

Directorate Revenue Monitoring Issues – At May 2014

1. Adults and Wellbeing including Public Health

The Directorate has a target of £5.5m savings to deliver in 2014/15 and the majority of transformation and project plans are underway to address these efficiencies.

Demand pressures of £250k are forecast, mitigating action is being sought. The national approach to managing increased pressure within the health and social care system during the winter months has changed. The approach is now through a national allocation which requires an integrated plan for £1.1m of system resilience funding to be agreed and submitted by the end of July 2014. This plan has to demonstrate how the additional non recurrent investment not only supports winter pressures but also delivers transformational change in demand management. It is anticipated that the available sum for the local authority from this pot will be circa £400k

Savings around the cost of residential and nursing home fees for older people has emerged as a high risk to delivery and was originally planned to achieve £300k saving. Following the open book review exercise the plans are not expected to deliver any savings in 2014/15. To mitigate this shortfall it is proposed to utilise the use of the one off care bill grant £125k and unused grant reserves of £175k for 2014/15 only and to seek further permanent efficiencies for 2015/16 onwards.

Slippage on the implementation date to the reduction to homecare hourly rates (expected saving £765k) is anticipated to create a pressure in 2014/15 of £165k and again unused grant reserves will mitigate this in 2014/15. The £165k will when fully achieved in 2015/16 mitigate other pressures within 2015/16, such as the open book review previously referred to.

The majority of the contracts in Public Health need to be procured in 2014/15. A commissioning and procurement plan has been developed, with drug and alcohol and sexual health re-commissioning activity starting during September and October 2014. Planned reductions and re investment from high cost into lower cost preventative approaches are integrated into the commissioning plans.

2. Children's Wellbeing

The Directorate savings plans for 2014/15 total £2.5m. The majority of these savings are around remodelling service delivery in the Safeguarding and Early Help service. Reductions have been secured in these areas, and further strategies are currently being shaped and the impact on this financial year assessed.

The current forecast is to overspend by £120k as a result of the unbudgeted costs expected to be incurred in relocating the Colwall Primary School as essential flood investigation works are carried out over the coming months.

Strategies are in place to reduce the numbers of children in high cost placements, although this budget remains under pressure due to the numbers of children in care. The financial impact will be measured during the year. The recruitment and retention of social workers was provided for in 2013/14, mitigating the pressures in year.

Savings in Education and Commissioning are on track for delivery, although the cost of short breaks provision could be a concern due to price increases from Wye Valley NHS Trust. This is currently being reviewed.

3. Economy, Communities and Corporate

The Directorate savings plan for 2014/15 of £7.3m, including HR and ICT services transferred from Organisational Development, are on track for delivery. Some risk remains in relation to the Public Realm savings of £1.1m. Whilst the annual savings have been identified through detailed negotiation and contract management, with Balfour Beatty Living Places, the resultant reductions in street cleansing and grass cutting remain high profile issues. To provide additional grass cutting a current overspend of £90k is forecast.

As seen at the end of the previous financial year, fee income from Planning to the end of May continues to improve, being £150k higher than the same period in 2013. Income levels will continue to be closely monitored throughout the year.

Other risks within the Directorate budgets, such as the national dispute in relation to land charges, are covered by reserves.