

Decision Maker: PORTFOLIO HOLDER FOR ADULT CARE AND HEALTH

Date: For Pre-Decision Scrutiny by the Adult Care and Health Policy Development and Scrutiny Committee on Wednesday 27th June 2018

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN REPORT 2017/18

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

Ward: Borough-wide

1. Reason for report

1.1 This report provides the provisional outturn position for 2017/18.

2. RECOMMENDATIONS

2.1 The Adult Care and Health PDS Committee is invited to:

- i) Note the latest projected overspend of £230,000 on controllable expenditure at the end of 2017/18 and consider any issues arising from it: and,
- ii) Note that on 21st May 2018, the Council's Executive agreed the net carry forwards as detailed in Appendix 2.

2.2 The Adult Care and Health Portfolio Holder is asked to:

- i) Endorse the 2017/18 provisional outturn position for the Care Services Portfolio.

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: Adult Care and Health Portfolio
 4. Total current budget for this head: £78.685m
 5. Source of funding: Adult Care and Health 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 This report provides the provisional outturn position for the Care Services Portfolio for 2017/18, 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 2017/18 is an overspend of £230k compared to the last reported figure of an underspend of £97k which was based on activity at the end of December 2017.

FINAL POSITION

- 3.3 The £230k overspend is summarised in the table below. 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 overspends in Placements, with older people, non achievement of savings, and higher levels of Learning Disability packages. This was offset by savings from BCF and IBCF, Day Care and other budgets	215
Operational Housing - Increase in bad debt provision, further increases in homelessness provision offset by underspends in Supporting people, staffing and running costs	568
Programmes - Staff vacancies plus the identification of one off funding to contribute to costs in Adult Social Care	-227
SBSS - one off underspend from freezing running costs plus staff vacancy underspends	-318
Environmental Services - One freeze on running expenses together with underspends from staff vacancies	-8
	230

PUBLIC HEALTH

- 3.4 Public Health underspent by £395k in year in 2017/18. As per the terms of the grant funding this amount has been transferred to a Public Health reserve which can be used in 2018/19 for Public Health activities. Further details are given in Appendix 2.

CARRY FORWARDS

- 3.5 On the 21st May 2018 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 2018/19. 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 2018/19. Future reports to the Portfolio Holder will be required to approve their release.

FULL YEAR EFFECT GOING INTO 2018/19

- 3.6 Appendix 3 provides a breakdown of any full year implications arising from the final 2017/18 outturn. Overall there are £3,477k of full year effect pressures in 2018/19. The vast majority are in the Adult Social Care area. As part of the budget setting process the vast majority of these full year effects have been dealt with and additional funding has been added to the budgets for 2018/19. There are still some management actions that were assumed to be taken that have

not delivered in 2017/18. There are mainly around the review of placements and placement levels. If these are not addressed in 2018/19 then there will be an additional pressure on the budget.

- 3.7 The above does not include all of the savings that have been agreed for the Portfolio in 2018/19. These will have to be managed and addressed throughout the 2018/19 financial year.

FULL YEAR EFFECT FOR 2017/18

	£'000
Resi/Nursing home placements and Domiciliary Care and Direct Payment - Older People	1,417
IBCF Funding to offset Adult Social Care - Older People	-629
Learning Disability placement activity	2,286
Mental Health Care placement activity	194
Homeless client increases	274
Supporting people tendering activity	-65
	<u>3,477</u>

- 3.8 Appendix 4 provides a detailed reconciliation of the original 2017/18 budget to the latest approved 2017/18 budget

DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR OF ECHS COMMENTS

- 3.9 The Care Services Portfolio had an overspend of £230,000 for the year 2017/18.
- 3.10 In Adults' Social Care, there was a very ambitious efficiency programme which saw the department realise efficiency savings in the context of an ageing population of older people in the borough.
- 3.11 There remain pressures within the domiciliary care area, as we see increasing numbers of people supported to live at home compounded with an increasing reliance on assessments and care management packages to support older people to live independently. Underspends in other areas within the department and the utilization of the Better Care Fund with our health colleagues helped in mitigating these pressures overall.
- 3.12 The end of year position in housing services was an overspend of £568,000 which was as a result of provisions made for bad debts arising mainly from the roll out of universal credit, increases in the levels of homelessness and increases in the cost of the provision. Underspends in other areas help mitigate the pressures overall.
- 3.13 A strategic decision was made by the Leadership Team of the department not to deliver some aspects of the Programmes Division`s work plan and also not to recruit to a number of posts in the Strategic and Business Support Division as a way of mitigating the departmental overspend. As such, the Programmes Division had an underspend of £227,000 and the Strategic Business Support Services had an underspend of £318,000. These underspends helped to mitigate the pressures in Adults' Social Care and in Housing. The position in Public Health was a nil variance and the division delivered its core functions within the budget envelope.
- 3.14 The risks in the Adult Care and Health Portfolio are:-
- i) Impact of the national living wage across care services and the impact on contracts
 - ii) Increased complexity of clients coming through the system

- iii) Increasing number of clients coming through the system
- iv) Increased homelessness and the associated costs
- v) Introduction of the Homeless Reduction Act
- vi) Increased rent arrears arising from roll out of Universal Credit in 2018/19
- vii) Potential funding issues in school nursing area of Public Health

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 2018/19 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 in 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). Appendix 2 outlines the requested carry forwards to 2018/19. Appendix 3 shows the latest full year effects and Appendix 4 gives the analysis of the latest approved budget.

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