarding the review of the staffing structure, have caused the service to forecast an overspend of £0.2m

2.4 Commissioning (£0.4 overspend)

Reported pressures on the Commissioning budget are being explored to ensure all relevant income has been assigned to the budget and plans are being developed to reduce these pressures in-year

2.5 Public Health (£0.3m overspend)

The Public Health Budget is currently forecasting an overspend of £0.3m as a result of service charges being higher than anticipated when this year's budget was set. However, the service will endeavour to deliver in year mitigations to eliminate the current deficit position, which will be reported upon in subsequent budget monitor reports.

3. Breakdown of Adults Budget 2019/20

3.1 Priority Two Net Budget Allocation

Service	2019/20 Base Budget	Growth and Savings	2019/20 Net Budget
	£ m	£ m	£ m
Adults (Appendix 1)	67.24	3.41	70.65
Commissioning	4.02	0.57	4.59
Public Health	11.17	(0.06)	11.12
Total for Priority 2	82.43	3.92	86.36

3.2 Breakdown of Adults Social Care Net Budget 2019/20

Area of Spend	Net budget
Directly provided	£ m 3.9
Care Packages:	
Physical Support	26.7
Learning Disabilities	26
Mental Health	11.1
Memory & Cognition	2.2
Sensory Support	0.7
Adult Social Care Budget 2019-20	70.6

4. Capital Budget and Monitor 2019/20 (Appendix 3)

4.1 Priority 2 has a capital budget of £8.6M in 2019/20, divided over 10 projects, and are currently forecasting an underspend of £3M.

5. Savings Monitor 2019/20 (Appendix 4)

5.1 Priority 2 has a 2019-20 saving target of £4.39M and is forecasting that 4.91M will be achieved in the year.

Appendix 1 – Budget Movements

Appendix 2 – Budget Movements by Cost Group

Appendix 3 – Capital Monitor

Appendix 4 – Savings Monitor