

Decision Maker: CARE SERVICES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: 12th March 2013

Decision Type: Urgent Non-Urgent Executive Non-Executive Key Non-Key

Title: BUDGET MONITORING 2012/13

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Chief Officer: Executive Director of Education & Care Services

Ward: (All Wards);

1. Reason for report

- 1.1 This report provides the budget monitoring position for 2012/13 based on activity up to the end of January 2013.

2. **RECOMMENDATION(S)**

2.1 **The Care Services PDS committee are invited to:**

- (i) **Note that a projected underspend of 3,572k is forecast on the controllable budget, based on information as at January 2013;**
- (ii) **Note the full year effect for 2013/14 as set out in paragraph 3.3**
- (iii) **Request draw down of the Adoption Reform Grant**
- (iv) **Refer the report to the Portfolio Holder for approval**

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Children and Young People
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Care Services Portfolio
 4. Total current budget for this head: £117.067m
 5. Source of funding: Care Services Approved Budget
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Staff

1. Number of staff (current and additional): 916.15 Full time equivalent
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2012/13 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 Whilst the Care Services Portfolio is projected to under spend by £3,572k in this financial year, the majority of this under spend (£2.6m) relates to 2013/14 budget savings which have been delivered early and some one-off savings which do not continue through to next year. Based on service volumes as at the end of January the Care Services Portfolio has full year cost pressures of £612k in 2013/14, so management action will need to be taken over the next few weeks to identify options to offset these costs. The breakdown of the £612k is shown in more detail in Appendix 1c.
- 3.2 The main service pressure in 2012/13 is Bed & Breakfast which is forecast to overspend by £653,000 net of government grant, a slight increase on the previous month. A sum of £1m has been added to the budget for B&B budget pressures in 2013/14 however, if numbers remain at there current level of 319 placements the budget would need to increase to £1.2m to ensure this budget did not overspend. The invest to save initiative at Bellgrove has not been factored into these projections, which will provide around 34 additional units and therefore help contain cost these additional pressures.
- 3.3 The £612k cost pressures which follow through into 2013/14 already assume management action will be taken to offset the current voids in the new extra care units (£522k), if not then these costs pressures will increase to £1.1m.

DIRECTORS COMMENTS

- 3.4 Although the underspend (and the consequent ability to bring forward of some of next year's projected savings) is pleasing, we continue to see significant pressures on social care budgets, with a full year effect of these pressures projected at £612k in 13/14, *if nothing else changes*. These will be heightened by the social welfare changes which will be managed, primarily, through our operational housing team but will be bound to impact on both children's and adult social care. A small number of task and finish groups have been established to look at areas of particular pressure, with the aim to ensure we intervene at the earliest possible point, building greater resilience in individuals and families at risk, and sustainability in our actions. These include adult social care, client transport and the use of panels in placement arrangements.
- 3.5 Management action has been taken to reduce the pressures carrying forward into 13/14, as well as addressing cost pressures in-year. In children's social care, we continue to see pressures from those with no recourse to public funds. Rigorous action is in place to contain these pressures, including weekly reviews of those in receipt of support from the Council to allow the earliest possible move to the most appropriate pathway. The children's placement budget is also under considerable pressure. A review of the plans for children in need, our lowest level of statutory involvement with families, shows them to be robust, and we are working with our referral partners to better understand why referrals continue to increase. The adoption reform grant (Section 4 below) will provide a significant additional resource to support our addressing some of the issues that prevent children moving rapidly from assessment to a permanence position in the shortest possible time. Adult care management has also seen significant pressures on their placement budget. Voids in our new extra care housing schemes, as well as the complexities of clients accepted, have led to considerable full year pressures. Close attention is being paid therefore to the plans built around clients moving into accommodation, and work is underway with partner agencies to ensure that voids are minimised.

4. ADOPTION REFORM GRANT

- 4.1 In February government announced a new funding stream for 2013/14 called the Adoption Reform Grant. The grant is split into two areas.

- 4.2 Part A - £547,752 – is funding for one year only targeting funding at the adoption process and the specialist support children need. There is discretion as to how the funding is used but it is intended that it will be used to address high need priorities such as the backlog of children waiting to be adopted.
- 4.3 Part B - £149,840 – is ring fenced grant to be used to find more adopters and address structural problems with adoption recruitment particularly the fees that LA's charge other authorities for adopters.
- 4.4 It is requested that the Portfolio Holder approve the draw down of this funding that is currently held in contingency.

5. POLICY IMPLICATIONS

- 5.1 The Resources Portfolio Plan includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 5.2 Bromley's Best Value Performance Plan "Making a Difference" refers to the Council's intention to remain amongst the lowest Council Tax levels in outer London and the importance of greater focus on priorities.
- 5.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2012/13 to minimise the risk of compounding financial pressures in future years.
- 5.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council's budgetary control and monitoring arrangements.

6. FINANCIAL IMPLICATIONS

- 6.1 A detailed breakdown of the projected outturn by service area is shown in appendix 1(a) with explanatory notes in appendix 1(b). Appendix 1 (c) shows the latest full year effects. Appendix 2 gives the analysis of the latest approved budget. Other financial implications are contained in the body of this report and Appendix 1b provides more detailed notes on the major services.
- 6.2 Overall the Care Services Portfolio is projected to underspend by £3,572k in 2012/13 mainly as a result of savings relating to 2013/14 being delivered early or due to efficiencies from tendering. The main budget variations are shown in the table below: along with the impact these variations will have in 2013/14:-

Breakdown of Savings made in 2012/13 and impact on 2013/14

	2012/13	2013/14
	£'000	£'000
Savings assumed for 2013/14 but delivered early		
Staffing savings - strategy division	-100	-100
Supporting People efficiencies	-900	-900
Mental Health Services	-75	-75
Domiciliary care - tendering (already reported to Executive)	-400	-1,000
Campus Re provision (attrition)	-1,100	-1,100
	<u>-2,575</u>	<u>-3,175</u>
B&B Pressures	<u>653</u>	<u>1,219</u>
Other savings/Pressures (Details in appendix 1b)		
Adult Social Care	320	0
Strategic & Business Support	-208	0
Children's Social Care	200	0
Education Division	-37	0
Commissioning	-1,387	0
Non recurrent underspend relating to previous years	-300	0
Housing Improvement/Enforcement	-238	0
	<u>-1,650</u>	<u>0</u>
TOTAL	<u><u>-3,572</u></u>	<u><u>-1,956</u></u>

Non-Applicable Sections:	Legal Implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	2012/13 Budget Monitoring files in ECS Finance Section