



Briefing Report

Public Agenda Item: **Yes**

Title: **Revenue Budget Monitoring 2014/15 – Quarter 2**

Wards Affected: **All Wards in Torbay**

To: **Overview and Scrutiny Board** **On: 26 November 2014**
Council **On: 4 December 2014**

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1. Key Points and Summary

- 1.1 At the half way point in the financial year the latest projected forecast for council services is an overspend of £1.6m. This compares to a £1.4m projected overspend at the same time last year.
- 1.2 There are a number of variations to the approved budget across services with Children's - Safeguarding and Wellbeing and Adult Social Care facing the largest budget pressures.
- 1.3 Members were advised of the challenging financial climate it faced when the 2014/15 budget was set in February 2014. The inherent risks faced by the Council when the budget proposals were approved, were set out in the report and these risks were accepted by Members. They arise from the ongoing austerity measures from the coalition government and demand pressures across a number of services
- 1.4 Whilst the latest forecast is an improving position when compared to the first quarter of the year (where a £2.1m projected overspend was forecast), due to a number of continued service pressures and the impact of previous budget reductions the council still needs to make further in year savings to ensure a balanced budget is achieved at year end.
- 1.5 The Senior Leadership Team and Executive Lead Members are working hard to address the pressures and take corrective action where appropriate and have already identified savings proposals that were due to be implemented from April

2015 which can be implemented in the current year. These amount to £0.6m and have been included within the forecast outturn position.

1.6 The key variations within services are summarised below:

- Children's Services: The Director of Children's Services forecast a projected overspend of £1.4m at the end of the first quarter. Based upon existing client numbers and associated staffing costs (including the continued use of agency staff) the forecast overspend at the end of the second quarter has increased to £2.254m. This is after the application of the earmarked contingency for Safeguarding and Wellbeing and savings derived to date from the recovery plan.
- Adult Social Care: £0.717m projected overspend. The forecast overspend for Adults services (provided by the Torbay and Southern Devon Care and Health NHS Trust) has fallen to £0.492m but this has been offset by budget pressures amounting to £0.225m (Torbay's share) within the Torbay Community Equipment Service for adaptations and equipment for clients. This service is commissioned jointly with the Clinical Commissioning Group (CCG).
- Residents and Visitors: projected overspend of £0.220m due to lower forecast income against the approved budgets for, Parking Services, Sports, Torre Abbey and Corporate Security. This is an improving position compared to the first quarter.

1.7 In response to the projected outturn position within Children's Services, a 5 year Cost Reduction Plan has been developed and was approved by Council in October. The plan is designed to manage existing and future pressures and has identified work packages as part of a cost reduction programme. This work was supported by Social Finance.

1.8 With respect to Adult Social Care an updated recovery plan has been appended to this report which sets out the actions that are being taken to reduce spend and there is a recovery plan to address the pressures within the Torbay Community Equipment Service.

1.9 Members will be aware that the Council must achieve a balanced budget at year end. This will be achieved by either:

- a) those services overspending producing in-year recovery plans which reduces or removes the projected overspend;
- b) all other services deliver in year savings resulting in an underspend at year end;
- c) if insufficient savings can be made there is a risk that, as a last resort,

uncommitted reserves or uncommitted budgets will be required to ensure a balanced budget can be achieved at the end of the year.

- 1.10 Members will be aware the Council does hold reserves. These should only be used for one off purposes or for invest to save initiatives and is not a solution to supporting ongoing financial commitments. Members should be aware that unless action is taken to reduce the existing overspends there is a possibility that the council will have to draw down monies from the Comprehensive Spending Review Reserve in 2014/15 to ensure a balanced position is achieved.

Strategy for in Year Budget Management

- 1.11 As in previous years' the Council will continue with its adopted ongoing Strategy in response to the coalition government's austerity programme and to address its own financial challenges. Fundamentally the Senior Leadership Team and Executive Lead Members must maintain strict financial management and control over all services areas. The Senior Leadership have agreed on all of the following measures:

- a moratorium on all non essential expenditure and a reduction in all other expenditure with an assessment of the services consequences.
- a freeze on all non essential recruitment.
- a review of budgeted expenditure that could be ceased and an assessment of the service consequences including reshaping of services where possible.
- where possible identification of any further savings proposals for 2015/16 agreed at Council in October 2014 and implementing these to derive in-year savings.
- Redeployment of staff directly affected by any restructuring proposals where vacancies exist.
- identification of any invest to save schemes that will have immediate cost savings in 2014/15 and beyond.

Paul Looby
Executive Head of Finance and Chief Finance Officer

Appendices

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| Appendix 1 | Summary of Main Variations |
| Appendix 2 (a) | Torbay and Southern Devon Health Care Trust Recovery Plan |
| (b) | Torbay Community Equipment Service Recovery Plan |

Summary of Main Variations

A.1 Report Overview

- A1.1 The purpose of this report is to provide Members with a summary of the projections of income and expenditure for all Business Units within the Council and to set out how the Council will maintain expenditure within its approved budget of £115.8m.
- A1.2 The revenue monitoring statement shows the expenditure and projected outturn position based upon the latest information available to finance officers in consultation with service departments. Where possible, the implications or consequences arising from the variations are reflected in the key performance indicators for that service.
- A1.3. Ongoing financial monitoring will be provided to Members quarterly.

A.2 Financial Performance

- A2.1 Table 1 below provides a summary of the projected outturn position for Council services. The 2014/15 budget has been revised to reflect changes to services within individual Business Units.

Table 1

Projected Outturn Position – Quarter 2

Business Unit/Service	2014/15 Budget	Spend to Date	Projected Out-turn	Variation at Out-turn
	£'000	£'000	£'000	£'000
Director Adults				
Adult Social Care	41,733	19,969	42,450	717
Other Adult Services	1,878	419	1,785	(93)
	43,611	20,388	44,235	624
Director of Children's Services	25,333	17,816	27,587	2,254
Director of Operations and Finance				
Commercial Services	4,601	2,232	4,611	10
Finance	8,565	(1,624)	7,171	(1,394)
Information Services	3,273	1,311	3,209	(64)
	16,439	1,919	14,991	(1,448)
Director of Place				
Residents & Visitors	7,293	3,520	7,503	210
Spatial Planning	5,521	3,086	5,521	0
TDA - Clientside	2,278	1,643	2,278	0
TDA – TEDC	1,485	2,867	1,485	0
Torbay Harbour Authority	26	81	16	(10)
Waste & Cleaning	11,499	10,325	11,499	0
	28,102	21,522	28,302	200
Director of Public Health				
Community Safety	2,271	1,424	2,262	(9)
Public Health	0	2,770	0	0
	2,271	4,194	2,262	(9)
Total	115,756	65,839	117,377	1,621

Main Variations

A2.2 A summary of the main variances and the principal reasons for any underspends or overspends and any emerging issues within each directorate are explained below.

Adults

A2.3 This portfolio covers Adult Social Care and Supporting People and is projecting to overspend by £0.624m.

Adult Social Care

The provision of Adult Social Care is a commissioned service provided by the Torbay and Southern Devon Health and Care NHS Trust. The Trust are forecasting a £0.492m overspend for the year at the end of quarter 2 – a £0.3m reduction compared to quarter 1.

The Torbay Community Equipment Service is forecasting a projected overspend of £0.225m at the end of the second quarter. This is a jointly Commissioned Service with the CCG providing adaptations and equipment to clients.

Further details of the projected outturn and Recovery Plans are appended to this report.

As previously reported the main reason for the forecast overspend within Adult Social Care is due to the non achievement of some of the 2014/15 savings which form part of the Trust's Cost Improvement Programme (CIP). A summary of the key issues as identified by the Trust include:

1. Under delivery against CIP Plan to date on Packages of Care (POC) under £70. The Trust undertook a Telephone Pilot for this category of care throughout May 2014 and this did not realise the expected savings as client number have remained constant.
2. No progress has been made to date on non-residential POC between £70 to £606. Since the beginning of the year there are additional cost pressures. Non delivery for this scheme has had an impact on the financial position for Mental Health over 65s and Torquay, Mental Health under 65s teams and Learning Disability.
3. Good progress has been made on the other main schemes including Residential Based under £606 and POC over £606. If the current client base is maintained throughout the remainder of the financial year then the majority of the CIP target will be achieved. The Learning Disability service is estimated to exceed its CIP target by the end of the year.

The Trust has advised that as the latest forecast is based on 6 months data the overall financial challenges are becoming clearer. The forecast is based on the current client base and there could be further changes to the forecast outturn position due to the nature of the service, demands placed upon it as there are a number of volatile factors that could influence the forecast.

The Torbay Community Equipment Service is projecting an overspend of £0.225m due to increased demand for adaptations and equipment in the first half of the year.

Supporting People is projecting to underspend by £0.093m due to a combination of contractual savings and vacancy management savings.

A2.4 Children, Schools & Families

At the end of quarter one the Director of Children's Services was forecasting a projected overspend of £1.4m after the application of the £2m contingency for Children's Social Care and £1.5m from reserves which was agreed as part of the budget proposals in February 2014. The forecast position at the end of quarter 2 is £2.254m which is after the delivery of anticipated savings from their recovery plan. A summary of the budget pressures within Children's Services are shown below:

	£'m
Children's Services Projected Overspend	5.754
Less:	
Use of Contingency	2.000
Use of one off PFI sinking reserve (approved by Council Feb 14)	1.500
Forecast Outturn Position	2.254

To achieve a forecast outturn position of £1.4m, further cost reductions amounting to £0.854m are required in the second half of the financial year.

The projected overspend is primarily due to budget pressures within Safeguarding and Wellbeing due to the number and cost of independent sector placements (ISP) and residential placements and increased staffing costs due to the ongoing use of agency social workers within the Safeguarding and Wellbeing service.

The headline position for Safeguarding and Wellbeing after the application of the contingency, reserves and the recovery plan is a forecast overspend of £2.4m. The

overall forecast position is partly offset by a projected underspend within Schools Services of £0.2m.

The number of looked after children at the end of September 2014 is 294, a decrease of 20 since the end of March 2014. The number of children on Child Protection Plans at the end of September is 137, a decrease of 36 since the end of March 2014.

Members approved a 5 year cost reduction plan to address the budget pressures within Children's Services in October 2104. This report set out the work undertaken by Social Finance who have been supporting Children's Services in the delivery of new operational working practices to ensure the costs for the service are brought in line with the average cost when compared to other local authorities.

The plan requires investment over the next three years which will be funded from earmarked reserves as set out in the Review of Reserves report which Council approved in October 2014. These reserves will have to be replenished from the forecast savings achieved within the service. If these savings are not delivered this will impact upon all other services within the council as the reserves are earmarked for specific purposes in the future.

The programme of activities currently in place and being developed will continue to remodel the service and are required to reduce the number of Looked After Children and the amount of time they spend in care. The programme will include embedding a more robust and assertive Fostering Strategy, which will have to increase the number of in-house foster carers and move Children from Independent Sector Placements without affecting outcomes if savings are to be delivered. The implementation of a residential migration project must be achieved if it is to be a cost effective alternative to residential care.

Council approved that the Director of Children's Services bring separate monitoring reports on progress of the programme of activities which will deliver the Cost Reduction Pan. These will be presented to Members of the Overview and Scrutiny Panel.

Place

A2.5 There is a projected overspend of £0.200m. A summary of the main variations are identified below:

Residents and Visitor Services is projecting an overspend of £0.210m at the end of the second quarter.

This is due primarily to:

- spending pressures within Parking Services where there is a projected shortfall in car parking income of £0.360m. This is a combination of on

and off street parking and a reduction in enforcement income. On 30 October 2014, Council approved a revised car parking tariff commencing December 2014 through to May 2015. The council report set out the estimated financial consequences of the approved proposal. It should be noted that car parking income is a volatile budget and subject to a number of factors outside of the council's control. The impact of the change will be closely monitored in the last 4 months of the financial year.

- Torre Abbey is reporting a projected overspend of £0.09m due to lower than anticipated visitor numbers and operational pressures.
- Sports Services are projected a shortfall in income of £0.1m.
- Corporate security costs (CCTV) are projected to overspend by £0.04m due to a shortfall in forecast income partly offset by vacancy management savings.
- These overspend have been partly offset by administrative savings and vacancy management across the service and the strict financial control across all services to maintain spend within the approved budget.

Waste and Cleaning is projecting to spend within its approved budget. The impact of waste tonnages and recycling will be monitored closely in the second half of the year.

Spatial Planning – is projected to spend within its approved budget at the end of quarter 1.

However achievement of the approved budget is subject to receipt of budgeted income i.e. planning and building control and the number of passenger journeys within the Bay which will impact upon the Concessionary Fares budget.

Economic Development Company (Client side) and Business Services are projecting to spend within budget as at the end of quarter 2.

Torbay Harbour Authority – includes the management of beach services where a small projected underspend of £10,000 is reported.

A2.6 Public Health

Services within Public Health and Community Safety are projecting a small underspend of £9,000. This relates to Community Safety as the Public Health budget is ring fenced.

A2.7 Operations and Finance

Operations and Finance is projected to underspend by £1.448m

Commercial Services is projecting a small overspend of £10,000 due to a delay in realising savings from the new combined Coroner area.

Finance is projected to underspend by £1.394m.

Financial Services is projecting to underspend by £0.2m due to vacancy management savings within Financial Services and lower external audit inspection fees.

A number of corporate budgets are “accounted for” within the Finance budget. Due to the council projected overspend where possible any potential underspend from these have been identified and will be used to offset the overspend and include a council contingency (£0.5m).

In addition savings have been identified with, reduced pensions costs (£0.2m) and the forecast surplus for Torbay’s share of the Devon Wide Business Rates Pool (£0.3m) and higher than budgeted for NNDR section 31 grant income (£0.2m).

Information Services is projecting an underspend of £64,000 due to vacancy management.

A3 Reserves

- A3.1 The Comprehensive Spending Review (CSR) reserve is the Council’s uncommitted reserve which was set up to meet the financial challenges it faces over the next few years. Its main purpose is to fund the costs for restructuring but can also be called upon to fund unforeseen events and pressures as they arise.
- A3.2 The Chief Finance Officer has advised that where possible reserves should only be used to support one off initiatives as it is not sustainable to use reserves to support ongoing commitments. As identified within the 2013/14 outturn report the balance for the CSR reserve was £3.8m as at April 2014.
- A3.3 Council approved budget savings proposals at its meeting on 30 October 2014. These will form the basis of the 2015/16 budget. It is too early to confirm the final costs for restructuring arising from these proposals but it is prudent to assume these could be approximately £1m – for comparative purposes redundancy and associated costs for the 2014/15 budget round was £0.8m. As any decisions with respect to the 2015/16 savings proposals will be made in the current financial year all associated restructuring costs will be a charge in 2014/15.
- A3.4 As part of the approved budget savings proposals, transitional funding was approved to support services in 2015/16 which will be funded from the CSR reserve.

A3.5 The Council must declare a balanced budget at year. If after the application of uncommitted budgets and savings the current forecast overspend cannot be resolved any overspend will have to be funded from reserves. This will reduce the Council's uncommitted reserves and impact upon how the Council manages further reductions in government grant in future years.

A3.6 Despite the fall in the forecast overspend in the current financial year due to increasing demands upon services and the use of earmarked reserves for invest to save initiatives within Children's Safeguarding and Wellbeing and the affect of reduced budgets for all Business Units, there is still a risk that the CSR reserve may be required to balance the budget in 2014/15.

A3.7 A summary of the Council's uncommitted reserve is shown below in table 2.

Table 2 - Uncommitted Reserves

Comprehensive Spending Review Reserve	Working Balance £'m
Balance as at 1 April	3.8
Transitional Funding (14/15 and 15/16)	0.4
	3.4
Potential Calls on CSR Reserve	
Estimated Redundancy Costs arising from 2015/16 budget	1.0
2014/15 Budget Pressures	Tbc
Estimated Balance	tbc

A3.8 The Council also has its General Fund balance. Since Torbay became a Unitary authority in 1998 there has not been a call on the general fund balances. The current balance is £4.4m and represents 3.8% of the Council's net budget.

A3.9 Members will be aware that that the general fund balance is uncommitted (unlike other earmarked reserves) and provides funds that would only be used for any unforeseen or unexpected expenditure that could not be managed within service budgets or earmarked reserves. With this in mind and in light of the difficult financial climate faced by the Council and reduction to the Council's net budget, the Chief Finance Officer believes that a cash balance of £4.4m is a prudent and sustainable level to protect the Council from the increased risks it faces with respect to the ongoing grant reductions from Government and increased demand for some services. However this will be monitored closely during 2014/15 taking into account the forecast overspend and the delivery of recovery plans within Children's and

Adult Social Care. Members should note the Council's external auditors will have a view as to the level of the Council's General Fund Balance.

A.4 Dedicated Schools Grant (DSG)

A.4.1 DSG funded activities is currently reporting an underspend of £0.249m. The DSG is a ring fenced grant and can only be used to fund schools related activities.

A.5 Debtors

A5.1 This section of the report provides Members with an update for the second quarter in 2014/15 in respect of council tax and business rate collection.

Council Tax

A5.2 The targets for the collection of Council Tax in 2014/15 are:

- (i) collect 96.5% of the Council Tax due within the 12 months of the financial year (i.e. April to March); and
- (ii) collect 50% of the arrears brought forward from previous years.

A5.3 The Council is due to collect £65.9m after the granting of statutory exemptions and reductions and Local Council Tax Support in the period April 2014 to March 2015. To date the Council has collected £33.9m which is 51.5% of the Council Tax due in year. The collection level is lower than last year when 52.3% was collected.

A5.4 The total arrears outstanding at 31 March 2014 were £4.89m and this has been reduced by £1.24m which is about 25.4% of the total arrears due. At the equivalent time last year the Council had collected £1.03m of arrears of £3.67m, which equates to around 28.1%.

A5.5 There are no Council Tax write-offs over £5,000 to report. 398 council tax accounts with a value of £0.133m have been written off in the first quarter.

Non-Domestic Rates

A5.6 The targets for the collection of NNDR (business rates) re:

- (i) collect 97% of the business rates due within the 12 months of the financial year (i.e. April to March); and
- (ii) collect 50% of the arrears brought forward from previous years.

A5.7 The Council is due to collect £36.9m after the granting of mandatory relief in the period April 2014 to March 2015. To date the Council has collected £19.9m which is

53.9% of the business rates due in year. In the equivalent period last year the Council had collected £21.6m which equates to 59.2%.

A5.8 The total arrears outstanding at 31 March 2014 were £1.53m and this has been reduced by £0.651m which is about 44.4% of the total arrears due. Last year the Council had collected £0.532m off arrears of £1.55m which equates to around 34.3%

A5.9 There are six write offs above £5,000 which have been circulated to Members of the Overview and Scrutiny Board and are available to all Members upon request.

A5.10 The Council has written off 26 accounts in quarter one with a value of £0.115m.

Other Debtors – Housing Benefits

A5.11 The total debt written off in quarter 1 on the Benefits system is £0.029m relating to 52.

Appendix 2 (a)

Report to Torbay Council providing an update on the Adult Social Care 2014/15 budget recovery plan

Introduction

1. This report is based on Adult Social Care financial performance to 30th September and sets out the progress being made in implementing the recovery plan to reduce the forecast overspend by the financial year end. The Council carries the risk if an overspend occurs on the In House Learning Disability budget and Independent Sector budget. As the Learning Disability service is forecast to break-even against its budget this year, this report focuses on the Independent Sector budget financial performance.

Performance as at Period 6 – 30 September 2014

2. The Trust is reporting a forecast overspend on the ASC Independent Sector budget at period 6 of £492k, which is an improvement of £287k in the previous period forecast of £779k. Details of financial performance by service area and by care type are set out in Appendices 1a and 1b respectively.
3. Progress in delivering the 2014/15 Cost Improvement Programme (CIP) at period 6 is set out in Appendix 2. Members will note that of the £2,461k Independent Sector CIP target, 69%, £1,694k, is forecast to be delivered in 2014/15 based on savings delivered for the period.

Financial Recovery plan

4. The action plan to mitigate the risk of an end of year overspend and progress made since period 6 is described below: -
 - i. **Management of demand**, in particular short term residential care which relates to respite and emergency placements. We have implemented further controls in respect of authorisation of emergency placements. This is to ensure placements are appropriate and prevent long term dependency on residential services.
Progress: the impact of these additional controls is currently assessed as having saved a further £33k.

ii. **Respite care:** we are reassessing users of short term respite against eligible need and offering respites services within the limits of the personal allowance.

Progress: a respite policy has been drafted which is currently undergoing an internal review process before public consultation is undertaken. No savings are anticipated before 2015/16.

iii. **Short break vouchers:** We are reviewing the uptake of short break vouchers to ensure appropriate use and that the cost is within the personal allowance.

Progress: this work is in hand but no savings are expected before 2015/16

iv. **Improving delivery of savings on the care package reviews:** -

a. We have established a review team of drawn proportionally from all adult service areas who will focus on the reassessment and review of packages of care between £70 and £600 per week. This team will continue this work for the remainder of the financial year and we expect that all reviews will be completed within this timeframe. Individual staff will work to set targets and this activity will run alongside normal review activity within zones as part of day to day business.

b. We are defining specific categories of service users to review which will be against FACS eligibility

c. There are detailed operational plans underpinning these schemes.

Progress: details are set out below: -

There are 930 cases held within the database provided to the Reassessment Team. During October, the following progress has been made:

- 135 cases have been allocated to members of the Reassessment Team for review
- 27 reviews have been completed by the Reassessment Team in October, 41 to date
- 48 are open to the under 65 mental health team for review, 5 have been completed to date

The table below illustrates achievements made to date:

	Savings realised in August and September 2014	Savings realised in October 2014	Total
Weekly increase	(£17)	(£17)	(£34)
Weekly savings	£500	£2,107	£2,607
Total of savings in year	£16,707	£49,753	£66,460
Total FYE	£25,085	£108,706	£133,791

If this level of savings continues for the remainder of the year, a further contribution to the financial recovery plan of £167,000 will be achieved. However, it should be noted that a reassessment of care packages can also result in an increase in costs.

v. Alternative savings schemes that would not need consultation

We are developing an enhanced brokerage service for high end specialist packages of care to ensure best value and better market control. This process will harmonise with the commissioning of Continuing Health Care packages.

Progress in hand but no savings anticipated in 2014/15

vi. Bringing forward 2015/16 savings:

Progress: apart from accelerating the review of care packages, the Trust is not in a position to advance any of the planned 2015/16 savings into 2014/15

5. The actions described above will potentially reduce the yearend forecast deficit by £200k to £292k. A reduction in residential long stay clients in October could add further savings (net) of £130k unless new long stay placements are made. There are a number of caveats surrounding this forecast, in particular: -
- i. No increase in ordinary residence cases over the £152k budget
 - ii. No price pressures arising out of the current market testing exercise for domiciliary care
 - iii. Activity pressures on the social care work force do not prevent progress in implementing CIP schemes. In particular: -
 - a. Safeguarding referrals as at the end of October currently stand at an increase of 30% over 2013/14
 - b. Whole home investigation: there have been four to date this year which is on a par with 2013/14
 - c. Provider of Concern: there have been eleven providers that have gone, or are still going through, the provider of concern process since April 2014.
15. Commissioners will continue to work with providers to examine other schemes to bring the budget into a balanced position by the financial year end.

ASC Independent Sector Financial Performance Statement for the Year Ending 2014/15 (Zone /Team basis)

Period 6 - 30/09/2014

Expenditure Type	Annual Budget	Forecast	Variance
	£000	£000	£000
Expenditure			
Brixham	2,716	2,820	104
Torquay	9,198	9,425	227
Paignton	6,650	6,713	63
Learning Disabilities	10,658	10,538	-120
Older General	1,094	1,090	-4
MHu65 Mental Illness	2,858	3,247	389
MHu65 Dementia	150	31	-119
MHu65 Substance Misuse	169	169	-0
MHo65	5,378	5,947	569
O/R	152	153	1
Total	39,023	40,132	1,109
Income			
Brixham	-928	-1,075	-147
Torquay	-2,711	-2,822	-111
Paignton	-2,496	-2,481	15
Learning Disabilities	-838	-970	-132
Older General	-34	-29	5
MHu65 Mental Illness	-344	-354	-10
MHu65 Dementia	-55	-11	44
MHu65 Substance Misuse	-9	-9	0
MHo65	-2,287	-2,569	-282
Total	-9,702	-10,319	-617
NET COST	29,321	29,813	492

Period 6 - 30/09/2014

Expenditure Type	Activity description	Annual Budget			Forecast	Variance
		Activity	£000	Unit Cost	£000	£000
Care type						
Residential Long Stay	Bed Weeks	37,152	17,493	£470.85	17,551	58
Residential Short Stay	Bed Weeks	2,731	1,226	£448.97	1,474	248
Nursing Long Stay	Bed Weeks	4,589	2,378	£518.24	2,582	204
Nursing Short Stay	Bed Weeks	254	125	£491.24	165	40
Direct Payments	Weeks	19,801	5,872	£296.55	5,961	89
SWAPS	Bed Weeks	1,017	315	£309.80	411	96
Domiciliary Care			8,315		8,813	498
Day Care			1,392		1,341	-51
O/R			152		153	1
Total			37,268		38,451	1,183
ISC Adjustments						
DP Reclaims			-414		-430	-16
Net Contract Adjustments			-436		-406	30
IPP Recode			-110		-161	-51
Intermediate Care Recharge			-97		-97	0
Total			-1,057		-1,094	-37
Other Expenditure Areas						
£500 One Off Individual Negotiated Payments			0		-56	-56
Voluntary Block Contracts			211		220	9
Supported Living Block (Learning Disability)			378		378	0
Day Care Transport			154		154	0
Residential / Community Recovery Service (MHu65)			314		305	-9
Staffing (MHU65 & Subs)			580		607	27
Residential / Intermediate Care Block (Older)			868		873	5
Bad Debt Provision			196		196	0
Other			111		97	-14
Total			2,812		2,775	-37
TOTAL EXPENDITURE			39,023		40,132	1,109
INCOME						
Residential Long Stay		37,152	-6,668	-£179.48	-6,783	-115
Residential Short Stay		2,731	-479	-£175.41	-490	-11
Nursing Long Stay		4,589	-902	-£196.58	-1,012	-110
Nursing Short Stay		254	-35	-£137.55	-95	-60
Domiciliary Care		0	-959		-1,170	-211
Day Care		0	-207		-240	-33
OLA In House			-159		-156	3
OLA Independent Sector			-252		-345	-93
Other			-41		-27	14
Income total			-9,702		-10,319	-617
NET COST			29,321		29,813	492

Adult Social Care CIP Schedule 2014/15 Month 6

Appendix 2

Operations

Community Alarms Charging
Community Alarms Withdrawal
LDDF
Carers Services
Back office savings / redesign of Care Model

Operation Total

In House LD

LD In House Review

In House LD Total

Independent Sector

2013/14 recurrent under spend
Sandwell Dom Care Block Contract Mgt
Review of High Cost Clients (over £606 per week)
Review of enhanced & medium cost clients (non residential between £70.01 to £606 per week)
Review of Low cost clients (under £70 per week)
Residential & Nursing Care standard & non standard fee rates (under £606 per week)
Non Residential charging policy
£500 payments to LD / MH Homes
LD Transport
Voluntary Block Contracts
Thera Block contract

Independent Sector Total

Total

Proposal	Estimate Achieved (FOT)*		
£'000s	£'000s		
	-94		
	-48		
	-17	-17	
	-18	-18	
	-100	-100	
Operation Total	-277	-135	49%
	-150	-150	
In House LD Total	-150	-150	100%
	-500	-500	
	-75	50	
	-500	-716	
	-350	34	
	-400	4	
	-371	-310	
	-50	-50	
	-122	-122	
	-40	-40	
	-38	-29	
	-15	-15	
Independent Sector Total	-2,461	-1,694	69%
Total	-2,888	-1,979	69%

BRIEFING PAPER: TORBAY COMMUNITY EQUIPMENT SERVICE

1. BACKGROUND

- 1.1 The Torbay Community Equipment Service is a joint contract with Torbay Council and the CCG, with the Council as lead commissioner. Based upon spend in the first half of the year there is a projected overspend.
- 1.2 If no action is taken by Commissioners, the forecast overspend will be £700k, half of which the CCG would be responsible for.
- 1.3 The contract is set up as a 100% “credit back” model. This means that items of equipment are bought by the Authority to be used in the community. When this equipment is returned, the company credit the Authority the full cost of that equipment. The Authority is charged for delivery and collection of the equipment, as well as for any maintenance and repair work that is needed.
- 1.4 The service expected a high financial outlay for the first few months of the new contract, whilst the initial stock was purchased, but had anticipated this being refunded as the equipment came back from the community (including the old stock from prior to April 2014). This has not been realised, largely due to issues during the transition to the new contract.
- 1.5 The main reason for the overspend is that the demand for the service has far exceeded expectations (currently twice the anticipated level). Wider strategic objectives to reduce hospital admissions, minimise delays in hospital discharge, and to treat people in the community have led to a large quantity of equipment being ordered.
- 1.6 In addition to this, a lot of equipment being ordered tends to be higher value (e.g. pressure relieving mattresses and hoists) so the initial cost against the contract is high. This cost will not be recouped until the equipment is no longer required and is returned to the store and the timescales for this have been longer than previously seen.

2. RECOVERY PLAN

- 2.1 Commissioners have begun a proactive collection process, chasing up items of equipment that are out beyond the loan period indicated at the time of ordering. By cleaning up historical data the service will be able to identify the large amount of stock in the community pre April 2014 that could be collected. There is potential for this activity to bring in up to £300k in collection credits, although this will depend on how much of this equipment is still in a usable condition. A pragmatic estimate would be closer to £150k.
- 2.2 Discussions are taking place with the provider regarding a change in the contract model. This would result in £50k - £100K reduction in the forecast overspend.
- 2.3 A further £50k may be saved through other changes in ordering practice.

3. SUMMARY

- 3.1 Planned actions detailed in Section 2 above could recoup £300k - £450k. Commissioners are due to meet with NRS and the Council’s legal adviser to agree the financial model on 12th November, and the process of arranging the additional collections have already begun.