

2013/14 Actuals £'000	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	EDUCATION, CARE & HEALTH SERVICES DEPARTMENT							
	Adult Social Care							
18	AIDS-HIV Service	0	0	0	0		0	0
30,925	Assessment and Care Management	25,475	24,808	25,518	710	1	707	553
	Adult Social Care Capping savings target not delivered			1,450	1,450	1	1,450	1,450
	Income from court protection			Cr 110	Cr 110		0	Cr 110
	Management action - BCF contribution			Cr 350	Cr 350		0	0
3,897	Direct Services	3,269	3,335	3,297	Cr 38	4	Cr 7	0
2,868	Learning Disabilities Care Management	2,052	2,298	2,384	86	1	195	265
1,694	Learning Disabilities Day and Short Breaks Service	2,100	2,091	1,941	Cr 150	2	Cr 119	Cr 150
988	Learning Disabilities Housing & Support	1,562	1,383	1,281	Cr 102	3	Cr 97	Cr 102
40,390		34,458	33,915	35,411	1,496		2,129	1,906
	Operational Housing							
4,571	Housing Needs	4,576	5,778	5,778	0	5	0	260
	Housing funds held in contingency							Cr 260
Cr 1	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 778	Housing Benefits	Cr 1,662	Cr 1,662	Cr 1,662	0		0	0
3,792		2,913	4,115	4,115	0		0	0
	Strategic and Business Support Services							
1,945	Strategic & Business Support	2,198	2,201	2,070	Cr 131	6	Cr 121	0
331	Learning & Development	394	394	271	Cr 123		Cr 60	0
2,276		2,592	2,595	2,341	Cr 254		Cr 181	0
	Children's Social Care							
14,413	Care and Resources	17,238	17,223	17,393	170		290	0
	Management action - Restriction of placements			Cr 200	Cr 200			0
1,544	Safeguarding and Quality Assurance	1,402	1,426	1,388	Cr 38		Cr 38	0
3,373	Safeguarding and Care Planning	3,499	3,499	3,499	0		0	0
3,615	Referral and Assessment	3,413	3,413	3,660	247	7	262	180
765	Bromley Youth Support Programme	817	817	817	0		0	0
4,025	Children's Disability Service	2,433	2,433	2,357	Cr 76		Cr 76	0
27,735		28,802	28,811	28,914	103		438	180
	Commissioning							
3,311	Commissioning	3,105	3,167	3,201	34	8	3	125
0	Information & Early Intervention	1,278	1,385	1,426	41		54	41
22,327	Learning Disabilities	24,311	24,071	23,721	Cr 350	1	Cr 10	371
4,776	Mental Health Services	5,644	6,349	6,780	431	1	458	778
	Mental Health Services - Management action	0	0	Cr 108	Cr 108	1	0	Cr 190
2,843	Supporting People	2,060	2,006	1,860	Cr 146	9	Cr 146	Cr 189
0	NHS Support For Social Care							
10,299	- Expenditure	4,548	6,528	6,528	0		0	0
Cr 10,299	- Income	Cr 4,548	Cr 6,528	Cr 6,528	0		0	0
33,257		36,398	36,978	36,880	Cr 98		359	936
	Public Health							
12,229	Public Health	12,230	12,230	11,794	Cr 436		Cr 371	0
Cr 12,601	Public Health - Grant Income	Cr 12,601	Cr 12,601	Cr 12,165	436		371	0
Cr 372		Cr 371	Cr 371	Cr 371	0		0	0
107,078	TOTAL CONTROLLABLE FOR ECHS DEPARTMENT	104,792	106,043	107,290	1,247		2,745	3,022
	ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT							
	Environmental Services - Housing							
179	Housing Improvement	148	148	171	23	10	23	35
	Management action to meet FYE							Cr 35
179	TOTAL CONTROLLABLE FOR E & CS DEPT	148	148	171	23		23	0
107,257	TOTAL CONTROLLABLE BUDGET FOR THE PORTFOLIO	104,940	106,191	107,461	1,270		2,768	3,022
2,073	TOTAL NON CONTROLLABLE	1,483	1,476	1,492	16		16	0
9,883	TOTAL EXCLUDED RECHARGES	11,247	11,247	11,247	0		0	0
119,213	CARE SERVICES PORTFOLIO TOTAL	117,670	118,914	120,200	1,286		2,784	3,022

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MEMORANDUM ITEMS								
	Invest to Save projects: Savings							
30	Dementia Investment Plan	Cr 515	Cr 515	Cr 237	278		278	0
216	PD Investment Plan	Cr 345	Cr 345	Cr 66	279		279	0
246	Invest to Save projects	Cr 860	Cr 860	Cr 303	557		557	0

REASONS FOR VARIATIONS**1. Adult Social Care and Commissioning - Care-Related Costs - Dr £1,759k**

	£'000
<u>Adult Social Care:</u>	
Assessment & Care Management (18-65 and 65+)	1,700
Learning Disabilities Care Management (18-65 and 65+)	86
	<u>1,786</u>
<u>Commissioning:</u>	
Learning Disabilities (18-65 and 65+)	Cr 350
Mental Health (18-65 and 65+)	431
Mental Health (18-65 and 65+) - planned management action	Cr 108
	<u>Cr 27</u>
Total Projected Overspend	<u>1,759</u>

As reported last cycle, a new Adult Social Care "Service Reporting Code of Practice" (SERCOP) was implemented with effect from 1st April 2014. This had significant implications for budget management and financial reporting structures. In addition, "Zero Based Review" data collection changes were effective from the same date.

The main areas of change have included re-classification of all adult social care clients according to their Primary Support Reason (PSR), including those clients over 65 who were all previously classified as "Older People" irrespective of their primary care need. Further, support now has a greater degree of classification between long term and short term support.

The new PSRs include: Physical Support; Sensory Support; Support with Memory and Cognition; Learning Disability Support; Mental Health Support. There is a further category of Social Support which includes support to Carers.

There are still some issues to be resolved in relation to the implementation of the above changes, particularly final changes to some clients' PSRs and the consequent adjustments to budgets and projections.

These changes have had a significant impact on information available to monitor the budgets. Projections have been calculated based on the distribution of clients across PSRs at a point in time. Similarly, the budgets were calculated based on the profile of clients across the new PSRs in April 2014. Both of these sets of information continue to require further work and, as such, the above projections should be viewed only in total, with the expectation that the pattern of overspend will shift between individual budget heads in future months.

The projected overspend of £1.8m arises from the full year effect of 2013/14 activity combined with projected new activity in 2014/15 and 2014/15 budget savings, including £1.45m saving from the capping of Adult Social Care costs (see section below for further details)

Adult Social Care

The overspend in Adult Social Care can be further analysed as follows:

	Projected Variation £'000	Previous Variation £'000	Change £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>			
Services for 65 + - Placements	1,238	1,313	-75
- Domiciliary Care / Direct Payments	932	958	-26
Services for 18 - 64 - Placements	41	78	-37
- Domiciliary Care / Direct Payments	-179	-192	13
Management action - BCF contribution	-350	0	-350
Staffing Costs	18	0	18
	<u>1,700</u>	<u>2,157</u>	<u>-457</u>

The £1.45m saving from the capping of Adult Social Care costs was allocated across both placements (£1.031m, equivalent to 50 places) and domiciliary care/direct payments budgets (£0.419m) for the over 65's. Whilst placement numbers for the under 65's remain within the budget, those for the over 65's are currently showing 58 placements above budget, indicating that attempts to reduce numbers have not been successful. Since the last reported figures relating to September there has been a net reduction of 4 placements. Costs for domiciliary care and direct payments have reduced slightly, but a large overspend remains in this area.

The 2 invest to save schemes relating to Dementia (older people) and Physical Disability & Sensory Impairment have also not achieved the savings that were included in the budget, thus contributing to the overspend position. The dementia unachievement totals £278k and PD £279k. Work continues in both these areas with a view to achieving these savings.

CommissioningLearning Disabilities - Cr £350k

The projected spend has reduced from the previous report by £340k to a projected underspend position of £350k. This is due to a number of factors but has arisen mainly from contract efficiencies, limiting inflationary increases paid to providers, reduced future spend assumptions (potential placements being deferred / not materialising / at lower cost) and attrition.

The projections include a number of assumptions on increased client needs, carer breakdowns, remaining transition cases and the effect of Ordinary Residence transfers both in and out of Bromley. These assumptions have been reviewed in detail this cycle but there continues to be an element of forward projection in the reported figures; the position is likely to change between now and year-end.

Mental Health - Dr £431k (Dr £323k after planned management action savings)

Based on current client PSR classifications in Carefirst, an overspend of £431k is anticipated on Mental Health care packages. Once planned management action has been factored in this reduces to a projected overspend of £323k. However, there appears to be a significant degree of client misclassification for Mental Health and, until this is resolved, it is difficult to manage or monitor budgets effectively. Both budgets and projections are likely to change once PSR issues are resolved. Current data indicates that the net number of Mental Health placements is increasing each cycle and it has been assumed that this trend continues for the rest of the year.

2. Learning Disabilities Day and Short Breaks Service - Cr £150k

The learning disabilities short breaks service at Widmore Road has been running since 2013, when the 2 former respite units at Bromley Road and Tugmutton Close closed. The combining of the 2 facilities on to one new site has enabled staffing efficiencies to be made and a projected underspend of £150k is now reported as the service beds down on the new site.

3. Learning Disabilities Housing and Support - Cr £102k

Some minor restructuring of the service, including the deregistration of the residential units at St Blaise and Orchard Grove and changes around the management of the service have resulted in a current projected underspend of £102k.

4. Direct Care - Cr £38ka) Extra Care Housing - Dr £236k

There is a significant pressure on the in-house ECH budgets, mainly due to the need to provide additional support to some service users with mental health / dementia needs. There has also been an increase in the number of flats being used as 'step down' facilities by care management, resulting in subsequent loss of income (as this is not a chargeable service). There is no change to the figure reported in September. The main variations can be analysed as £296k overspend on staffing and £67k overachievement of income.

b) Transport Service- Cr £160k

Latest monitoring of the transport budget has identified a projected underspend of £160k, £36k in relation to staffing costs and £124k for transport related costs.

c) Reablement - Cr £120k

The underspend in this area relates to staffing, with increased vacancies in the service. As a result the team are carrying out less reablement of clients, which is likely to lead to increased costs within assessment and care management

d) Carelink - Dr £6k

There is a minor projected overspend in the service in relation to staffing.

5. Operational Housing - Dr £0k

As a result of the drawdown of £653k approved by Executive on 15th October 2014, no variation is currently projected for temporary accommodation budgets. The projection assumes continued growth of 15 clients per month combined with continuing rising unit costs. This increase has been noticeable across all London Boroughs and is the result of the pressures of rent and mortgage arrears coupled with a reduction in the numbers of properties available for temporary accommodation. There are high levels of competition and evidence of 'out bidding' between London boroughs to secure properties and this has contributed towards the high costs of nightly paid accommodation.

Although no variation is expected in-year, there is a projected full year effect pressure of £260k in 2015/16. However, this only takes account of projected activity to the end of March 2015 and does not include any projected further growth in numbers beyond that point.

There will be a further revenue contribution to Capital as part of the year end closing of accounts for 2014/15, due to increased costs (overspend) associated with the Bellegrove conversion of £49k. This, the £16k shortfall previously reported relating to the Manorfields conversion, and a projected £17k overspend on furniture storage will be offset by one off in-year underspends on various staffing budgets due to delays in the recruitment and appointment of staff as part of the restructure, plus a few minor underspends on running expenses.

	Projected variation £'000
Staffing & running costs	Cr 82
Manorfields capital shortfall	16
Bellegrove capital overspend	49
Furniture storage	17
	<u>0</u>

6. Strategic and Business Support - Cr £254k

The projected underspend of £254k has arisen from a combination of: part year vacancies; underspends on running expenses (including staff advertising); significantly reduced levels of activity on training mainly as a result of delays in the delivery of Care Act training; projected net additional income from schools.

7. Children's Social Care - Dr £103k

The projected overspend in Children's Social Care has increased this month with the main areas of under / overspending being:

Placements - Cr £551k

The children's placement budget is currently projected to underspend by £551k, based on current numbers of children being looked after, plus an assumption for new children having to be looked after during the year. This is partly offset by increased costs of children leaving care, as reported below.

No Recourse to Public Funds - Dr £247k

The cost to Bromley for people with no recourse to public funding significantly exceeded the budget established for these costs in 2013-14. Additional budget was moved into this area for 2014/15, however the trend of increased costs is continuing during the current financial year, with a current projected overspend of £247k now being reported, a slight reduction from the last reported figure. The projection includes an assumption for new clients coming through the system for the remainder of the year.

Leaving Care Clients - 16/17 year olds - Dr £224k

Expenditure relating to leaving care services for 16 and 17 year olds is projected to overspend due to the numbers of children leaving care. This amount has increased slightly from the last reported figure of £200k. This could further increase if more children within this age group leave care requiring services.

Leaving Care Clients - 18 plus - Dr £155k

Expenditure relating to leaving care services for 18 year olds and over is projected to overspend as a result of delays relating to the reclaiming of housing benefits and the non recovery of some personal charges which will have to be written off. Officers are working together to ensure that all sums that should be recovered are recovered in a timely manner.

Children's Disability Service - Cr £76k

The current provision for the respite service agreement with Bromley CCG at Hollybank is expected to underspend by £45k this year. In addition costs relating to the Children's Disability team are expected to be £31k under budget.

Other miscellaneous budgets - Dr £104k

An SLA with an external provider was not renewed in 2013-14, resulting in a continuing underspend of £38k, staffing budgets across the division are projected to overspend by approximately £50k and legal costs of £91k have been incurred relating to care proceedings for which there is no budgetary provision.

8. Commissioning - Dr £34k

Although a relatively small total variation, the projected net overspend of £34k comprises:

	Projected variation £'000
Taxicard	Cr 48
Contracts (net)	Cr 18
Carers	Cr 5
Commissioning staffing and related budgets	Cr 2
Deprivation of Liberty Safeguards	<u>107</u>
Projected net overspend	<u>34</u>

The underspend on Taxicard arises from a TfL and London Councils re-profiling exercise and lower than budgeted take-up in Bromley, resulting in a reduced charge. The projected underspends on contracts and Carers budgets largely arise from limiting inflationary increases to third party providers.

A recent Supreme Court judgement relating to Deprivation of Liberty Safeguards has potentially significant financial implications. The background was outlined in a report to the Executive on 10th June 2014. There is evidence of a significantly higher number of assessments than in previous years and it is anticipated that there will be an overspend of approx. £107k in 2014/15 (doctors' assessments and staffing). This is a net figure and the overspend has been offset, in part, by recurrent underlying underspends on the DoLS budget. There may be further additional costs this year and, once further details of the judgement and its consequences are available and further mapping work has been carried out, likely cost implications will become clearer and included in a future report.

9. Supporting People - Cr £146k

The projected underspend of £146k on Supporting People budgets arises from inflationary savings and the effect of re-tendering / extending contracts at a reduced cost. It should be noted that any savings arising from future re-tendering or contract extensions have not been assumed in this figure so the underspend may increase. There was a £270k saving built in to the 2014/15 budget and the £146k underspend is in excess of this.

10. Housing Improvement - Dr £23k

There is a projected shortfall within renovation grant agency fee income of £18k, and other income of £8k. This is due to reduced activity on capital schemes which has had a corresponding effect on the fees earned. There are other minor variations across of the service of Cr £3k, giving rise to the net deficit of £23k.

EARLY WARNINGS

Deprivation of Liberty Safeguards

A recent Supreme Court judgement relating to Deprivation of Liberty Safeguards and the deprivation of liberty of individuals has potentially significant financial implications. The background was outlined in a report to the Executive on 10th June 2014. There is evidence of a significantly higher number of assessments than in previous years and £107k has been included in the projected spend for this and other related costs. Once further details of the judgement and its consequences are available and further mapping work has been carried out, likely cost implications will become clearer and will be included in a future report.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub-Committee bi-annually.

Since the last report to the Executive, waivers were approved as follows:

- (a) There was 1 contract waiver agreed for the continuation of a current contract of less than £50k.
- (b) There was 1 waiver agreed for a placement over £50k in Adult Social Care.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" are included in financial monitoring reports to the Portfolio Holder. Since the last report to the Executive, no virements have been actioned.

Description	2014/15 Latest Approved Budget £'000	Variation to 2014/15 Budget £'000	Potential Impact in 2015/16
Housing Needs - Temporary Accommodation	5,779	0	The full year effect of the current projections for temporary accommodation anticipated to be a pressure of £260k in 2015/16. This includes the £653k draw down from contingency in 2014/15 for the impact of welfare reforms approved by Executive on 15th Oct 2014. However, this only takes account of projected activity to the end of March 2015, and does not include any projected further growth in numbers beyond that point. Officers are currently modelling different scenarios to quantify the effect of further possible initiatives and also the most appropriate deployment of existing initiatives to maximise the financial benefit.
Adult Care Placements	48,264	1,759	The net overspend on adult care placements is forecast to produce a full year overspend of £3,117k, based on activity to 31/3/15 only (i.e. doesn't include changes to activity levels in future years).
Learning Disabilities Short Breaks Service	649	Cr 150	The underspend currently reported in 2014/15 is expected to continue into next year.
Learning Disabilities Housing & Support	1,383	Cr 102	The underspend currently reported in 2014/15 is expected to continue into next year.
Commissioning	3,167	34	Based on current levels of activity relating to Deprivation of Liberty Safeguards a full year budget pressure of £125k is anticipated.
Information & Early Intervention	1,385	41	The overspend currently reported for 2014/15 is expected to continue into next year.
Supporting People	2,006	Cr 146	Based on current contracts a full year underspend of £189k is anticipated.
Children's Social Care - Placements	12,800	Cr 551	The full year effect of the current projection is calculated at a £271k underspend. Officers have continued to work towards increasing the number of in-house foster carers so that expensive external placements can be avoided.
Children's Social Care - No Recourse to Public Funds	382	247	The full year effect of clients who have no recourse to public funds and Bromley are having to pay for has been calculated at £180k based on current numbers after the increase in budget has been taken into account. The Welfare Reform changes currently being implemented may impact on this amount further. Officers will monitor the position and report any changes as part of the budget monitoring process during the year.
Children's Social Care - Leaving Care Services for 16/17 year olds and 18+	478	379	The full year effect of clients who have left care is currently calculated at £271k. This mainly relates to 16 and 17 year olds who are not able to claim housing benefits and the full cost of accommodation is payable by the council.

LATEST APPROVED BUDGET 2014/15
Care Services Portfolio

BUDGET VARIATIONS	£'000
2014/15 Original Budget	117,670
Local Reform and Community Voices - IMHA (Exec 2/4/14):	
- grant related expenditure 2014/15	64
- grant related expenditure 2014/15	Cr 64
Local Reform and Community Voices - DOLS (Exec 10/6/14):	
- grant related expenditure 2014/15	24
- grant related expenditure 2014/15	Cr 24
Adult Social Care Investment Proposal - Demand Management (Exec 22/7/14)	
- expenditure	250
- contribution from earmarked reserve	Cr 250
New Grant - Staying Put Implementation Grant	
- expenditure	36
- income	Cr 36
<i>Carry Forwards:</i>	
Social Care funding via the CCG under s256 (Invest to Save)	
- expenditure	449
- income	Cr 449
Impact of Care Bill / Adult Social Care Gateway Review	
- expenditure	249
- income	Cr 249
Tackling Troubled Families	
- expenditure	764
- income	Cr 764
Public Health Weight Management Pilot	
- expenditure	98
- income	Cr 98
Social Care Funding via the CCG under s256 (Invest to Save)	
- expenditure	40
- income	Cr 40
Welfare Reform Implementation Funding	
- expenditure	66
- income	Cr 66
Public Health s256	
- expenditure	44
- income	Cr 44
Public Health Transition Funding	
- expenditure	42
- income	Cr 42
Increase in insurance premiums	4
Provision for homelessness (impact of recession/changes to welfare benefits)	
- Bed & Breakfast	653
- Manorfields	547
Merit Awards	40
NHS funding transfer integration funding - expenditure	992
NHS funding transfer integration funding - income	Cr 992
Total Variations	1,244
2014/15 Latest Approved Budget	118,914