

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

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

**Date:** 28<sup>th</sup> June 2016

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

**Title:** CARE SERVICES PORTFOLIO BUDGET MONITORING  
2016/2017

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**Chief Officer:** Chief Executive

**Ward:** Borough-wide

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1. Reason for report

1.1 This report provides the budget monitoring position for 2016/17 based on activity up to the end of May 2016.

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2. RECOMMENDATIONS

2.1 The Care Services PDS committee is invited to:

- i) Note that the latest projected overspend of £3,333,000 is forecast on the controllable budget, based on information as at May 2016;
- ii) Note the full year effect for 2016/17 of £4,241,000 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 overspend of £3,333,000 is forecast on the controllable budget, based on information as at May 2016; and,
- ii) Agree to release the carry forward amounts held in contingency referred to in section 5.

### 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: £102.923m
  5. Source of funding: Care Services Approved Budget
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### Staff

1. Number of staff (current and additional): 634 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 2016/17 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 2016/17 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. The current position is an overspend of £3,333k. This is a position early in the monitoring process and if further management action is taken and can be evidenced then the position will improve.

#### Adult Social Care

- 3.2 Overall the position for Adult Social Care is a predicted £760k overspend. The main area of overspend is in Placements/Domiciliary Care/Direct Payments for 65+ where client numbers are currently above the budgeted figure.
- 3.3 This area has significant savings targets in 2016/17 and this figure is a significant proportion of this. It has been assumed that management actions will continue to meet the savings targets for the remainder of the year. For Adult Social Care this amounts to £1,369k in the remaining financial year. If this is not deliverable, then the overspend position will increase.

#### Housing

- 3.4 Pressures in Temporary Accommodation (TA) (Bed and Breakfast) in 2016/17 are forecast to be £405k overspent. However there is funding available in the central contingency to a maximum of £1,501k and it is assumed that this will be drawn down to reduce the overspend to a net zero.
- 3.5 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.
- 3.6 Although there is a full year effect of this overspend, this again will be dealt with through the drawdown of contingency.

#### Children's Social Care

- 3.7 Children's Social Care is expected to be overspent by the year end by £1,726k. There continues to be pressures in placements which have seen an increase in activity in the past few months.
- 3.8 Assumptions for additional starters and leavers have been made throughout the year
- 3.9 There are significant savings targets in Children's Social Care, and whilst some have already been banked, not all are now budgeted to be realised. A £500k savings is predicted to no longer be able to be saved at this point, causing additional pressures in the Children's Social Care area.
- 3.10 There has also been pressure on obtaining suitable carers from independent foster care placements due to lack of supply and therefore other, more expensive alternatives have had to be arranged.
- 3.11 There are pressures in Safeguarding and Care Planning, mainly around care proceedings costs which remain volatile. This is partially offset by an underspend in no recourse to public funds
- 3.12 Leaving Care is overspent mainly due to the cost of rents being over the housing benefit thresholds, and increased packages of care and support that are needed to support the care leavers.

## Commissioning

- 3.13 There is an overspend of £847k predicted in commissioning. This is in the main down to placement projections in Learning Disabilities, assumptions regarding transition clients and efficiency savings yet to be identified.
- 3.14 This area has significant savings targets in 2016/17. It has been assumed that management actions will continue to meet the savings targets for the remainder of the year. For Learning disabilities this equates to £770k for the remainder of the year. If this is not delivered, then the overspend position will increase.
- 3.15 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.

## Public Health

- 3.16 The current variance in Public Health is zero. This area has recently seen a reduction in grant funding and has significant savings targets for 2016/17 which are being managed successfully resulting in no ongoing pressures being reported.

## **4. FULL YEAR EFFECT GOING INTO 2017/18**

- 4.1 The cost pressures identified in section 3 above will impact in 2017/18 by £4,241k. Management action will need to be taken to ensure that this does not impact on future years.

## **5. RELEASE OF CARRY FORWARD AMOUNTS HELD IN CONTINGENCY**

- 5.1 On the 15<sup>th</sup> June 2016 the Executive agreed a series of carry forward requests of funding to be transferred to contingency for 2016/17. It was agreed that this funding could only be released with the Portfolio Holders approval.

## Adult Social Care Invest to save Schemes - £48k

- 5.2 In previous years the Department of Health allocated funds for social care services which also supported the NHS. This funding was transferred to Bromley from the PCT under s256 agreements. A number of investment plans were approved by the Executive and drawn down in to the ECHS budget in previous years. The amount of £48k has been carried forward to 2016/17 to fund the residual commitments of the schemes.

## Integration Funding – Better Care Fund - £300k

- 5.3 The 2014/15 funding transfer from NHS England included a £992k one-off integration payment which formed the first part of the Better Care Fund. The unspent balance of £300k is required in 2016/17 to support the development of integrated commissioning with the CCG.

## Better Care Fund - £381k

- 5.4 2015/16 was the first full year of operation for the Better Care Fund (BCF). Some BCF allocations, including those for resilience and reablement, were not fully spent by 31st March 2016 and these are required to be spent on BCF activities in 2016/17.

## Adoption Reform Grant - £132k

- 5.5 At its meeting on 23 March 2016, the Executive approved the draw-down of the final tranche of the non-ring fenced adoption reform grant of £132,323 for 2016/17. This is the final amount of

the 2014-15 element of the grant, and will be used to support work to develop the increased supply of adopters with the aim of reducing the backlog of children waiting adoption particularly those children who traditionally have to wait longer than average.

## **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 2016/17 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 £3,333k (£4,241k overspend full year effect). The full year effect will be addressed in 2016/17 and 2017/18 in due course.

## **8. DEPARTMENTAL COMMENTS**

- 8.1 The department is currently estimated to overspend by £3,333k in 2016/17, with a full year effect of £4,241k.
- 8.2 There continues to be pressures in Adult Social Care, mainly due to placements, domiciliary care and direct payments. Management action is addressing savings target although these continue to be a challenge in some areas where demand for services is increasing.
- 8.3 Domiciliary Care Packages are reviewed and are continuing. High levels of scrutiny are in place in all cases where there is a request for an increase.
- 8.4 Additional posts are being recruited to in Reablement. Once these are in place the service has the capacity to manage around 50/55 Service Users per month through the service which should result in some efficiencies working their way through the system.
- 8.5 Commissioning activity continues to secure value for money through contract negotiations making a significant contribution to the savings targets.
- 8.6 Children's social care continues to see pressures in placements, fostering and care proceedings costs with an increase of children coming through the system.
- 8.7 The department will be closely monitoring expenditure and the figure will be updated as the year progresses.

<b>Non-Applicable Sections:</b>	Legal, Personnel and Customer Implications
Background Documents: (Access via Contact Officer)	2016/17 Budget Monitoring files in ECHS Finance Section