

Supplementary Estimates

for the year ending 31 March 2021

Date of Request: **08/02/2021**

Date of Mayor / Cabinet endorsement: **25/02/2021**

Executive Director: Jacqui Jensen

Cabinet Member: : Cllrs Holland (Adults)

DECISION REQUIRED:

It is recommended that a supplementary estimate of **£7.226m** be approved for the People Directorate, as per the schedule in section 1, effected by way of a one-off virement from General Fund reserves.

1. Directorate Original Budget Build Up

1.1 The table below summarises the forecast outturn position as at P9 for the divisions within the People Directorate for 202/21, the original and revised budgets for 2020/21, the latest P9 forecast for 2020/21 and the resulting variance, which constitutes the requested supplementary estimate. A supplementary estimate is requested for Adult Social Care

People Directorate Summary							
Division	2019/20 Outturn	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Latest Forecast P9	2020/21 Latest Forecast Covid	2020/21 Latest Forecast Non Covid	Variance & Requested Supplementary Estimate
(Service Director Level)	£000's	£000's	£000's	£000's			£000's
Adult Social Care	154,980	145,552	148,343	183,471	27,903	7,226	7,226
Children and Family Services	64,722	60,384	61,816	66,029	4,385	-171	
Education Improvement	-4,072	11,831	12,011	13,498	1,112	375	
Public Health - General Fund	38	3,238	3,991	16,064	12,077	-4	
Total People	215,668	221,005	226,160	279,063	45,477	7,425	7,226

2. Justification

2.1 During 2020/21 services have been operating within cash limited budgets. This requires services to take all appropriate action to contain net expenditure within budget approvals and in circumstances where further mitigating action is not possible services are required to seek a supplementary estimate from Cabinet.

2.2 People Directorate, primarily due to the Covid pandemic has been unable to contain their expenditure within Adult Social Care budget approvals. This is through a combination

of historic pressures and high levels of demand and cost pressures in adult purchasing budgets for commissioned care services which have been severely impacted by the Covid pandemic.

Comment on components of supplementary estimate requested		
Service	Supplementary Estimate Requested £'000	Comment
Adult Social Care	7,226	<p>There are underlying pressures in the service of £19.86m:</p> <ul style="list-style-type: none"> • Older People (packages of care): £7.011m • Working Age Adults (packages of care): £10.926m • Preparing for Adulthood and social care support (packages of care): £1.923m <p>These are offset by compensating underspends of- £12.634m:</p> <ul style="list-style-type: none"> • Service user contributions: (£2.32m) • Staffing and funding (£4.314m) <p>And</p> <ul style="list-style-type: none"> • Savings mitigated from Covid funding (£6m) <p>The net supplementary estimate would be used to re-baseline the whole service as indicated above.</p>
Total net supplementary estimate	7,226	

2. In-Year Controls

3.1 Budget managers have monitored their budgets every month and regular reports are considered by management teams at all levels in the Directorate and corporately, including reporting to Cabinet. There have been extensive processes in place to try and control expenditure in particular in relation to cost authorisation processes in relation to adult purchasing budgets. However, the Covid 19 pandemic has necessarily meant a focus on prioritising hospital discharges and preventing hospital admissions and this has severely limited the ability of the ASC directorate to deliver the required savings target and stay within its budget envelope.

3. Impact Description

Costs	Funding Source
£7.266m	<p>£3.9 m from general reserve,</p> <p>£2.1m from ASC innovation fund Reserve</p> <p>Remainder funded by efficiencies against in-year budget under Resources/G&R/Corporate</p>
Impact if not Approved	

At this point in the year, the requested supplementary funding is the best estimate of the likely spend in this financial year. If the supplementary estimate is not approved, Adult Social Care Directorate would enter the last few weeks of the financial year without approval to spend, in the context of cash limited budgets.

4. Learning Points

- That financial control is important and delivering savings and commissioning priorities can be particularly challenging due to Covid 19 when faced with the need for urgent action to prioritise hospital discharges and prevent admissions, to ensure systems flow.

5. Supplementary Estimate - Sign Off

The following people have signed off this Supplementary Estimate	Evidence of Sign-off (email/121)	Date
Adult Social Care Director	Hugh Evans	10/02/2021
Executive Director - Jacqui Jensen	Jacqui Jensen	10/02/2021
Cabinet Member – Cllr Holland		
Section 151 Officer – Denise Murray		