

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

Date: 21st January 2015

Decision Type: Urgent Non-Executive Non-Key

Title: **BUDGET MONITORING 2014/15**

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Chief Officer: Terry Parkin, Executive Director of Education, Care & Health Services

Ward: (All Wards);

1. Reason for report

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

2. **RECOMMENDATION(S)**

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

- (i) **Note that the latest projected overspend of £1,270,000 is forecast on the controllable budget, based on information as at November 2014;**
- (ii) **Note the full year effect for 2015/16 of £3,022,000 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: £118.914m
 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.

Adult Social Care and Commissioning – Care related costs

- 3.2 The placement budgets are projected to overspend in 2014/15 by £1,759k and £3,117k 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).
- 3.3 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.
- 3.4 The overspends have been offset by a number of underspends which include:-
- a) One off contribution from the Better Care Fund (£350k).
 - b) Reduced assumptions of potential growth placements in Learning Disability, deferred placements and attrition. (£340k).
 - c) Increased income from court protection (£110k).
 - d) Management action in mental health assumed to deliver by year end (£108k).
 - e) Increases in other areas underspend from staffing, running expenses, etc (£133k).
- 3.5 This has meant that the overspend has reduced from the last reported overspend of £2,800k to £1,759k.

Housing

- 3.6 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 15th October 2014 that £653k of a possible £1.2m of contingency could be drawn down to alleviate pressures on this budget. The remaining contingency amount was agreed by Executive on the 15th October 2014 to be used for the development of Manorfields as temporary accommodation.
- 3.7 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.

Children's Social Care

- 3.8 Care and resources is now expected to be underspent by the year end by £30k. Pressures in the Leaving Care budgets have been offset by reductions in the main placement budget. Moreover management action has been assumed to be delivering a further £200k by the year end.
- 3.9 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 £247k for 2014/15. The full year effect of both for placements and NRPF will be £180k 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 £3,022k. This figure does not include £260k for Housing as it 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 £3,022k does not impact of future years.
- 4.2 This figure has reduced from £4.182m reported in November to the PDS.
- 4.2 Given the financial position facing the council over the next four years which has been identified as a funding gap of over £53m, 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 2014 to the 19th December 2014 there have been 247 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 £628k.

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 £1,270k (£3,022k full year effect). The full year effect will have to be addressed in 2015/16 in due course.

8. DIRECTOR'S COMMENTS

- 8.1 As detailed in the appendix, the requirement from the Department of Health to introduce a new form of activity reporting in adult social care has caused very significant problems across the country and we have not been exempt from them. I am particularly grateful to staff in adult social care and in our strategy team who gave up time over weekends and indeed over the Christmas holiday to further debug the system. However, errors remain and this makes it difficult to pinpoint issues, and particularly so in the older people's budgets across Care Management and Mental Health. The bottom line is, however, accurate: nonetheless, further work needs to be done to reconcile expenditure across these budgets and to help us better understand the pressures in mental health.
- 8.2 We are awaiting determination from the CCG on £1.3m of our claims for continuing health care (CHC) contributions. This is a very complex area and the Care Policy Development and Scrutiny Committee have discussed this previously. Broadly, a number of our clients will have very clear **health** needs which, by Law, local government cannot usually fund. To facilitate, for example, rapid discharge from the Princess Royal, we will accept these clients and then claim retrospectively for any health needs. We would also make a claim for any assessed clients we believe have health needs. Historically, we have always struggled to gain agreement from our partners in the CCG as to the precise level of health contribution and these claims are presently under assessment by a contractor brought-in by the Clinical Commissioning Group. This contractor is retained by the CCG and so is not independent. However, we have seen very good progress with our complex children's packages, but we remain concerned that the CCG may not agree with our assessments. Should that be the case, we will need to agree an appeals procedure. It is not our expectation that we will win back all of the claimed monies.
- 8.3 Members will have seen the considerable progress in bringing the projected outturn nearer to the budgeted sums. We have held the number of older people's placements broadly static across the year but were required to reduce them by around 60: this simply has not proved possible. In addition, Members may recall the fact that some 20 or so care packages agreed late in 2013/14 were not funded in this year's budget placing a further £816k on the budget in addition to the agreed savings and the £1.45m efficiencies.
- 8.4 Across the last two quarters we have reduced the projected overspend by around £1.5m. We continue our regular programme of review, ensuring the best possible match between unmet assessed needs and the packages we provide to clients. We have held posts vacant, introduced robust approaches to awarding support and, more recently with support from the CCG, increased our ability to offer reablement. However, very considerable pressures remain in the system.
- 8.5 We see little let-up in the pressures from those requiring temporary accommodation, and the proposed provision of Manorfields should help mitigate at least some of those pressures, but staff in Housing remain under considerable pressure and are to be commended for their exceptional work in managing in very challenging circumstances. Closing or redesignating one of the extra care housing schemes as surplus to requirement is under discussion elsewhere. We also continue to see those with no recourse to public funds presenting to children's social care significantly in excess of the numbers funded by central government.
- 8.6 The changes in interpretation of the regulations around Deprivation of Liberty Safeguards (DoLS) have placed enormous pressure on the system this year and continues so to do. This is a major contributor to the pressures taken forward into next year, and will require a significant increase in staffing to manage efficiently. I am particularly grateful this year to staff who have

accepted the challenge of developing our new approach to DoLS, often alongside their 'day job', but this is not sustainable.

- 8.7 Work with the CCG on the Better Care Fund resulted in our submission being approved, but not until after some small changes required by the NHS. This covers the spend of over £20m of funds held in common between the CCG and the Borough and so will form a key part of the work in the coming year. The monies for 14/15 allowed us to invest more in-year in supporting placements and, latterly, reablement, but sourcing high quality staff to undertake this additional remains a very significant challenge. The monitoring of this work is one of the responsibilities of the Health and Wellbeing Board but Members of the PDS will most likely also want to be kept informed of our progress in the coming year.
- 8.8 A key issue remains the ability of the PRUH to overcome its very considerable challenges. We continue to support it very heavily and have had staff working there case finding every weekend for several weeks now. There is an imperative to discharge patients as rapidly as possible. This results in some patients being discharged very early, typically to intermediate care, a contracted responsibility of Bromley Health Care from the CCG but one which, inevitably, places pressures on care managers where the patients require a social care assessment. These patients may, as a result of their early discharge, have additional unmet social care needs. To its very considerable credit, the CCG has been outstanding in committing itself to covering our additional costs but the reality is that this is bringing more clients to the notice of social care and if they are assessed as having unmet social needs, and are not self-funding, we must address them. Members can be assured that we are keeping detailed accounts of our activity in this area, and we remain very proud of the fact that there have been a negligible number of delayed discharges as a result of our social care staff. Where there are delays, these may be where a family disputes either our placement decision or, more typically, a costs determination.

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