
Management Review into the in year Revenue Overspend in Adult Social Care - 2018/19

Committee considering report: Overview and Scrutiny Management Commission

Date of Committee: 9 April 2019

1. Purpose of the Report

- 1.1 To provide the Executive with feedback from the special meeting of the Overview and Scrutiny Management Commission in relation to management review into the in-year overspend in Adult Social Care.

2. Recommendations

- 2.1 That a clear and unambiguous understanding of responsibilities and divisions of labour in the budget build and subsequent budget management process be introduced. This should be on the basis of the service owning the budget and Finance owning the process.
- 2.2 That a similar remodelling (or rebasing) be applied to the Short Term Services and all other ASC areas to avoid any further under or over budgeting.
- 2.3 That the Executive and Portfolio Holder for Finance give priority to re-basing/remodelling the whole corporate budget build every four years to ensure that a similar in-year situation does not occur again.

3. Implications

- 3.1 **Financial:** There are no financial implications associated with this report.
- 3.2 **Policy:** The only policy implications associated with this report is respect of recommendation to carry out a remodelling of the whole of the corporate budget every four years.
- 3.3 **Personnel:** There are no personnel implications associated with this report.
- 3.4 **Legal:** There are no legal implications associated with this report.
- 3.5 **Risk Management:** There are no Risk management implication associated with this report.
- 3.6 **Property:** There are no property implications associated with this report.

Executive Summary

4. Introduction / Background

- 4.1 The Commission held a special meeting on Tuesday 26 February 2019 in order to consider the management review into the in-year overspend in Adult Social Care in 2018/19.
- 4.2 The Commission understood that the review had been requested for three reasons:
- (i) The challenge of providing and funding proper and adequate ASC was one of the biggest challenges the country was facing as population age and life expectancy was increasing.
 - (ii) Over the years financial planning and performance for ASC regularly reported a deficit by the end of quarter one, requiring the rest of the Council's services to take mitigating action adding further management and financial pressures.
 - (iii) There was an opportunity for the OSMC to be proactive and to add value to the review before recommendations were submitted to the Executive and Council for approval.
- 4.3 The Commission considers that early in year forecasts of over spend or "under budgeting" on the scale highlighted early in 2018/19 impact right across the Council and consume significant resources both from officers and Members. The Commission is aware that delivering essential services in these financially constrained times is difficult enough without the complications of having to find further in year savings and adjustments.
- 4.4 In general the Commission considers that the report and its findings were well articulated. It was also recognised that the Council in general and ASC management in particular were conscious of the need to improve their budgeting models and processes. The Commission recognised that many lessons had been learned from the first attempt at a new Long Term Services model in 2018/19 and that these lessons will incorporated into a much improved version for the 2019/20 financial year.

5. Conclusions

- 5.1 The Commission welcomes the report and supports all of the recommendations set out therein and agrees that the main contributing factors are those listed in table 6a. However, the Commission does have some concerns about ownership and the general approach to budget development and setting and has accordingly made three other main recommendations as part of this report.

6. Appendices

- 6.1 Appendix A – Supporting Information