

Appendix B

ADULTS & HEALTH

1. Financial Outturn

The table below shows an underspend of £1.319m broken down by service area. This represents 1.0% of the net budget.

| Service | Total budget approvals | 2017/18 Outturn | Variance Saving (-) / Overspend | Grants / Earmarked Reserves | Underspend (-) / Overspend | Use of Capital Receipt Flexibility | Underspend (-) / Overspend |
|----------------------------------|------------------------|-----------------|---------------------------------|-----------------------------|----------------------------|------------------------------------|----------------------------|
| | £m | £m | £m | £m | £m | | £m |
| Adult and Health – Operations | 78.218 | 73.233 | -4.985 | | -4.985 | | -4.985 |
| Learning Disabilities | 47.669 | 58.173 | 10.504 | -4.910 | 5.994 | -1.920 | 3.674 |
| Adults and Health – Commissioner | 7.829 | 7.854 | 0.025 | -0.033 | -0.008 | | -0.008 |
| Adults and Health Total | 133.716 | 139.260 | 5.544 | -4.943 | 0.601 | -1.920 | -1.319 |

Summary by Service

- Learning Disabilities: £3.674m overspend**

The overspend is made up of £3.348m Learning Disabilities from third party providers and £0.325m relating to legacy costs from the transfer of our in house service to *Discovery* from 1 April 2017

Spend across Learning Disabilities Purchased services increased by £1.638m when compared to 2016/17 and additional funding has been needed to keep the overspend at the level reported. For comparison purposes the overspend during 2016/17 was £2.956m.

The main areas where spend has grown are Residential placements and Direct Payments. An additional £1.030m was spent on Residential in 2017/18 and £0.462m on Direct Payments. These continue to be growth areas and were also reported as such at this stage last year.

The final position against the Discovery contract was an underspend of £0.303m however this was offset by a one off unfunded pressure of £0.628m relating to pre-transfer costs.

The final position is net of the planned £4.910m transfer to an equalisation reserve.

The overspend will be managed through the overall Adults and Health service underspend reported above.

- **Adults and Health Operations: £4.985m underspend**

The service has reduced spend during 2017/18 compared to 2016/17 across 3 of the 4 main areas of purchased spend. This has led to the underspend position reported above. This variation will offset the Learning Disabilities overspend reported below, meaning adult social care as a whole finishes with an underspend of £1.319m.

Reductions in net spend were seen across Residential (£1.997m), Direct Payments (£1.288m) and Home Care (£0.485m) with Nursing placements going against this trend slightly with an increase of £0.269m. The focus on managing demand (whilst still providing appropriate and high quality services) has led to different ways of working which have in turn led to reduced costs.

Due to the number of vacancies within the service during 2017/18 there was also reduced spend against the staffing budget of £1.478m which is contributing to the overall underspend reported above. This is not a sustainable position for the service so this underspend should be considered a one-off with further recruitment being a priority to ensure that we are able to provide our statutory obligations of care.

- **Adults Commissioning: £0.008m underspend**

This position follows a transfer from earmarked reserve of £0.033m for the Carers pooled budget. This was a planned drawdown to fund the Carers Support Project Officer. There was also an approval at quarter three to fund £0.093m of the Local Assistance Scheme from contingency.

Future pressures

There are a number of future pressures facing the service which means the reported underspend does not represent an ongoing baseline of spend levels. These include the work being undertaken to agree appropriate fee rates to our social care providers, the changes to employment law for sleeping in services and future MTFP cuts. These will all need to be managed within the budget available whilst continuing to manage the costs associated with provision of services for elderly people within the county.

Stephen to draft RTIL wording.

General Reserves issues (Annex A)

The total of the balances above (£1.319m) are available to be transferred to the General Reserve.

Drawdown from and transfer to Reserves (Annex B)

An equalisation reserve has been set up for the Discovery contract and £4.910m has been transferred to this to fund the 2017/18 overspend. The planned savings in future years will offset this balance.

A drawdown of £0.033m was made from the Carers pooled budget earmarked reserve to partially fund the overspend against that budget. The reserve now has a balance of zero.

Debts

Debts owed to the services at 31 March 2018 are summarised below:

Aged Debt Analysis:

| 31 March 2017 £m | Age of Debt | 31 March 2018 £m |
|-----------------------------|--------------------|-----------------------------|
| 0.206 | Not Overdue | 0.108 |
| 2.086 | 0-30 days | 1.282 |
| 0.345 | 1-3 months | 0.325 |
| 0.572 | 3-12 months | 0.343 |
| 0.218 | Over 12 months | 0.262 |
| 3.427 | TOTAL | 2.320 |
| | Unassigned Cash | |

Explanation

There has been a lot of focus on the amount of outstanding debt this year and additional resource has been allocated to recover unpaid amounts. This has resulted in a year on year reduction of £1.107m in total outstanding debt and more importantly an 18% drop in the amount of debt over 30 days old.

60% of the total outstanding debt is less than 30 days old and the majority of this relates to invoices raised at year end to health partners and other government agencies (CCG, Other Local Authorities) for which we expect full payment within the agreed terms.

There are currently 65 clients with an instalment plan repaying £0.108m in total.

All debts over 12 months old are being actively pursued or have been referred to the debt recovery officer. The services wrote off a combined £0.170m during 2017/18 and debt impairments of £0.246m have been made.

For further information please contact:

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