

Decision Maker: CARE SERVICES PORTFOLIO HOLDER

Date: For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on 10th March 2016

Decision Type: Non-Urgent Executive Non-Key

Title: CARE SERVICES PORTFOLIO BUDGET MONITORING 2015/16

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Chief Officer: Chief Executive

Ward: All Wards

1. Reason for report

- 1.1 This report provides the budget monitoring position for 2015/16 based on activity up to the end of December 2015.
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2. RECOMMENDATIONS

2.1 The Care Services PDS committee is invited to:

- (i) Note that the latest projected underspend of £3,646,000 is forecast on the controllable budget, based on information as at December 2015;
- (ii) Note the full year effect for 2016/17 of a credit of £2,787,000 as set out in section 4;
- (iii) Note the request to carry forward £152,000 of underspend into the next financial year to cover one off costs in 2016/17 in the Children's Social Care service 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 is asked to:

- (i) Note that the latest projected underspend of £3,646,000 is forecast on the controllable budget, based on information as at December 2015;
- (ii) Refer the carry forward request in section 5 of this report 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: £110.416m
 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 £745k underspend. There are overspends in Placements/Domiciliary Care/Direct Payments for 18-64 years olds which have been offset by increased underspends in services for the 65+. Overall numbers have further reduced. The underspend is also due to a one off contribution to Extra Care housing from the Better Care Fund of £300k. There continues to be underspends in the Transport service.

Housing

- 3.3 There are currently no further pressures forecast in Temporary Accommodation (TA) (Bed and Breakfast) in 2015/16 since the drawdown of additional funding was agreed by the Executive.
- 3.4 Although numbers are continuing to rise with an average of 14 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 There are overspends due to increased furniture storage costs which have been partially offset by underspends in other areas.
- 3.6 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

- 3.7 There is an underspend in this area of £112k due to senior management vacancies which are at present not being filled and supplies and services underspends.

Children's Social Care

- 3.8 Children's Social Care is expected to be underspent by the year end by £37k. There continues to be pressures in Safeguarding and Quality Assurance, mainly around care proceedings costs and staffing costs in the Emergency Duty Team. Other pressure areas include staffing budgets in Safeguarding and Care Planning and Early intervention and family support.
- 3.9 These have been offset by underspends in placements, leaving care costs and the Children with Disabilities Service in staffing, short breaks and direct payments.

Commissioning

- 3.10 There is a significant in year underspend of £1,115k 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.

3.11 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 £919k.

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

| Public Health in year savings | <u>£000</u> |
|---|---------------------|
| General PH Staffing Teams | (44) |
| Sexual Health (incl Staff) | (198) |
| NHS Health Check Programme (incl Staff) | (212) |
| Health Protection | (7) |
| National Child Measurement Programme | (4) |
| Obesity | (20) |
| Substance Misuse | (256) |
| Smoking and Tobacco | (100) |
| Children 5-19 Public Health Programme | (12) |
| Misc Public Health Programme | (44) |
| General PH costs | (22) |
| | <u>(919)</u> |

3.13 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

3.14 An exercise was carried out by the Department over the last few months to identify where savings could be found within ECHS. £1,687k of savings have been identified that could be achieved this year that have an ongoing impact into 2016/17. The full year impact is £2,388k. See table below for details.

| | 2015/16 | 2016/17 |
|--|----------------|----------------|
| | £'000 | FYE £'000 |
| <u>Service Areas</u> | | |
| Adult Social Care / Commissioning - Contract negotiations resulting in lower contract costs than anticipated | (430) | (430) |
| Closure of Lubbock House ECH | 0 | (70) |
| Day Opportunities - invest to save | 0 | (100) |
| Transport Contract effective from December 2015 | (60) | (243) |
| LD Direct Care Services contract effective from October 2015 | (30) | (200) |
| Contract savings across Commissioning division | (130) | (130) |
| Mental Health - efficiencies with placements, planned moves and Supporting People - contract efficiencies obtained | (179) | (179) |
| Adult Learning Disabilities services | (69) | (120) |
| Additional recurring underspend - Commissioning | (174) | (301) |
| Early intervention and information- contract efficiencies obtained | (20) | (20) |
| Youth on Remand | (150) | (150) |
| Virtual School | (250) | (250) |
| Children with disabilities | (75) | (75) |
| | (120) | (120) |
| Total | (1,687) | (2,388) |

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£2,787k. 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 £254k 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.

5. CARRY FORWARD OF FUNDING REQUEST INTO 2016/17

- 5.1 Two areas within Children's Social Care will be experiencing difficulties in 2016/17 due to service pressures. It is recommended that the Portfolio Holder agree these requests for one off funding and refer these to the Executive for approval. The funding will come from the in year underspends. Any ongoing pressures that emerge will be dealt with as part of the medium term financial strategy. The two areas are:-

Bromley Safeguarding Children Board - £55k

- 5.2 The BSCB is an independent body hosted by Bromley Council. It has a budget which is made up of income from partner agencies and a small income from training. In recent years, despite careful management, expenditure has been greater than income for two to three years and this has resulted in all reserves being used up.
- 5.3 Increased expenditure has resulted because of the requirement to quality assure and audit multi-agency practice, additional costs for the provision of performance reports and training coordination/support and the accumulation of increased costs, duties and inflation over a period of several years.

- 5.4 Member contributions were increased in 2015/16 when the four health agencies increased their contribution, but this is still not sufficient to be able to manage this service within the current funding envelope. The current shortfall for 2016/17 is estimated at £55k.
- 5.5 It is proposed that this one off sum be carried forward from the underspend to fund this for 2016/17.

Youth Offending Service (YOS) - £97k

- 5.6 In response to the failed HMIP inspection, Bromley recruited and employed an experienced interim Head of Service and seconded a YJB manager to push through the changes necessary to operate the service at the required standards. This has created financial pressure in 2015/16 which will continue in to 2016/17.
- 5.7 It is anticipated that the YOS will be re-inspected by HMIP in 2016/17 – most likely late summer 2016. We have been working closely with the YJB to prepare for re-inspection and also to satisfy Ministerial scrutiny that follows failed inspection. This strategy has been effective and after a slow start due to high levels of staff vacancies and our inability to attract good quality staff, the service is now starting to see solid improvements and the Head of Service is reporting that he anticipates a positive re-inspection outcome. To further help prepare for re-inspection, the YJB are conducting a ‘mock’ inspection in April 2016 by bringing an independent YJB officer team to scrutinise our case work and progress against the YOS Improvement Plan.
- 5.8 The service is in the process of being restructured in order to meet budget requirements and to cover the reduction in government grant for the YOS. This is balanced for 2017/18. However, the proposed establishment cannot be achieved in 2016/17 due to the additional costs of employing an Interim Head of Service, the additional half year costs of seconding a manager from the YJB and two additional unqualified posts necessary for this interim period. This amounts to £97k.
- 5.9 It is proposed that this one off sum be carried forward from the underspend to fund this for 2016/17.

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 £3,646k (£2,787k 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 £3,646,000 controllable budget underspend predicted for the financial year. Costs of placements in Adult Social Care are being contained and the budget is benefitting from further underspends in learning disabilities and mental health services. Containing costs continues to prove a challenge across all service areas.

8.2 Commissioning activity continues to secure value for money in placements and makes a significant contribution to ameliorating 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 and look to future years where the funding will become an even greater challenge.

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