
Decision Maker: CARE SERVICES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Tuesday 4th July 2017

Decision Type: Non-Urgent Executive Non-Key

Title: CARE SERVICES PORTFOLIO BUDGET MONITORING 2017/18

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Chief Officer: Deputy Chief Executive & Director of Education, Care and Health Services

Ward: Borough-wide

1. Reason for report

- 1.1 This report provides the budget monitoring position for the Care Services Portfolio for 2017/18 based on activity up to the end of May 2017.

2. RECOMMENDATIONS

2.1 The Care Services PDS committee is invited to:

- i) Note that the latest projected overspend of £990,000 is forecast on the controllable budget, based on information as at May 2017;
- ii) Note the full year effect for 2016/17 of £3,127,000 as set out in section 4;
- iii) Note the funding 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 £990,000 is forecast on the controllable budget, based on information as at May 2017; and,
- ii) Agree to the release of the carry forward requests 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: £75.611m
 5. Source of funding: Care Services Approved Budget
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Staff

1. Number of staff (current and additional): 391 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 2017/18 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 2017/18 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 £990k. This position assumes that further management action will be taken throughout the year to maintain the current position. If this does not take place and cannot be evidenced then the position may change. Some of the main variances are highlighted below.

Adult Social Care

- 3.2 Overall the position for Adult Social Care is a predicted £978k overspend. The main areas of overspend or underspend are:-

Assessment and Care Management - £897k overspent (net of £500k management action)

- 3.3 Assessment and Care Management is currently estimated to overspend by £1,397k. This is in the main due to Placements/Domiciliary Care/Direct Payments for 65+ where client numbers are currently above the budgeted figure. This area has significant savings targets in 2017/18 and this figure is a proportion of this. In the monitoring £500k has been assumed for management action which reduces the £1,397k figure to £897k. If this management action cannot be achieved the overspend would rise further.
- 3.4 There has been an overall net increase in placements over the last few months with which has seen more people coming into the system than those leaving. Currently 65+ nursing and residential places are 26 above budgeted figures resulting in a £447k overspend in this area.
- 3.5 Domiciliary Care and Direct Payments for the 65+ are also projected to be overspent by £379k. This is again due to volumes and a pattern emerging of lower than expected income levels.

Learning Disabilities - £441k overspent (net of £600k management action)

- 3.6 The overspend in Learning Disabilities is currently predicted to be £1,041k. This is based on actual information received on placements, which has seen an increase over the last few months together with predictions from the service of future placements and transitions from children's social care. It has been assumed that £600k of management action will be found to partially offset the overspend. There is an invest to save LD team that are looking at efficiencies and savings and it is expected that the majority of the management action will come from this group.

Mental Health - £48k underspend

- 3.7 There is a small underspend arising from placements due to activity levels.

Better Care Fund – Protection of social care - £310k underspend

- 3.8 Elements of the better care fund are allocated to the protection of social care. This funding can be used flexibly. There have been underspends in some areas of the budget that are allocated BCF funding. As a result of this, the surplus funding has been reallocated to areas within adult social care. This has resulted in a one off reduction in expenditure of £310k for Adult Social Care as the grant now covers the spend.

National living Wage

- 3.9 Increased costs are being experienced due to the impact of the National Living Wage (NLW) on some of the care contracts. The NLW rose from £7.20 to £7.50 from the 1st April 2017. A net

pressure of £852k was reported to the Executive on the 6th June 2017 for Domiciliary care, direct payments and sleep in arrangements and it was agreed that £852k was to be drawn down into the care budgets. The monitoring figures include this drawdown.

Housing

- 3.10 Pressures in Temporary Accommodation (TA) (Bed and Breakfast) in 2017/18 are forecast to be £818k overspent. However there is funding available in the central contingency and it is assumed that this will be drawn down to reduce the overspend to a net zero.
- 3.11 There has been a greater than expected increase in numbers of homelessness cases in the first few months of the financial year, although at the moment this is expected to settle back down to an additional 15 to 17 per month for 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. It is hoped that the temporary accommodation initiative with Mears will help in limiting the growth in future.
- 3.12 On the 24th May 2017 the Executive agreed the drawdown of £230k for homelessness and welfare reform to pilot an early intervention initiative to prepare for the requirements of the Homeless Reduction Act and to address the current cost pressures in relation to temporary accommodation provision. A further £80K was agreed to be drawn down to pilot a visiting fraud prevention initiative. It is hoped that these initiative will deliver savings and efficiencies and limit any further drawdowns from contingency of funding to Housing.
- 3.13 There continues to be pressures on one of the travellers sites due to the high use of utilities. Moreover there is an additional pressure due to a loss of income concerning rent arrears of particular residents. This is being looked at by the department with the intention of resolving these issues as soon as possible.
- 3.14 Although there is a full year effect of this overspend, this again will be dealt with through the drawdown of contingency in due course.

Public Health

- 3.15 The current variance in Public Health is a net zero. Although there is an in year underspend of £204k, any resulting under or overspend will be carried forward and offset against future grant allocations.as per the regulations
- 3.16 This area has recently seen a reduction in grant funding and has significant savings targets for 2017/18 which are being managed successfully resulting in no ongoing pressures being reported.

4. FULL YEAR EFFECT GOING INTO 2018/19

- 4.1 The cost pressures identified in section 3 above will impact in 2017/18 by £3,127k. Management action will continue to need to be taken to ensure that this does not impact on future years.

5. RELEASE OF CARRY FORWARD AMOUNTS HELD IN CONTINGENCY BY THE PORTFOLIO HOLDER

Integration Funding – Better Care Fund - £28,170

- 5.1 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. Of this, £300k was carried forward into

2016/17 and the remaining unspent balance of £28k is required in 2017/18 to support the development of integrated commissioning.

Better Care Fund – GoodGym - £25,000

- 5.2 £25,000 has been allocated from Better Care Funding brought forward from 2015/16 for the new GoodGym service in 2017/18 and 2018/19. The service helps to reduce isolation and loneliness, improves wellbeing, increases volunteering and connects communities.

Better Care Fund - £132,190

- 5.3 2016/17 was the second full year of operation for the Better Care Fund (BCF). Some BCF allocations, including those for reablement, carers and dementia, were not fully spent by 31st March 2017 and underspends are required to be carried forward for spending on BCF activities in 2017/18. This funding will be allocated to agreed projects together with new BCF funding for 2017/18.

Fire Safety Grant - £56,589

- 5.4 A successful bid was made in February 2017 for a grant from the London Fire and Emergency Planning Authority for the provision of standalone smoke detectors and fire retardant bedding and clothing for vulnerable clients. The grant conditions allow the grant to be spent in 2017/18.

Preventing Homelessness Grant - £152,551

- 5.5 This grant is to be used to fund a pilot around early intensive intervention to increase homeless prevention and access to privately rented accommodation as part of the initiatives to reduce the current homelessness and temporary accommodation pressures. This pilot required the recruitment of staff to allow it to start and this was completed during 2016/17, however the recruitment process was not completed earlier enough into the year for the grant to be fully spent due 2016/17. The staff are on a fixed term contract and this funding is required to support these posts.

Community Housing Fund Grant - £62,408

- 5.6 This grant was introduced in 2016/17. Its intention is to support local community affordable housing schemes. The aim is to build capacity with local groups and the Council is currently looking at proposals to work with partners on projects that meet the grant objectives.

Implementing Welfare Reform Changes - £56,219

- 5.7 The funds provided were to meet the cost of implementing welfare reform. Caseloads are likely to increase substantially. For some families that we have assisted through budgeting the current benefit cap, they will no longer be able to afford to meet their rent payments. This funding will need to be drawn down during the following year to help mitigate the impact and potential increase in homelessness resulting from these changes. In addition there have been delays in implementing Universal Credit nationally. Roll out for the Bromley area commenced in January 2016. The funding will therefore be needed to cover the costs of local implementation.

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 2017/18 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 £990k (£3,127k overspend full year effect). The full year effect will be addressed in 2017/18 and 2018/19 in due course.

8. DEPARTMENTAL COMMENTS

- 8.1 There continues to be pressures in Adult Social Care mainly due to placements, domiciliary care and direct payments. Management action is addressing savings targets although these continue to be a challenge in some areas where demand for services is increasing. A review of all nursing and residential care provision is underway.
- 8.2 Domiciliary Care Packages are continuing to be reviewed. High levels of scrutiny are in place in all cases where there is a request for an increase. A review of domiciliary care packages has also been commissioned.
- 8.3 In addition, we are seeing much more complexity in users' needs as they come through to us later in their journeys. We have much more work to do in reviewing high cost placements, ceiling rates and assessments whilst working to manage parental expectations within Learning Disabilities. The department will be working to look at other efficiency plans that may require policy change.
- 8.4 Commissioning activity continues to secure value for money through contract negotiations making a significant contribution to the savings targets.
- 8.5 In Housing there is continued monitoring to ensure that the Mears property acquisition performs in line with the target numbers set. Approval has been given to progress to tender for a modular homes site. The early intervention team is now up and running to slow down the rate of placements. This work is currently bringing the numbers back down to the level of increase previously predicted.
- 8.6 However in light of the continued roll out of universal credit and introduction of the Homeless Reduction Act, as previously reported it is expected that numbers will increase further in the new year.
- 8.7 On one of the travellers sites we have been in court over the past week to gain a number of eviction orders and have police on standby for the evictions as we need to clear out a number of unauthorised occupants.

8.8 Work is being undertaken, led by the Deputy Chief Executive and Executive Director of ECH&S and an action plan has been developed working on a multi-agency basis to resolve the issues. However analysis is currently being undertaken regarding options for refurbishment of the site to install metered utilities and address a number of repairing issues to enable full utilisation of all pitches and reduce ongoing maintenance costs. The full business case will be reported back once this work has been completed.

Non-Applicable Sections:	Legal Implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	2017/18 Budget Monitoring files in ECHS Finance Section