

Decision Maker: PORTFOLIO HOLDER FOR CARE SERVICES

Date: For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on Tuesday 4th July 2017

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN REPORT 2016/17

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

Chief Officer: Deputy Chief Executive & Executive Director ECHS

Ward: Borough-wide

1. Reason for report

1.1 This report provides the provisional outturn position for 2016/17.

2. RECOMMENDATIONS

2.1 The Care Services PDS committee is invited to:

- i) Note that there was an overspend of £4,540,000 on controllable expenditure at the end of 2016/17 and consider any issues arising from it; and,
- ii) Note that the Executive on the 20th June have agreed the net carry forwards as detailed in Appendix 2.

2.2 The Portfolio Holder for Care Services is asked to:

- i) Endorse the 2016/17 provisional outturn position for the Care Services Portfolio.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
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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: £104.841m
 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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Procurement

1. Summary of Procurement Implications: Not 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: Not Applicable

3. COMMENTARY

- 3.1 This report provides the provisional outturn position for the Care Services Portfolio PDS Committee, 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 2016/17 is an overspend of £4,540,000 compared to the last reported figure of £4,747,000 overspend which was based on activity at the end of December 2016.

FINAL POSITION

- 3.3 The £4,540k overspend is summarised in table one. All of the pressures and savings are further detailed and broken down in Appendix 1b.

<u>DIVISION</u>	<u>£'000</u>
Adult Social Care - Mainly due to non achievement of Domiciliary care savings, higher levels of LD packages than anticipated offset by savings from better care funded services, reablement and some staffing savings.	1,003
Operational Housing - Lower than anticipated increases in homelessness cases towards the year end offset by a lower than anticipated savings target for supporting people	- 54
Children's Social Care - Higher placement costs, leaving care costs and staffing costs, mainly due to the employment of more expensive agency staff following the inspection earlier in the year	3,849
Health Integration - Staff vacancies plus the identification of one off funding to contribute to staffing costs	- 115
Strategic & Business Support - Staffing and running expense underspends	- 212
Public Health - Offset by non controllable recharges to come back to zero	53
Environmental Services - Shortfall in income partially offset by other minor underspends	16
	<u>4,540</u>

PUBLIC HEALTH

- 3.4 Public Health underspent in 2016/17 by £330k. As per the terms of the grant funding this amount has been transferred to a Public Health Reserve which can be used in 2017/18 for Public Health Activities.

CARRY FORWARDS

- 3.5 On the 20th June 2017 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 2017/18. 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 2017/18. Future reports to the Portfolio Holder and/or Executive will be required to approve their release.

FULL YEAR EFFECTS MOVING INTO 2017/18

- 3.6 Appendix 3 provides a breakdown of any full year implications arising from the final 2016/17 outturn. Overall there are £4,516k of full year effect pressures in 2016/17. The vast majority are in the Adult Social Care and Children's social care areas. As part of the budget setting process these full year effects have been dealt with and additional funding has been added to the budgets for 2017/18 or funding held in contingency for drawdown, subject to approval.
- 3.7 The above does not include all of the savings that have been agreed for the Portfolio in 2017/18. These will have to be managed and addressed throughout the 2017/18 financial year.

FULL YEAR EFFECT FOR 2017/18

	<u>£'000</u>
Domiciliary Care and Direct Payment Clients - Older People	1,223
Learning Disability placement activity	672
Mental Health Care placement activity	- 118
Homeless client increases	146
Supporting people tendering activity	- 72
Children's Social Care placements and Leaving Care	2,018
Children's Social Care NRPF	35
Children's Social Care care proceedings	612
	<u>4,516</u>

- 3.8 Appendix 4 provides a detailed reconciliation of the Original 2016/17 budget to the Latest approved 2016/17 budget.

COMMENTS FROM THE DEPUTY CHIEF EXECUTIVE & EXECUTIVE DIRECTOR OF EDUCATION, CARE AND HEALTH SERVICES

- 3.9 The Adult Social Care Division within the service has an overspend of £1,003k for the year. There was a very ambitious efficiency programme which saw the department realise savings of more than £8m. The department was unable to realise this additional £1,003k.
- 3.10 There remain pressures within the domiciliary care area, as we see increasing numbers of people supported to live at home.
- 3.11 Learning Disability placements are another area where pressures continue, we have in place an efficiency project looking at reviews, user expectation and community living.
- 3.12 Underspends in other areas supported by the Better Care Fund have been utilised within Adult Social Care to help mitigate these pressures overall.
- 3.13 In Children's Social Care the overspend is £3,849k. Placements, leaving care and costs of agency workers have seen costs rise. Public Law Outline (PLO) costs have increased following the Ofsted inspection and legacy cases.
- 3.14 To mitigate this Placement Panels are scrutinising placements and are ensuring that the CCG contribute an appropriate share of the costs. In terms of recruitment, a push is being made to recruit more staff permanently and hiring restrictions are in place to limit the costs of agency staff coming into the organisation. To mitigate the PLO early intervention and legal gateway

panels should ensure work with families has taken place and we are not reactive.

- 3.15 In Public Health there was an overspend of £53k in controllable budgets, although this was offset by an underspend on non controllable budget charges to the Public Health Grant. Overall the service underspent by £330k in the main due to underspends in NHS health checks and substance misuse. This has been requested to be carried forward as per the grant conditions.
- 3.16 Housing was underspent overall although there continues to be pressures on temporary accommodation coming through the system. Universal Credit will continue to be an issue as the roll out extends, and will need to be monitored closely. The pressure on temporary accommodation is being mitigated as far as possible by entering into agreements with organisations to increase supply wherever possible. Supporting people overspent in year. Efficiencies were made but the full year effect will not materialise until 2017/18

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 2017/18 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 Council's 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 Implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	2016/17 Budget Monitoring files in ECHS Finance Section