

**Decision Maker:** PORTFOLIO HOLDER FOR CARE SERVICES

**Date:** For Pre-Decision Scrutiny at the meeting of Care Services Policy Development and Scrutiny Committee on Tuesday 17<sup>th</sup> November 2015

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

**Title:** BUDGET MONITORING 2015/16

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

**Ward:** (All Wards);

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1. Reason for report

- 1.1 This report provides the budget monitoring position for 2015/16 based on activity up to the end of August 2015.
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2. **RECOMMENDATION(S)**

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

- (i) **Note that the latest projected underspend of £1,623,000 is forecast on the controllable budget, based on information as at August 2015;**
- (ii) **Note the full year effect for 2016/17 of a credit of £1,949,000 as set out in section 4;**
- (iii) **Note the carry forward release requests as detailed in section 5 of this report;**
- (iv) **Note the comments of the Department in section 8 of this report; and,**
- (v) **Refer the report to the Portfolio Holder for approval.**

2.2 **The Portfolio Holder for Care Services is asked to:**

- (i) **Note that the latest projected underspend of £1,623,000 is forecast on the controllable budget, based on information as at August 2015;**
- (ii) **Refer the funding release requests in section 5 in contingency to the Executive 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: £112.995m
  5. Source of funding: Care Services Approved Budget
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### Staff

1. Number of staff (current and additional): 812 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 2015/16 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 2015/16 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. Growth to deal with full year effect pressures was given in 2015/16 and this appears to have stabilised the budget position.

#### Adult Social Care

- 3.2 Overall the position for Adult Social Care is a predicted £76k overspend. There are overspends in Domiciliary Care/Direct Payments and Extra Care housing (due to voids and the impact of the work on the closure of Lubbock House) offset by underspends in placements costs and Transport.

#### Housing

- 3.3 There are currently no further pressures forecast in Temporary Accommodation (TA) (Bed and Breakfast) in 2015/16. Additional funding has been requested from contingency (see paragraph 5 and the separate report on this agenda) and it is assumed this will be agreed by Executive in due course.
- 3.4 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.
- 3.5 Although there is a full year effect of this overspend, this again will be dealt with through the draw down of contingency.

#### Strategic and Business Support Services

- 3.6 There is an underspend in this area of £113k due to senior management vacancies which are at present not being filled and supplies and services underspends.

#### Children's Social Care

- 3.7 Children's Social Care is expected to be overspent by the year end by £16k. Pressures in placements (£339k) have been partially offset by underspends in Leaving Care (£235k).
- 3.8 Other pressures such as social worker assessments and Emergency Duty Team staffing are offset by savings made in the Children's Disability Service in staffing, short breaks and direct payments

#### Commissioning

- 3.9 There is a significant in year underspend of £557k predicted in commissioning. This is in the main down to placement projections in Learning Disabilities and Mental Health being lower than expected. This is partially offset by staffing pressures. These budgets are volatile and assumptions have been made relating to uncertainties such as transition clients, attrition and health funding, which may have an impact as the year progresses.

#### 3.10 Public Health

Although the variance is zero there has been considerable activity within Public Health to manage the in year grant reduction imposed by the Department of Health of £921k (estimated at this point).

3.11 Savings have been made across the division to achieve this, see table below

<b>Public Health in year savings</b>	<b><u>£000</u></b>
General PH Staffing Teams	(33)
Sexual Health (incl Staff)	(137)
NHS Health Check Programme (incl Staff)	(130)
Health Protection	(7)
Substance Misuse	(209)
Smoking and Tobacco	(42)
Children 5-19 Public Health Programme	2
Misc Public Health Programme	(52)
General PH costs	(36)
Management Action	(277)
	<b><u>(921)</u></b>

3.12 Public Health also have £141k of carried forward grant held in contingency that could help to alleviate these pressures should the need arise.

Savings achieved early in 2015/16 for 2016/17

3.13 An exercise was carried out by the Department over the last few months to identify where savings could be found within ECHS. £1,045k of savings have been identified that could be achieved this year that have an ongoing impact into 2016/17. See table below. In addition to this a further £270k has been identified that has an impact in 2016/17 only (grand total £1,623k).

<b><u>Service Areas</u></b>	<b>2015/16 £'000</b>	<b>2016/17 FYE £'000</b>
Adult Social Care/Commissioning - Contract negotiations resulting in lower contract costs than anticipated	(430)	(430)
Transport Contract coming into effect December 2015	(60)	(143)
Direct Care Services contract coming into effect October 2015	(30)	(200)
Contract savings across Commissioning division	(130)	(130)
Mental Health - efficiencies with placements, planned moves and CCG funding	(180)	(180)
Supporting People - contract efficiencies obtained	(65)	(120)
Early intervention and information- contract efficiencies obtained	(150)	(150)
Total	<b><u>(1,045)</u></b>	<b><u>(1,353)</u></b>

**4. FULL YEAR EFFECT GOING INTO 2016/17**

4.1 Overall there are credits identified as full year effects which will impact in 2016/17 by CR£1,949k. However within this figure there are individual cost pressures that need to be dealt with to ensure that they do not become budget pressures in the future. This figure does not include £470k 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 this does not impact on 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 £50m, officers will need to ensure that budgets are managed within the overall resources available or alternative savings identified.

## **5. RELEASE OF FUNDING HELD IN CONTINGENCY**

### Temporary Accommodation - £649k

- 5.1 There continues to be a significant gap between the need for Housing that is affordable and the available supply of both social housing and affordable rented accommodation. Over the last five years the maximum rent that Bromley has been able to pay per property has been effectively frozen and the housing allowance has been reduced.
- 5.2 Rising costs of rents and the effect of the welfare reform have seen the number of homeless approaches to Bromley increase. There are now just under 1,100 households in temporary accommodation
- 5.3 Bromley has anticipated this and set aside £1.1m in 2015/16 to cover any cost pressures arising from homelessness. £649k is being requested this cycle to offset the pressures in the division.
- 5.4 This is being reported in more detail elsewhere on this agenda.

### Tackling Troubled Families - £661k

- 5.5 This grant is to fund the development of an ongoing programme to support families who have multi-faceted problems including involvement in crime and anti-social behaviour with children not in education, training or employment.
- 5.6 This support is delivered through a number of work streams cross cutting across council departments and agencies.
- 5.7 £661,080 is the required funding for 2015/16. £225,580 has already been previously approved and drawn down for 2015/16 and these amounts will be used to continue the project and its commitments in the current financial year.
- 5.8 This is being reported in more detail elsewhere on this agenda.

### Public Health Grant - £1,901k

- 5.9 From October 2015, responsibility for commissioning of Health visiting passed from NHS Health England to Public Health in the Local Authority. The annual value for this service is £3.8m in 2016/17. £1.901m has been transferred for the part year effect in 2015/16 and is held in contingency.
- 5.10 The Health Visiting service specification has been developed nationally and is mandated in five key areas (antenatal health promoting reviews, new baby reviews, six to eight week assessments, one year assessments, and two to two and a half year reviews) by the Department of Health.
- 5.11 The service is currently tied up in a block contract with Bromley Healthcare and the contracts have been novated over to the Local Authority.
- 5.12 The funding is ringfenced for Public Health services.
- 5.13 It is recommended that £1.901m be released from contingency to reflect these changes in responsibility.

### Independent Living Fund - £526k

- 5.14 The Independent Living Fund (ILF) was a central government fund established to provide services to disabled people with high care needs to enable them to remain living independently

in the community. The fund was managed by the Department of Work and Pensions (DWP) but on the 30th June 2015 the fund closed and the responsibility was devolved to the Local Authority.

5.15 Funding was transferred for each individual user of the fund. The funding is not ringfenced but as the clients are transferred so are the costs.

5.16 The total funding for Bromley amounted to £526,049 for 2015/16

5.17 It is recommended that £526,049 be released from contingency in 2015/16 to reflect these changes in responsibility.

## **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 2015/16 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 underspend position stands at £1,623k (£1,949k underspend full year effect). The full year effect will be addressed in 2016/17 in due course.

## **8. DEPARTMENTAL COMMENTS**

8.1 Overall the current outlook in the Care Services Portfolio is positive with a £1,623,000 controllable budget underspend predicted for the financial year. Additional costs of placements in older people and children's services are being offset by staffing vacancies and placements in learning disabilities and mental health services. Containing costs has proved a challenge, particularly in our older people's services.

8.2 Commissioning activity continues to secure value for money in placements and makes a significant contribution to ameliorating some of the pressures.

8.3 Housing continues to exert very considerable pressures on our budgets and although covered by contingencies following the very early recognition of these pressures, Members will note that we are not predicting any significant changes in pressures from those seeking temporary accommodation and so it is important that Manorfields comes on stream at the earliest opportunity to help control these pressures.

- 8.4 Children’s Social Care continues to see pressures from no recourse to public funds.
- 8.5 The Department will continue to closely monitor its activities in order to at least balance the budget in year and look to future years where the funding will become an even greater challenge.

<b>Non-Applicable Sections:</b>	Legal Implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	2015/16 Budget Monitoring files in ECHS Finance Section