

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 DOLS funding held in contingency Management action	21,477	22,599	23,741	1,142	1	1,515	1,525
				Cr 118	Cr 118		Cr 118	Cr 118
				Cr 170	Cr 170		500	340
1,119	Direct Services	1,073	422	425	3		0	0
1,258	Commissioning & Service Delivery	548	0	0	0		0	0
31,032	Learning Disabilities Planned LD savings from management action	30,875	31,138	31,971	833	2	1,041	2,234
				Cr 145	Cr 145		Cr 600	Cr 446
5,588	Mental Health Planned MH savings from management action	6,063	5,938	6,141	203	3	50	268
		0	0	Cr 50	Cr 50		0	Cr 100
Cr 472	Better Care Funding - Protection of Social Care	0	0	Cr 527	Cr 527	4	310	0
0	Better Care Fund / Improved Better Care Fund	0	0	Cr 935	Cr 935	5		Cr 629
60,537		60,036	60,097	60,333	236		978	2,394
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	7,515	906	6	818	824
0	Housing funds held in contingency	0	0	Cr 736	Cr 736		Cr 720	0
1,107	Supporting People	1,072	1,072	986	Cr 86	7	86	Cr 65
6,217		5,425	5,735	5,819	84		12	759
Programmes								
206	Programmes Team	343	1,383	1,300	Cr 83	8	0	0
2,064	Information & Early Intervention - Net Expenditure	2,960	3,675	3,298	Cr 377		Cr 160	0
Cr 2,064	- Recharge to Better Care Fund	Cr 2,960	Cr 3,756	Cr 3,379	377		160	0
	Better Care Fund - Expenditure	20,428	20,585	20,585	0		0	0
20,010	- Income	Cr 20,589	Cr 20,746	Cr 20,746	0		0	0
Cr 20,154	Improved Better Care Fund - Expenditure	0	4,184	4,184	0		0	0
0	- Income	0	Cr 4,184	Cr 4,184	0		0	0
0	NHS Support for Social Care - Expenditure	0	1,528	1,528	0		0	0
320	- Income	0	Cr 1,528	Cr 1,528	0	0	0	
Cr 320								
62		182	1,141	1,058	Cr 83		0	0
Strategic & Business Support Services								
261	Learning & Development	267	299	299	0	9	0	0
2,000	Strategic & Business Support	2,156	2,218	2,042	Cr 176		0	0
2,261		2,423	2,517	2,341	Cr 176		0	0
Public Health								
15,159	Public Health	15,103	15,103	15,059	Cr 44		0	0
Cr 15,478	Public Health - Grant Income	Cr 15,096	Cr 15,096	Cr 15,052	44		0	0
Cr 319		7	7	7	0		0	0
68,758	TOTAL CONTROLLABLE ECHS DEPT	68,073	69,497	69,558	61		990	3,153
Cr 581	TOTAL NON CONTROLLABLE	360	365	372	7		9	0
6,283	TOTAL EXCLUDED RECHARGES	6,285	6,052	6,052	0		0	0
74,460	TOTAL ECHS DEPARTMENT	74,718	75,914	75,982	68		999	3,153
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	75,645	75,713	68		999	3,153

REASONS FOR VARIATIONS**1. Assessment and Care Management - Dr £854k**

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	382
- Savings included in 17/18 budget	500
- management action to achieve 17/18 savings	Cr 170
- Domiciliary Care / Direct Payments	283
	<u>995</u>
Services for 18 - 64	
- Placements	127
- Domiciliary Care / Direct Payments	30
	<u>157</u>
Other Services	
- Adult Transport	Cr 31
- Day Care	Cr 147
- Other budgets	Cr 120
	<u>Cr 298</u>
	<u>854</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 £854k, including an assumption that savings of £170k are made during the remainder of 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 £995k

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 31 above the budget number of 389. This is no overall change to the numbers reported for July. There is currently a projected overspend of £382k on these budgets, an increase of £8k since July. The budget has been profiled to take account of the £500k saving required this year, with a reduction in budgeted placement numbers during the year of 50 from 389 in April to 339 in March required to achieve the saving. As actual numbers are still above the budget level, none of this saving has yet been achieved resulting in the management action of £500k being reduced to £170k for the period from October 2017 to March 2018 and the difference of £330k is now being reported as an overspend.

Budgets for domiciliary care continue to see a pressure, although a reduction in the overspend position by £97k is reported this month . An overspend of £309k is now being projected with actual net expenditure currently running at approximately £7k above the budget provision of £79k per week . Direct payments continue to underspend , although this has reduced from a £47k underspend to a £26k underspend this period.

Services for 18 - 64 year olds - Dr £157k

Placements for the 18 - 64 age group are projected to be overspent by £127k, a reduction of £10k since July. There has been no change to overall client numbers since July and they remain at 7 above the budget number of 42. Included in the projection is an assumption around income from Lewisham CCG being received for a service user of £40k. At this stage however it should be noted that this income is not certain and should we not be successful in securing this funding then there is a risk of additional expenditure of £40k on this budget.

Domiciliary care and direct payments are currently projecting an overspend of £30k , which is an increase of £62k since May.

Other - Cr £298k

There are projected underspends in adult transport services of £31k and day care of £147k. Other minor projected underspends across various services in the division total of £120k.

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.

2. Learning Disabilities - Dr £688k Net of Planned Management Action

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

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 also 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 in the remainder of 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 £833k is currently anticipated. It has been assumed that savings of £145k can be achieved from management action in the remainder of 2017/18 (£446k in a full year) and this reduces the projected overspend to £688k. Progress on achieving these savings will continue to be monitored closely throughout the year.

A significant amount of the current forecast is based on assumptions and may therefore vary significantly as the year progresses.

3. Mental Health - Dr £153k Net of Planned Management Action

Based on current information, a projected overspend of £153k on Mental Health placements is now anticipated. This figure assumes that £50k of savings can be achieved from management action in the remainder of 2017/18, without which the overspend would be larger.

A degree of mis-classification of new clients' Primary Support Reasons (PSRs) continues from last financial year and this distorts the projections. Current indications are that this is likely to be overstating MH projected spend. Although this may shift the position for Mental Health and other PSRs individually, it won't affect the overall Care Services position as, if the clients are not MH, they will move to another PSR budget but still within Care Services.

4. Better Care Fund - Protection of Social Care - Cr £527k

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 £527k in 2017/18 and this will be used to offset other budget pressures within social care in line with the intentions of the funding.

5. Better Care Fund/Improved Better Care Fund - Cr £935k

On the 13th September 2017 the executive agreed to allocate £495k from the Better care Fund to alleviate cost pressures that LBB have incurred as a result of reduced preventative services as the contract with Bromley Third Sector Enterprises did not start until the 1st October 2017.

On the 10th October 2017 the Executive agreed to set aside £515k of IBCF funding, in the main as a result additional care packages being identified through the work of the Integrated Care Network. Some of this funding will be used for staffing. The remainder (£440k) will be used to offset costs incurred.

6. Housing Needs - Dr £170k

There is currently an overspend of £736k 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 and the slower than expected purchase of homes in the Mears Project. We are continuing 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 £736k 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 £824k 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 the 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.

The Travellers budget is overspending by £98k and this is due to one of the sites experiencing high use of utilities (overspend of £73k) due to the site not having meters and loss of income (£25k) due to particular residents rent arrears.

The remaining £72k overspend is due to use of agency staff to backfill permanent posts in their new remodelled staffing structure to include a new Housing Intervention Team (HIT).

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. Programmes Division - Cr £83k (net)

The total projected underspend for the Division is £460k. Of this, £377k relates to social care services protected by Better Care Funding and included at ref 5 above. This will be used to offset other budget pressures within adult social care in line with the intentions of the funding, leaving an underspend of Cr £83k relating to the Programmes Division. This largely relates to part-year vacancies.

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

9. Strategy Division - Cr £176k

The underspend is, in the main, due to a one off freeze on non essential running expenses across the division. The remaining underspend is due to staff vacancies, etc

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 18 waivers agreed for care placements in adults social care over £50k but less than £100k and 7 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 contract waivers agreed during the period.

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" are included in financial monitoring reports to the appropriate Executive meeting.

Since the last report there have been the following virements: £152k from the LD placements budget to extend the team of staff supporting the LD efficiency project to the end of the financial year; £132k to fund staff supporting the delivery of efficiencies in other areas; £31k contract monitoring resources transferred to Resources Portfolio. Some elements of previously approved virements have now been funded from IBCF and this element of those virements has been reversed.

FULL YEAR EFFECTS 2018/19

Description	2017/18 Approved Budget £'000	Variation To 2017/18 Budget £'000	Potential Impact in 2018/19
Housing Needs - Temporary Accommodation	6,609	736	The full year effect of Temporary Accommodation is currently estimated to be £824k 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	20,810	1,152	The full year impact of the current overspend is estimated at Dr £1,067k. £873k of this relates to residential and nursing home placements and £194k to domiciliary care / direct payments . This is based on client numbers as at the end of September and given the volatility of these budgets is likely to change during the year. In addition, the fye is reduced by iBCF funding of £629k in 2018/19, reducing the overall fye to Dr £438k.
Learning Disabilities - including Care Placements, Transport and Care Management	31,137	688	The full year effect is estimated at an overspend of £1,788k which is higher than the current year's overspend. This is partly 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 reduced the FYE pressure.
Mental Health - Care Placements	5,938	153	There is currently a full year overspend of £168k 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.
Supporting People	1,072	Cr 86	The full year effect of Supporting People is currently estimated to be a credit of £65k. This is a result of the estimated savings from retendering of the contracts.

Reconciliation of Latest Approved Budget**£'000****2017/18 Original Budget****74,449****Carry forwards requested this cycle:**

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

Helping People Home Grant

- expenditure

40

- income

Cr

40

Other requested this cycle:

National Living Wage

60

Other:

National Living Wage

852

Homelessness Early Intervention and Visiting

310

Water treatment works

5

Contract monitoring resources transferred to Resources Portfolio

Cr

31

Improved Better Care Fund

- expenditure

4,184

- income

Cr

4,184

Latest Approved Budget for 2017/18**75,645**