

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

**Date:** For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on Tuesday 14<sup>th</sup> November 2017

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

**Title:** BUDGET MONITORING 2017/18

**Contact Officer:** David Bradshaw, Head of Education, Care & Health Services Finance  
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**Chief Officer:** Deputy Chief and Executive Director of Education, Care and Health Services

**Ward:** Borough-wide

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1. Reason for report

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

**2.1 The Care Services PDS committee is invited to:**

- (i) Note that the latest projected overspend of £61,000 is forecast on the controllable budget, based on information as at September 2017;
- (ii) Note the full year effect cost pressures of £3,153,000 in 2018/19 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 9 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 £61,000 is forecast on the controllable budget, based on information as at September 2017;
- (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: £75.645m
  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: Portfolio Holder decision.
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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 £61k. 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.
- 3.2 Senior officers meet on a regular basis to scrutinise and challenge the expenditure position and formulate management action to address any issues.
- 3.3 There are a number of service delivery changes that are being implemented and that it is envisaged will help the monitoring position now and in the future such as IBCF, Discharge to Assess, Care Coordinators and a Direct Payment lead which are discussed in more detail in the report.

#### **Adult Social Care**

- 3.4 Overall the position for Adult Social Care is a predicted £236k overspend. The main areas of overspend or underspend are:-

#### **Assessment and Care Management - £854k overspent (net of £170k management action)**

- 3.5 Assessment and Care Management is currently estimated to overspend by £1,024k. 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 £170k has been assumed for management action which reduces the £1,024k figure to £854k. If this management action cannot be achieved the overspend would rise further.
- 3.6 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 30 above budgeted figures resulting in a £382k overspend in this area.
- 3.7 Domiciliary Care and Direct Payments for the 65+ are also projected to be overspent by £283k. This is again due to volumes and a pattern of lower than expected income levels.
- 3.8 The department is looking to employ a Direct Payments lead in order to manage the transition from a managed service to a direct payment. The take up of direct payments in Bromley is low compared to other boroughs and it is estimated that efficiencies can be made by moving towards direct payments together with giving clients more flexibility. This resource will also lead on the development of pre-payment cards and an interactive guide for direct payments.
- 3.9 In October the Executive approved funding from the Better Care Fund (BCF) of £818k for a Discharge to Assess (D2A) model. This enables people to leave hospital without delay as soon as they are medically ready to be assessed for their long term care and support needs. Assessment takes place outside of the hospital setting in a more familiar, community based setting, with a focus on enabling people to return home wherever possible. The model aims to reduce the amount of time people remain in a hospital bed unnecessarily where levels of functioning, independence and wellbeing decline. It is hoped that the pilot will identify long term savings in domiciliary care and placements as evidence suggests that packages of ongoing care and support costs will be lower when fully implemented.

### Learning Disabilities - £688k overspent (net of £145k management action)

- 3.10 The overspend in Learning Disabilities is currently predicted to be £833k. 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 £145k of management action will be found to partially offset the overspend. If this management action cannot be achieved the overspend would rise further. Whilst the numbers of placements has risen there has been a reduction and/or delay in the number of predicted clients coming in for the remainder of the year.
- 3.11 There is an invest to save LD team that are looking at efficiencies and savings reviewing all packages and it is expected that the majority of the management action will come from this group. Savings have been achieved of £380k in year so far with a full year effect of £507k.
- 3.12 The service is also managing the transition of both Children and Adults by identifying and managing clients earlier and in turn managing their expectations.

### Mental Health - £153k overspend (net of £50k management action)

- 3.13 Projected spend on mental health placements has swung from an underspend to and overspend this reporting cycle. Some areas of the forecast such as flexible support (due to data cleansing), attrition and planned management actions have reduced, this has been more than offset by new clients and increased packages of care. There appears to be a trend towards high cost placements and longer time spent in the service. The department are investigating this with Oxleas.
- 3.14 It has been assumed that £50k of management action will be found to partially offset the overspend. If this management action cannot be achieved the overspend would rise further
- 3.15 The service is employing two care coordinators until the end of the financial year who will be looking at care packages across mental health. It is estimated that savings could be achieved in the future by obtaining health funding to offset some of the costs. The outcome of this exercise will be factored into the monitoring in due course.

### Better Care Fund – Protection of social care - £527k underspend

- 3.16 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 £527k for Adult Social Care as the grant now covers the spend.

### One off contribution from the Better Care Fund – £495k Cr

- 3.17 The Local Authority and the Bromley Clinical Commissioning Group (CCG) agreed in September 2016 (Report No. CS17033) to commission a range of primary and secondary intervention services (PSIS). The services are designed to reduce the requirement for unplanned care, prevent or delay the requirement for long term care packages and to support residents to remain as independent as possible in their communities.
- 3.18 In July 2017, these services were awarded to the Bromley Third Sector Enterprise (BTSE), with a start date of 1st October 2017. This was a slight delay from the original anticipated start date of 1st April 2017. Additional funding above and beyond the current service provision was agreed to be funded from BCF. As such this full year allocation from the BCF budget for the PSIS will not all be utilised, leaving a potential underspend of £825,500.

- 3.19 As the services have been delayed, it was recommended to the Executive that this underspend could be utilised against cost pressures that both the Local Authority and the CCG have sustained as a result of the reduced preventative services.
- 3.20 On the 13<sup>th</sup> September the Executive agreed that the Local Authority and the CCG split this underspend in accordance with the financial makeup of the PSIS services (60% Local Authority and 40% CCG). Therefore the LA element was £495k.
- 3.21 This funding is one off and helps to support the overspend position in Adult Social Care in 2017/18 only.

#### IBCF contribution for Integrated Care Networks (ICN's) - £440k Cr

- 3.22 On the 10<sup>th</sup> October the Executive agreed to draw down funding from IBCF to support the costs arising from ICN's
- 3.23 Officers were concerned that because there was no formal social care presence within the ICN, the Council was incurring additional cost pressures without being able to influence the process. The Executive recommended that the Council sign the Alliance Agreement.
- 3.24 £515k was agreed to be set aside from IBCF for 2017/18 to support this. Of this £440k will be used to offset pressures in Adult Social Care on care packages due to not being in the ICN and the remaining £75k will be used to fund some additional staffing requirements.
- 3.25 Executive agreed that this funding could be taken from IBCF for three years in total. The maximum full year effect drawdown of this funding would be £779k.

#### Housing

- 3.26 Pressures in Temporary Accommodation (TA) (Bed and Breakfast) in 2017/18 are forecast to be £906k 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. A report detailing the potential drawdown will be brought to Members in December.
- 3.27 There have been increases in numbers of homelessness cases in the financial year, at the rate of around 15 to 17 per month and this is expected to be similar 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.
- 3.28 Government have recently announced the funding available for the implementation of the Homelessness Reduction Act which will commence from the 1<sup>st</sup> April 2018, although preparation will need to be made to be ready for this date.
- 3.29 The funding available for Bromley for this new burden is £255k in 2017/18 falling to £221k in 2019/20. Estimates are that the actual cost of this new burden will be significantly more than the grant. Further work is being carried out by the Department and Finance and any additional funding required will form part of the paper that will go to Members in December as per paragraph 3.26.
- 3.30 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.

- 3.31 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**

- 3.32 The current variance in Public Health is a net zero. Although there is an in year underspend of £104k, any resulting under or overspend will be carried forward and offset against future grant allocations as per the regulations
- 3.33 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.

### **Improved Better Care Fund**

- 3.34 In October 2017 the Executive agreed the Improved Better Care Fund Plan. The funding totals £9,224k over three financial years. The Improved Better Care Fund is a time limited grant to local authorities for spending on adult social care that was announced in the Spring Budget in March 2017 and represents an increase on the amount of additional IBCF previously announced in 2016.
- 3.35 The grant may be used only for the purposes of meeting adult social care needs, reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready and ensuring that the local social care provider market is supported.
- 3.36 One of the grant conditions is that the IBCF grant can be spent ahead of the final NHS England approval of the Bromley Better Care Fund plan as long as it has been agreed with the Council's health and wellbeing partners. Agreement has been reached by all parties.
- 3.37 The purpose of the grant is stabilise and to reduce pressures on the current health and social care market, as well as provide opportunities for 'invest to save' projects across adult social care in the short to medium term.
- 3.38 IBCF is in the early stages at present and not all the funding has been utilised. Further reports will come to PDS and Executive to formalise further expenditure requests of unallocated funding.

## **4. FULL YEAR EFFECT GOING INTO 2018/19**

- 4.1 Although the in year position has improved, this has in the main been due to one off funding streams being made available. The full year cost pressures identified amount to £3,153k, a small increase on the amount reported previously of £3,127k. Management action will continue to need to be taken to ensure that this does not impact on future years. Further details are contained within Appendix 1.

### **Adult Social Care**

- 4.2 As part of finalising the 2018/19 Budget the Deputy Chief Executive will explore opportunities for delivering further efficiency savings, including commissioning opportunities as well as further management action required, the use of the Improved Better Care Fund (which requires joint agreement with our health partners) and seeking utilisation of recurring monies set aside in the Council's Central Contingency Sum towards meeting the full year costs identified in this report for adult social care. The outcome of this work will need to be reflected in the finalisation of the 2018/19 Budget. The draft 2018/19 Budget will be considered by Care Services PDS Committee in January 2018 prior to finalisation of the 2018/19 Budget.

## Housing

- 4.3 The Council's financial forecast already includes provision for increased cost pressures arising from homelessness and the full year effect identified in the report has already been reflected in the Council's financial forecast, reported to Executive in February 2017 for incorporation in the 2018/19 Budget.

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

### Helping People Home Grant - £40,000

- 5.1 On 27th January 2015 LBB received notification from the DCLG that we would be receiving additional funding via a DOH section 31 grant in 2014/15 to "help address the current pressures on acute hospitals that serve your area because of delayed discharges to social care for your residents". The grant allocation was £120,000. Following on from this a further notification was received on the 25th March 2015 notifying us of an additional £40,000 for extension of the scheme. This amount was not utilised at the time but can be used for the continuation of services within Adult Social Care.
- 5.2 It is recommended that the Portfolio Holder agree to the release of this funding.

## **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 £61k (£3,153k overspend full year effect). The full year effect will be addressed in 2017/18 and 2018/19 in due course.

## **8. IN YEAR SAVINGS**

- 8.1 As part of the budget process three main areas of savings were agreed by Members in the Care Services Portfolio. These were:-

**£'000**

Efficiency target which was a full year effect savings from 2016/17 in 2017/18	500
Full year efficiency target in Learning Disability from 2016/17 in 2017/18	510
New efficiency target in 2017/18 (as part of an overall £1m target across ECHS)	500
	<b><u>1,510</u></b>

- 8.2 This was split £775k attributable to LD and 735k to Assessment and Care Management. The savings form part of the overall financial position and are included in the projections.
- 8.3 It can be seen from the report that the in year position has, in the main, been delivered in year as the overspend position stands at only £61k overspent.
- 8.4 However as described in paragraph 4 this is due to one of funding streams being made available and therefore the ongoing position in 2018/19 remains an issue that needs to be addressed.
- 8.5 It should be noted that that as part of the budget process £1,450k was agreed by Members to be added to the Adult Social Care Budget as full year effect of 2016/17 expenditure in the 2017/18 budget as growth.

## **9. EXECUTIVE DIRECTOR COMMENTS**

- 9.1 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 are a challenge in most areas where demand for services is increasing. We continue to scrutinise and review all applications for care and support, and have plans in place to review all care packages to ensure our vulnerable residents are appropriately cared for with the best use of resources.
- 9.2 We continue to see 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, and have in place member agreement to use the IBCF to develop workforce and provider market initiatives for us to better understand the needs of our population and the impact on care and support.
- 9.3 Commissioning activity continues to secure value for money through contract negotiations making a significant contribution to the savings targets.
- 9.4 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.
- 9.5 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. The full impact of the new duties under the Homelessness Act is currently under assessment following the release of the draft code of guidance and will be reported to the executive in December.
- 9.6 On one of the travellers' sites further court dates have been set for December as we need to address a number of unauthorised occupants. Work is ongoing via Amey to assess potential refurbishment options to reduce current utility costs.



9.7 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.

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