

**Decision Maker:** CARE SERVICES POLICY DEVELOPMENT AND SCRUTINY  
COMMITTEE

**Date:** 11<sup>th</sup> November 2014

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

**Title:** BUDGET MONITORING 2014/15

**Contact Officer:** David Bradshaw, Head of Education, Care & Health Services Finance  
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**Chief Officer:** Terry Parkin, Executive Director of Education, Care & Health Services

**Ward:** (All Wards);

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1. Reason for report

- 1.1 This report provides the budget monitoring position for 2014/15 based on activity up to the end of September 2014.

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2. RECOMMENDATION(S)

2.1 The Care Services PDS committee are invited to:

- (i) Note that the latest projected overspend of £2,768,000 is forecast on the controllable budget, based on information as at September 2014;
- (ii) Note the full year effect for 2015/16 of £4,557,000 as set out in section 4;
- (iii) Note the comments of the Executive Director in section 8 of this report; and,
- (iv) Refer the report to the Portfolio Holder for approval.

- 2.2 The Portfolio Holder is asked to approve the latest 2014/15 budget projection for the Care Services Portfolio.

### 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: £118.874m
  5. Source of funding: Care Services Approved Budget
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### Staff

1. Number of staff (current and additional): 876 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 2014/15 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 The 2014/15 projected outturn for the Care Services Portfolio is detailed in Appendix 1a, broken down over each division within the service. Appendix 1b gives explanatory notes on the movements in each service.

#### Housing

- 3.2 There are currently no pressures forecast in Temporary Accommodation (TA) (Bed and Breakfast) in 2014/15. Additional funding available in contingency has been drawn down which reduces the pressure to a net zero. Executive agreed on the 15<sup>th</sup> October 2014 that £653k of a possible £1.2m of contingency could be drawn down to alleviate pressures on this budget. Although numbers are continuing to rise with an average of 15 per month expected during the remainder of the financial year, this is assumed within the financial projections. Officers are currently modelling different scenarios to quantify the effect of possible initiatives to limit the growth.

#### Adult Social Care and Commissioning – Care related costs

- 3.3 The placement budgets are projected to overspend in 2014/15 by £2,800k and £4,113k in a full year. The policy has been to keep people out of residential and into extra care housing or at home, as far as is professionally safe, as it is the frequently more cost effective and provides a better outcome for many service users (e.g. independence).
- 3.4 The overspend is, in the main, due to unexpected placements made at the end of 2013/14 following through into 2014/15 of £489k and the budget savings option for capping of social care costs totalling £1,450k that has not yet been delivered. There is also increased pressures on areas such as Mental Health services that has seen a rise in placements being made This will have to be addressed to manage the overspend as this leads to further cost pressures following into 2015/16

#### Children's Social Care

- 3.5 Unforeseen placements at the end of 2013/14 for Children's Services mean that there are currently pressures of £290k in the 2014/15 budget. This is in the main due to Leaving Care clients. Likewise, although a sum of £260k was approved in 2013/14 as growth for people with No Recourse to Public Funds (NRPF), pressures continue to rise in this area resulting in a projected overspend of £262k for 2014/15. The full year effect of both for placements and NRPF will be £474k in 2015/16.

### **4. FULL YEAR EFFECT GOING INTO 2015/16**

- 4.1 The cost pressures identified in section 3 above will impact in 2015/16 by £4,557k. Although £375k of this is likely to be able to be drawn down from the central contingency to alleviate Housing Pressures, management action will need to be taken to ensure that the remaining £4,182k does not impact of future years.
- 4.2 Given the financial position facing the council over the next four years which has been identified as a funding gap of over £60m, officers will need to ensure that budgets are managed within the overall resources available or alternative savings identified.

### **5. EARLY WARNINGS**

#### Deprivation of Liberty Safeguards (DOLS)

- 5.1 The recent Supreme Court judgement relating to Deprivation of Liberty Safeguards in March 2014 has meant that there is a potential pressure from increased volumes of assessments, legal fees and training. Applications for assessments have increased drastically. The monitoring has reflected this increase. In the last financial year the Council carried out 15 assessment requests. From April to June this year there have been 138 requests for assessment.
- 5.2 Further work is being carried out to assess the impact and we are awaiting further directions from government. The most recent indications suggest that the issue could cost the Council up to £750k.

## **6. POLICY IMPLICATIONS**

- 6.1 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.
- 6.2 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.
- 6.3 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 2014/15 to minimise the risk of compounding financial pressures in future years.
- 6.4 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.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 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.
- 7.2 Overall the current overspend position stands at £2,768k (£4,557k full year effect). The full year effect will have to be addressed in 2015/16 in due course.

## **8. DIRECTOR'S COMMENTS**

- 8.1 The very significant pressures reported to the Care PDS in the last budget report remain. A range of actions have been taken which are serving to contain pressures but the efficiency savings are proving very hard to secure following the very significant savings already made in moving from 2013/14 to 2014/15.
- 8.2 We have implemented changes to our panel processes, improved the performance of BSSD, increased the resource available to reablement to ensure as many residents as possible are diverted from our more formal services and continue to hold back both posts and other departmental expenditure. Regular reviews of high cost placements indicate broadly we are meeting eligible needs and not exceeding them. Where savings options identified for next year are able to be taken, these are now being so, but Members will also want to note the significant pressures projecting forward into 2015/16.

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| <b>Non-Applicable Sections:</b>                       | Legal Implications<br>Personnel Implications<br>Customer Implications |
| Background Documents:<br>(Access via Contact Officer) | 2014/15 Budget Monitoring files in ECHS Finance Section               |