

Decision Maker: PORTFOLIO HOLDER FOR CARE SERVICES

Date: For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on Tuesday 28 June 2016

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL BUDGET OUTTURN REPORT 2015/16

Contact Officer: David Bradshaw, Head of Education, Care and Health Services Finance
Tel: 020 8313 4807 E-mail: David.Bradshaw@bromley.gov.uk

Chief Officer: Chief Executive

Ward: Borough-wide

1. Reason for report

1.1 This report provides the provisional position for 2015/16.

2. RECOMMENDATIONS

2.1 The Care Services Policy, Development and Scrutiny Committee is asked to:

- i) Note that there was an underspend of £4,350,000 on controllable expenditure at the end of 2015/16 and consider any issues arising from it;
- ii) Note that the Council's Executive on the 15th June 2016 has agreed the net carry forwards as detailed in Appendix 2; and,
- iii) Refer the report to the Portfolio Holder for approval.

2.2 The Portfolio Holder for Care Services is asked to approve the provisional budget outturn for the Care Services Portfolio for 2015/16.

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Children and Young People
-

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: £113.085m
 5. Source of funding: Care Services Approved Budget
-

Staff

1. Number of staff (current and additional): 812 Full time equivalent
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
-

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
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 This report provides the provisional outturn position for the Care Services Portfolio for 2015/16, which is broken down in detail in Appendix 1, along with explanatory notes.
- 3.2 The provisional outturn for the “controllable” element of the Care Services budget in 2015/16 is an underspend of £4,350,000 compared to the last reported figure of £3,646,000 underspent which was based on activity at the end of December 2015.

FINAL POSITION

- 3.3 The £4,350k underspend is summarised in table one. All of the pressures and savings are further detailed and broken down in Appendix 1b.

Table 1

<u>DIVISION</u>	<u>£'000</u>
Adult Social Care - Mainly due to fewer placements than anticipated, lower staffing costs and savings from the transport contract	- 1,141
Operational Housing - Higher than anticipated housing benefit income and lower costs	- 185
Strategic Business Support Service - Staff vacancies	- 235
Childrens Social Care - Lower placement costs partially offset by increased costs of care proceedings	- 196
Commissioning - Savings in staffing, contracts, mental health and learning disability packages	- 1,102
Public Health - Offset by non controllable recharges to come back to zero	14
Environmental Services - Minor cost pressures	4
Savings achieved early in 2015/16 for 2016/17 across the Portfolio	<u>- 1,509</u>
	<u>- 4,350</u>

PUBLIC HEALTH

- 3.4 Public Health underspent in 2015/16 by £152k. As per the terms of the grant funding this amount has been transferred to a Public Health Reserve which can be used in 2016/17 for Public Health activities.

CARRY FORWARDS

- 3.5 On the 15th June 2016 the Executive were asked to approve a number of carry forward requests relating to either unspent grant income, or delays in expenditure where cost pressures will follow through into 2016/17. Appendix 2 provides a detailed breakdown of all of the carry forward requests. As you will see from Appendix 2 the carry forwards included in section 1 will have repayment implications if not approved, those in section 2 relate to grants which will not have to be repaid if not agreed but will impact on service delivery in 2016/17. Future reports to the Portfolio Holder and/or Executive will be required to approve their release.

FULL YEAR EFFECTS MOVING INTO 2016/17

- 3.6 Appendix 3 provides a breakdown of any full year implications arising from the final 2015/16 outturn. Overall there are £2,634k of full year effect savings in 2015/16. The vast majority (£2,192k credit) is due to savings found early in 2015/16 for 2016/17. These will offset savings targets agreed for the portfolio in 2016/17. The remaining credits and debits will be managed as

part of the budget monitoring process for 2016/17. The breakdown is contained within table two below.

- 3.7 The above does not include all of the savings that have been agreed for the Portfolio in 2016/17. These will have to be managed and addressed throughout the 2016/17 financial year.

Table 2

FULL YEAR EFFECT FOR 2016/17

	<u>£'000</u>
Residential and Domiciliary Care Clients - Older People	- 603
Learning Disability Domiciliary Care and Direct Payments	198
Children's Social Care Placements	- 37
Savings found early in 2015/16 for 2016/17	- 2,192
	<u>- 2,634</u>

- 3.8 The main area of the full year effect are the savings found early. As part of the budget monitoring process a major savings exercise was carried out in the department to identify potential savings in future years. Areas have been identified where savings can be found and can be taken early. The list below shows the in year benefit in 2015/16 and the savings that will accrue in a full year in 2016/17.

Table 3

	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	0	-200
Contract savings across Commissioning division	-105	-130
Mental Health - efficiencies with placements, planned moves and CCG funding	-180	-134
Supporting People - contract efficiencies obtained	-79	-164
Adult Learning Disabilities services	-40	-40
Additional recurring underspend - Commissioning	-20	-36
Early intervention and information- contract efficiencies obtained	-150	-200
Youth on Remand	-250	-250
Virtual School	-75	-75
Children with disabilities	-120	-120
Total	-1,509	-2,192

- 3.9 Appendix 4 provides a detailed reconciliation of the Original 2015/16 budget to the Latest Approved 2015/16 budget.

COMMENTS FROM THE EDUCATION, CARE AND HEALTH SERVICES DEPARTMENT

- 3.10 Overall the current outlook in the Care Services Portfolio is positive with a £4,350k 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.
- 3.11 Commissioning activity continues to secure value for money in placements and makes a significant contribution to ameliorating the pressures.
- 3.12 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.
- 3.13 Children’s Social Care continues to see pressures although overall these have been contained this year.
- 3.14 The Portfolio will continue to closely monitor its activities and look to future years where the funding will become an even greater challenge.

4. POLICY IMPLICATIONS

- 4.1 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.
- 4.2 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.
- 4.3 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 2016/17 to minimise the risk of compounding financial pressures in future years.
- 4.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 The financial implications are contained within the body of the report. A detailed breakdown of the projected outturn by service area is shown in Appendix 1(a) with explanatory notes in Appendix 1 (b).

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