

Care Services Portfolio Budget Monitoring Summary

2016/17 Actuals £'000	Division Service Areas	2017/18 Original Budget £'000	2017/18 Latest Approved £'000	2017/18 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Adult Social Care								
22,012	Assessment and Care Management management action	20,844	21,341	22,738	1,397	1	0	1,725
				Cr 500	Cr 500		0	Cr 500
1,119	Direct Services	1,073	1,073	1,073	0		0	0
1,258	Commissioning & Service Delivery	1,186	1,278	1,396	118	2	0	118
	DOLS funding held in contingency	0	0	Cr 118	Cr 118		0	Cr 118
31,032	Learning Disabilities	30,875	31,190	32,231	1,041	3	0	2,040
	Planned LD savings from management action	0	0	Cr 600	Cr 600		0	Cr 750
5,588	Mental Health	6,063	5,985	5,935	Cr 50	4	0	Cr 50
Cr 472	Better Care Funding - Protection of Social Care	0	0	Cr 310	Cr 310	5	0	0
60,537		60,041	60,867	61,845	978		0	2,465
Operational Housing								
0	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 2,018	Housing Benefits	Cr 1,945	Cr 1,945	Cr 1,945	0		0	0
7,128	Housing Needs	6,299	6,609	7,427	818	6	0	727
0	Housing funds held in contingency	0	0	Cr 720	Cr 720		0	0
1,107	Supporting People	1,072	1,072	986	Cr 86	7	0	Cr 65
6,217		5,425	5,735	5,747	12		0	662
Health Integration								
206	Health Integration Programme Carers	338	338	338	0		0	0
1,142	- Net Expenditure	1,462	1,434	1,284	Cr 150		0	0
Cr 1,142	- Recharge to Better Care Fund	Cr 1,462	Cr 1,434	Cr 1,284	150		0	0
922	Information & Early Intervention - Net Expenditure	992	957	947	Cr 10		0	0
Cr 922	- Recharge to Better Care Fund	Cr 992	Cr 992	Cr 982	10	8	0	0
20,010	Better Care Fund - Expenditure	20,125	20,125	20,125	0		0	0
Cr 20,154	- Income	Cr 20,286	Cr 20,286	Cr 20,286	0		0	0
320	NHS Support for Social Care - Expenditure	0	0	0	0		0	0
Cr 320	- Income	0	0	0	0		0	0
62		177	142	142	0		0	0
Strategic & Business Support Services								
261	Learning & Development	267	267	267	0		0	0
2,000	Strategic & Business Support	2,156	2,217	2,217	0		0	0
2,261		2,423	2,484	2,484	0		0	0
Public Health								
15,159	Public Health	15,103	15,103	14,899	Cr 204		0	0
Cr 15,478	Public Health - Grant Income	Cr 15,096	Cr 15,096	Cr 14,892	204		0	0
Cr 319		7	7	7	0		0	0
68,758	TOTAL CONTROLLABLE ECHS DEPT	68,073	69,235	70,225	990		0	3,127
Cr 581	TOTAL NON CONTROLLABLE	360	360	369	9		0	0
6,283	TOTAL EXCLUDED RECHARGES	6,285	6,285	6,285	0		0	0
74,460	TOTAL ECHS DEPARTMENT	74,718	75,880	76,879	999		0	3,127
Environmental Services Dept - Housing								
213	Housing Improvement	199	199	199	0		0	0
213	TOTAL CONTROLLABLE FOR ENV SVCES DEPT	199	199	199	0		0	0
Cr 1,149	TOTAL NON CONTROLLABLE	Cr 828	Cr 828	Cr 828	0		0	0
290	TOTAL EXCLUDED RECHARGES	360	360	360	0		0	0
Cr 646	TOTAL FOR ENVIRONMENTAL SVCES DEPT	Cr 269	Cr 269	Cr 269	0		0	0
73,814	TOTAL CARE SERVICES PORTFOLIO	74,449	75,611	76,610	999		0	3,127

REASONS FOR VARIATIONS**1. Assessment and Care Management - Dr £897k**

The overspend in Assessment and Care Management can be analysed as follows:

	<u>Current</u> <u>Variation</u> £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>	
Services for 65 + - Placements	447
- Domiciliary Care / Direct Payments	379
Services for 18 - 64 - Placements	73
- Domiciliary Care / Direct Payments	Cr 2
Savings included in 17/18 budget	500
- management action to achieve 17/18 savings	<u>Cr 500</u>
	<u>897</u>

The budget for 2017/18 included total savings of £782k in relation to Assessment & Care Management . Overall the service is currently projecting an overspend of £897k, including an assumption that savings of £500k are made during the year. If these are not fully achievable then the overspend currently projected will increase. Cost's in this service are extremely volatile, and include significant budgets relating to client contributions which can change significantly during the year.

Services for 65+ - Dr £826k

Services for the 65's and over age group has the biggest budget pressure with both residential and community placements currently projecting an overspend. Numbers in both residential and nursing care are currently 26 above budget number of 389, with an increase in net numbers since April. There were 57 clients admitted to care homes during April and May , but only 41 placements had ended. There is currently a projected overspend of £447k on these budgets. Budgets for domiciliary care continue to see a pressure, with income levels currently being projected below budget. This is partially offset by an underspend on direct payments, and overall an overspend of £379k is projected on these budgets.

Services for 18 - 64 year olds - Dr £71k

Placements for the 18 - 64 age group are projected to be overspent by £73k, with client numbers being 5 above the budget number of 42. Since April there has been a net increase in client numbers of 2. Domiciliary care and direct payments are currently projecting a small underspend of £2k for the year.

2. Adult Social Care Commissioning & Service Delivery - Net nil

There are budget pressures relating to Deprivation of Liberty Safeguards and a projected overspend of £118k is currently anticipated. This is based on the current level of activity continuing and does not allow for any increase in demand or responsibilities. There is £118k set aside in the central contingency for DoLS.

3. Learning Disabilities - Dr £441k Net of Management Action

The 2017/18 LD budget was reduced by £636k (net) for the full year effect of 2016/17 budget savings. The full year effect of the 2016/17 overspend was funded in the 2017/18 budget.

There are significant LD budget pressures this year, including those arising from 2017/18 transition clients and increased, complex client needs. In addition, an 'invest to save' team of staff is employed to work on delivering savings but the cost of this team adds to the cost pressures.

This set of projections is based on both actual information on current care packages and assumptions regarding clients expected to be placed this financial year, attrition etc. The assumptions include packages that have already been agreed at Panel but where the placement has not yet taken place (where the uncertainty is mainly around start dates) and those clients expected to require new placements or have increased needs this year but for whom costs and start dates are uncertain.

To avoid overstating the assumptions, a 'probability factor' has been applied to reflect experience in previous years which has shown that there tends to be either slippage on planned start dates or clients aren't placed as originally expected. However there is a risk attached to this in that the majority of placements may go ahead as and when planned or there may be clients placed who aren't included in the forecast.

Prior to factoring in planned savings, a projected overspend of £1.041m is currently anticipated. It has been assumed that savings of £600k can be achieved from management action this year and this reduces the projected overspend to £441k. Progress on achieving these savings will be monitored closely throughout the year.

Given the early stage in the financial year, a large amount of the current forecast is based on assumptions and may therefore vary significantly as the year progresses.

4. Mental Health - Cr £50k

Based on current information, an underspend of £50k on Mental Health placements is anticipated. Given the early stage in the financial year this is likely to change as the year progresses.

5. Better Care Fund - Protection of Social Care - Cr £310k

A number of local authority adult social care services are funded by the element of the Better Care Fund set aside to protect social care services. This includes funding previously received under the former Department of Health Social Care Grant.

These services are currently projected to underspend by £310k in 2017/18 and this will be used to offset other budget pressures within social care in line with the intentions of the funding.

6. Housing Needs - Dr £98k

There is currently an overspend of £818k in the Temporary Accommodation area. This is due to a higher than expected increase in clients going into nightly paid accommodation so far this year. We are contuning to experience an increase in the average unit costs rate for the properties, and this is causing some of the pressure to the budget. As additional budget is drawn down from contingency in year the £818k pressure on Temporary Accommodation will returned to a zero balance.

In addition, by necessity there has been increasing use of non-self-contained accommodation outside of London. Although on the face of it this appears beneficial as the charges are lower, the housing benefit subsidy is capped at the Jan 2011 LHA rates, thus often making these placements more costly than those in London, especially when the moving and furniture storage costs are factored in.

The full year effect of the projected overspend is currently anticipated to be a pressure of £727k in 2018/19. However, this only takes account of projected activity to the end of the financial year and does not include any projected further growth in numbers beyond that point.

This year there has been a change in the Housing Benefit Grant that has removed the £40 administration fee the Council used to receive and replaced it with a new grant. The grant the council receive from new Homelessness Support Grant is £2.1m. This is being used to replace the £40 we would have received from Housing Benefit, and this does mean that if the client numbers increase by more than expected there will be an additional pressure. Currently we are forecasting for the grant to be in surplus at the end of the year by £40k.

One of the Traveller sites is experiencing high use of utilities (overspend of £75k) due to the site not having meters and loss of income (£23k) due to particular residents rent arrears.

7. Supporting People - Cr £86k

There is currently expected to be an underspend of £86k. This was expected following the renegotiations of the contracts over the last few years to achieve the savings made on the budget.

8. Health Integration Division - Net nil variation

The total projected underspend for the Division is £160k. This relates entirely to social care services protected by Better Care Funding and referred to at ref 5 above. The underspend will be used to offset other budget pressures within adult social care in line with the intentions of the funding so a net nil variation is shown against Health Integration Division.

Other than variations on the protection of social care element, it is assumed that any underspends on remaining BCF budgets will be carried forward for spending in future years under the pooled budget arrangement with Bromley CCG.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub-Committee bi-annually.

Since the last report to the Executive there were 6 waivers agreed for care placements in adults social care over £50k but less than £100k and no waivers agreed for over £100k. The waivers quoted relate to the annual cost of the placements, although it should be noted that some of these are short term placements where the final cost can be below these amounts.

There were no waivers agreed for general contracts above £50k since the last report.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the appropriate Executive meeting.

So far this financial year there have been the following virements: £57k for short term commissioning resources associated with the modernisation of LD day services; £239k from the LD placements budget to fund the team of staff required to support the LD efficiency project until 30/9/17; £35k from the Information and Early Intervention budget to secure additional short term resource to lead on submissions associated with new adult social care funding.

FULL YEAR EFFECTS

Description	2017/18 Latest Approved Budget £'000	Variation To 2017/18 Budget £'000	Potential Impact in 2018/19
Housing Needs - Temporary Accommodation	6,299	720	The full year effect of Temporary Accommodation is currently estimated to be £727k in 2018/19. This estimate only takes into account the projected activity to the end of this financial year and not any projected growth in client numbers beyond that point. The costs are expected to be cover by a contingency bid during 2018/19 as has been the case for a number of years.
Assessment and Care Management - Care Placements	19,659	1,397	The full year impact of the current overspend is estimated at Dr £1,225k. £838k of this relates to residential and nursing home placements and £387k to domiciliary care / direct payments . This is based on client numbers as at the end of May and given the volatility of these budgets is likely to change during the year.
Learning Disabilities - Care Placements and Care Management	30,756	441	The full year effect is estimated at an overspend of £1,290k which is higher than the current year's overspend. This is because the forward assumptions are based on a net increase in the number / cost of LD clients (clients expected to be placed in-year in 2017/18 will only have a part year cost in 2017/18 but a full year cost in 2018/19 and new / increased packages exceed savings being planned). The Invest to Save Team is a non-recurrent cost in 2017/18 so this reduces the FYE pressure. Given the early stage in the financial year this figure is likely to vary as the year progresses.
Mental Health - Care Placements	5,985	Cr 50	There is currently a full year underspend of £50k anticipated on Mental Health placements. There continues to be a degree of misclassification of clients' Primary Support Reasons (PSRs) and this may result in projections shifting between PSRs in future months.

Reconciliation of Latest Approved Budget

	£'000
2017/18 Original Budget	74,449
<i>Carry forwards requested this cycle:</i>	
Social Care Funding via the CCG under s75 agreements	
Integration Funding - Better Care Fund	
- expenditure	28
- income	Cr 28
Better Care Fund - GoodGym	
- expenditure	25
- income	Cr 25
Better Care Fund	
- expenditure	132
- income	Cr 132
Fire Safety Grant	
- expenditure	57
- income	Cr 57
DCLG Preventing Homelessness Grant	
- expenditure	153
- income	Cr 153
Community Housing Fund Grant	
- expenditure	62
- income	Cr 62
Implementing Welfare Reform Changes	
- expenditure	56
- income	Cr 56
<i>Other:</i>	
National Living Wage	852
Homelessness Early Intervention and Visiting	310
Latest Approved Budget for 2017/18	<u><u>75,611</u></u>