

Care Services Portfolio Budget Monitoring Summary

2016/17 Actuals £'000	Division Service Areas	2017/18 Original Budget £'000	2017/18 Final Approved £'000	2017/18 Provisional 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	21,477	22,604	23,836	1,232	1	1,134	1,417
1,119	Direct Services	1,073	422	406	Cr 16	2	3	0
1,258	Commissioning & Service Delivery	548	0	0	0		0	0
31,032	Learning Disabilities	30,875	31,179	32,070	891	3	840	2,286
5,588	Mental Health	6,063	5,966	6,018	52	4	105	194
Cr 472	Better Care Funding - Protection of Social Care	0	0	Cr 1,009	Cr 1,009	5	Cr 808	0
0	Better Care Fund / Improved Better Care Fund	0	0	Cr 935	Cr 935	6	Cr 935	Cr 629
60,537		60,036	60,171	60,386	215		339	3,268
Operational Housing								
0	Enabling Activities	Cr 1	Cr 1	0	1		0	0
Cr 2,018	Housing Benefits	Cr 1,945	Cr 1,945	Cr 1,838	107	7	0	0
7,128	Housing Needs	6,299	7,455	8,074	619	8	101	274
1,107	Supporting People	1,072	1,072	913	Cr 159	9	Cr 86	Cr 65
6,217		5,425	6,581	7,149	568		15	209
Programmes								
206	Programmes Team	343	1,888	1,639	Cr 249		Cr 182	0
2,064	Information & Early Intervention	2,960	3,709	3,152	Cr 557		Cr 528	0
Cr 2,064	- Net Expenditure	Cr 2,960	Cr 3,709	Cr 3,152	557		528	0
	- Recharge to Better Care Fund							
20,010	Better Care Fund	20,428	21,693	21,680	Cr 13		0	0
Cr 20,154	- Expenditure	Cr 20,589	Cr 21,854	Cr 21,819	35	10	0	0
	- Income							
0	Improved Better Care Fund	0	4,184	4,184	0		0	0
0	- Expenditure	0	Cr 4,184	Cr 4,184	0		0	0
	- Income							
320	NHS Support for Social Care	0	28	28	0		0	0
Cr 320	- Expenditure	0	Cr 28	Cr 28	0		0	0
	- Income							
62		182	1,727	1,500	Cr 227		Cr 182	0
Strategic & Business Support Services								
261	Learning & Development	267	301	300	Cr 1		0	0
2,000	Strategic & Business Support	2,156	2,278	1,961	Cr 317	11	Cr 276	0
2,261		2,423	2,579	2,261	Cr 318		Cr 276	0
Public Health								
15,159	Public Health	15,103	15,103	15,103	0		Cr 121	0
Cr 15,478	Public Health - Grant Income	Cr 15,096	Cr 15,096	Cr 15,096	0		121	0
Cr 319		7	7	7	0		0	0
68,758	TOTAL CONTROLLABLE ECHS DEPT	68,073	71,065	71,303	238		Cr 104	3,477
Cr 581	TOTAL NON CONTROLLABLE	360	2,208	2,208	0		79	0
6,283	TOTAL EXCLUDED RECHARGES	6,285	5,572	5,572	0		0	0
74,460	TOTAL ECHS DEPARTMENT	74,718	78,845	79,083	238		Cr 25	3,477
Environmental Services Dept - Housing								
213	Housing Improvement	199	202	194	Cr 8	12	7	0
213	TOTAL CONTROLLABLE FOR ENV SVCES DEPT	199	202	194	Cr 8		7	0
Cr 1,149	TOTAL NON CONTROLLABLE	Cr 828	Cr 738	Cr 738	0		0	0
290	TOTAL EXCLUDED RECHARGES	360	376	376	0		0	0
Cr 646	TOTAL FOR ENVIRONMENTAL SVCES DEPT	Cr 269	Cr 160	Cr 168	Cr 8		7	0
73,814	TOTAL CARE SERVICES PORTFOLIO	74,449	78,685	78,915	230		Cr 18	3,477

REASONS FOR VARIATIONS**1. Assessment and Care Management - Dr £1,232k**

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	530
- Savings included in 17/18 budget	500
- Domiciliary Care / Direct Payments	728
- Respite Care	Cr 48
	<u>1,710</u>
Services for 18 - 64	
- Placements	128
- Domiciliary Care / Direct Payments	31
- Respite Care	12
	<u>171</u>
Other Services	
- Adult Transport	Cr 142
- Day Care	Cr 234
- Staffing	Cr 145
- Other budgets	Cr 128
	<u>649</u>
	<u>1,232</u>

The budget for 2017/18 included total savings of £782k in relation to Assessment & Care Management. Overall the service returned with an overspend of £1,232k compared to a projected overspend of £1,134k from the last reported figures in December 2017. Costs in this service are extremely volatile, and include significant budgets relating to client contributions which can change significantly during the year. As previously reported it has been assumed that further management action will continue to take place in the new financial year. These actions were predicated in the full year effect growth assumption figures in 2018/19. Therefore if it is not successful it could lead to an overspend position.

Services for 65+ - Dr £1,710k

Services for the 65 and over age group had the biggest budget pressure with both residential and community placements showing an overspend. Numbers in residential and nursing care finished the year at 418, 27 placements above the budget number of 391. This was no overall change to those reported for December. The overspend on these budgets was £304k. There was also a saving of £500k in the 2017/18 budget which has not been achieved, contributing to the overspend. Also included in the outturn position is a contribution to the provision for bad debts of £226k which has had to be made this year to cover the change in potential non payment of outstanding debt. The budget for respite care was underspent by £48k.

Budgets for domiciliary care have continued to see a pressure during the year, with an increase in the overspend position of £108k since the December monitoring, with the final position being a £472k overspend. This is offset by an increase in the underspend on direct payments to £98k. Additionally a further contribution to the bad debt provision has had to be made in the sum of £354k to ensure there is sufficient provision to cover any likely bad debt.

Increases in debt are a nationwide issue. Since the introduction of the Care Act in 2015, there has been an increase in debts coming through. Any excessive delays will impact on charging (and therefore debt recovery) such as a person lacking capacity to look after their finances or delays in financial assessment referrals from the service. A worker has been employed to go through and manage debt cases and it is envisaged that this pilot will become part of a business case for a permanent post which, it is hoped, will mitigate debt levels and therefore the debt provision in future.

Services for 18 - 64 year olds - Dr £171k

Placements for the 18 - 64 age group are projected to be overspent by £128k, an increase of £20k since December. There has been no change in overall client numbers, with numbers currently 6 above the budget number of 42.

Respite care for this age group returned at a £12k overspend.

Domiciliary care and direct payments overspent by £31k, which is a reduction of £109k since December. Domiciliary care ended the year £47k overspent and direct payments was £16k underspent.

Other Services - Cr £649k

Adult transport services outturned with an underspend of £142k. This is as a result of reduced numbers of service users attending day care, also resulting in an underspend on the day care budgets of £234k. There was also management action to freeze certain budgets during the year resulting in a final underspend of £128k against those budgets. Staffing for the assessment and care management teams was £145k underspent as a result of vacancies across the division.

2. Direct Services - Cr £16k

Overall the in-house provider services outturned with a slight underspend of £16k, with minor variations on management salaries (Cr £5k), Carelink services (Cr £12k) and extra care housing (Dr £1k).

3. Learning Disabilities - Dr £891k (net)

There have been significant LD budget pressures this year, including those arising from 2017/18 transition clients, increased complex client needs and clients transferred to Bromley under ordinary residence. In addition, an 'invest to save' team of staff was employed to work on delivering savings but the cost of this team itself added to the cost pressures, although savings generated have more than outweighed this cost (see below).

The outturn variation of Dr £891k comprises an overspend on care packages of £1.3m offset in part by underspends on other costs including care management and transport.

There was a slight increase of £51k in the outturn position compared to the previously reported overspend of £840k. There are many reasons for the movement but, broadly, it can be attributed to slippage in anticipated savings and new / increased care packages offset in part by delays to planned placements and higher than anticipated clawback of direct payments. Although savings achieved in-year were lower than planned, savings in excess of £0.5m were delivered in 2017/18, without which the overspend would have been higher.

The savings slippage has a relatively small impact in 2017/18 but has a more significant effect on the full year overspend, which has increased to £2.286m. If the planned savings are delivered early in the new financial year the effect of this can largely be mitigated. Progress on achieving savings will continue to be monitored closely in 2018/19.

As previously reported it has been assumed that further management action will continue to take place in the new financial year. These actions were predicated in the full year effect growth assumption figures in 2018/19. Therefore if it is not successful it could lead to an overspend position.

4. Mental Health - Dr £52k

The final outturn position for Mental Health is an overspend of £52k compared to a projected overspend of £105k reported in the last budget monitoring report.

The downward movement can be broadly attributed to attrition and lower than planned flexible support services. Similar to LD above, there has also been a small amount of slippage in the delivery of planned savings.

As previously reported it has been assumed that further management action will continue to take place in the new financial year. These actions were predicated in the full year effect growth assumption figures in 2018/19. Therefore if it is not successful it could lead to an overspend position.

5. Better Care Fund - Protection of Social Care - Cr £1,009k

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 underspent by £1,009k in 2017/18 and this has been used to offset other budget pressures within social care in line with the intentions of the funding.

6. 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 was used for staffing. The remainder (£440k) was used to offset costs incurred.

7. Housing Benefit - Dr £107k

The Housing Benefits cost centre overspent during 2017/18 due to need for a higher than budgeted provision for write offs being processed during the year. These costs were partially offset by an underspend on running costs.

8. Housing Needs - Dr £619k

The Travellers budget is overspent by £11k as one of the sites is experiencing a high use of utilities (overspend of £47k) due to the site not having meters. There is also a loss of income (£15k) due to particular residents rent arrears. This has been partially offset by an underspend on the staffing and other running costs (£51k) of these sites.

Following a review of the Rent Accounts outstanding debt an increase in the bad debt provision was needed above the level of budget held. The new provision taking into account the increased likelihood of bad debt occurring. The increase was above the available budget by £793k. It is important that the impact of Universal Credit, the introduction of welfare reform and the benefit cap, higher mobility of tenants and the high cost of temporary accommodation is recognised with regard to the collection of rents and the debt levels. There has also been a significant increase in the numbers in temporary accommodation which has also led to an increase in the provision. Additional resource has recently been added to debt recovery to go through the clients with debts and assist in recovery. This is at an early stage so the impact is not yet quantifiable. It is also hoped that the new Orchard Housing IT system will assist in debt recovery. This has been delayed but it is hoped that the system will be in place as soon as possible. The position will need to be closely monitored to consider the impact on future years budgets of the service.

The temporary accommodation budget overspent by £201k at the end of the year. This is a continuing pressure for the council and methods are being looked at to offset the pressure in future years.

Staffing has underspent by £185k due to vacancies during the year and difficulty in recruiting staff during the year.

Running Costs have also underspent due to historical costs pressure being resolved during the year (£96k) and underspends mainly on the purchase of computer equipment and various other running costs (£105k).

9. Supporting People - Cr £159k

There is an underspend of £159k. This is due to renegotiations of the contracts over the last few years which have achieved savings, and the non-payment of a performance related element of the contract.

10. Programmes Division - Cr £227k (net)

The total underspend for the Division is £784k. Of this, £557k relates to social care services protected by Better Care Funding and included at ref 5 above. This has been used to offset other budget pressures within adult social care in line with the intentions of the funding, leaving a net underspend of Cr £227k relating to the rest of Programmes Division. This mainly relates to staffing budgets (part-year vacancies) and is non-recurrent.

Other than variations on the protection of social care element, underspends on other Better Care Fund budgets are being carried forward for spending in future years under the pooled budget arrangement with Bromley CCG.

Following approval at the Executive on 10th October 2017, IBCF funding was released from the central contingency and allocated to the ECHS budget.

The grant for 2017/18 is £4.184m. Expenditure in 2017/18 totalled £1.012m resulting in an underspend of £3.172m, which is partly because allocations were agreed relatively late in the financial year. In line with the report to the Executive, underspends can be carried forward to support expenditure in future years and a request to carry forward £3.172m is included in the carry forwards section of this report.

11. Strategic and Business Support Division - Cr £318k

The underspend is, in the main, due to a combination of a one off freeze on non-essential running expenses across the Division (Cr £111k) and staff vacancies (Cr £181k). The balance of the underspend relates to minor underspends across a number of areas.

12. Housing Improvement Cr £8k

An additional £13k income has been received from renovation grant agency fees earned by the Housing Improvement team. This has been partly offset by £5k overspend on staffing.

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 Corporate Services, the Director of Finance and the Director of Commissioning 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 8 waivers agreed for care placements in adults social care over £50k but less than £100k and 3 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, and would also include placements where there is a third party contributor such as Health.

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 has been one virement actioned for £490,000 from Public Health (£290k) and Adult Social Care (£200k) to Children's Social Care to contribute to the MASH team costs.

Carry Forwards from 2017/18 to 2018/19**MEMBERS' APPROVAL REQUIRED****Grants with Explicit Right of Repayment****CARE SERVICES PORTFOLIO**

1	2015/16 Better Care Fund - GoodGym	7,500
	2017/18 Better Care Fund	28,390
	£25k was allocated from Better Care Funding brought forward from 2015/16 for the new GoodGym services in 2017/18 and 2018/19. The remaining amount of £7,500 is required to fund the service in 2018/19. The service helps to reduce isolation and loneliness, improves wellbeing, increases volunteering and connects communities.	
	2017/18 has been the third full year of operation for the Better Care Fund (BCF). Some BCF allocations, including those for reablement, dementia and resilience, were not fully spent by 31st March 2018 and underspends are required to be carried forward for spending on BCF activities in 2018/19. This funding will be allocated to agreed projects together with new BCF funding for 2018/19.	
2	2016/17 Fire Safety Grant	43,870
	In June 2017 Members approved the carry forward of the Fire Safety Grant (£56,589) from the London Fire and Emergency Planning Authority following the successful bid made in February 2017 for the provision of stand alone smoke detectors and fire retardant bedding and clothing for vulnerable clients. To date, £12,719 has been spent and the remaining grant sum is requested to be carried forward to 2018/19 in order to continue to carry out the works as set out in the grant conditions.	
	Total expenditure to be carried forward	79,760
	Total Grant Income	-79,760

Grants with no Explicit Right of Repayment**CARE SERVICES PORTFOLIO**

3 Improved Better Care Fund	3,171,681
<p>Following approval at the Executive on 10th October 2017, IBCF funding was released from the central contingency and allocated to the ECHS budget. The grant for 2017/18 is £4.184m. There are underspends totalling £3.172m in 2017/18, partly because allocations were agreed relatively late in the financial year. In line with the report to the Executive, underspends can be carried forward to support expenditure in future years and spending commitments are in place.</p>	
4 Public Health Grant	1,018,324
<p>The Public Health Grant underspent by £141k in 2014/15, £152k in 2015/16 and £330k in 2016/17. This total balance of £623k was carried forward to 2017/18 to fund public health initiatives as per the terms of the grant, however it was not required this year as there was an underspend of £395k. This cumulative balance is requested to be carried forward to fund public health initiatives that may be required in 2018/19.</p>	
5 Implementing Welfare Reform Changes	54,918
<p>The funds provided were to meet the cost of implementing welfare reform. Caseloads are likely to increase substantially. This funding will be needed in 2018/19 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. The funding will therefore be needed to cover the costs of local implementation.</p>	
6 Flexible Homelessness Grant	82,600
<p>The Flexible Homelessness Grant is a new grant in 2017/18 that has replaced the Management Fee included within the Housing Benefit Grant. The spend has been used during the year to offset the loss of income from the end of the HB Management Fee. Looking at next years grant allocation and expected spend, it is currently expected that the grant income will not be enough to cover the costs, and therefore this carry forward would assist in meeting the expected demand in 2018/19.</p>	
Total Expenditure to be Carried Forward	<u>4,327,523</u>
Total Grant Income	-4,327,523

Description	2017/18 Latest Approved Budget £'000	Variation To 2017/18 Budget £'000	Potential Impact in 2018/19
Housing Needs - Temporary Accommodation	7,455	619	The full year effect of Temporary Accommodation is currently estimated to be £274k 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 covered by a contingency bid during 2018/19 as has been the case for a number of years.
Assessment and Care Management - Care Placements	20,997	1,881	The full year impact of the current overspend is estimated at Dr £1,417k. £960k of this relates to residential and nursing home placements and £457k to domiciliary care / direct payments . This is based on client numbers as at the end of March. In addition, the fye is reduced by iBCF funding of £629k in 2018/19, reducing the overall fye to Dr £788k.
Learning Disabilities - including Care Placements, Transport and Care Management	31,179	891	The full year effect of the outturn position is an overspend of £2,286k. This is higher than the current year's overspend, partly because this is a growth area and clients placed in-year in 2017/18 will only have a part year cost in 2017/18 but a full year cost in 2018/19. New / increased packages exceed savings being achieved. The FYE overspend has increased from £1,818k in the last report. One of the reasons for this is slippage in delivering planned savings and this risk was identified in the last budget monitoring report. While the impact of this in 2017/18 is minimal, the full year impact is significant. If the planned savings are delivered early in the new financial year the effect of this can largely be mitigated. Progress on achieving savings will continue to be monitored closely in 2018/19. The full year effect was dealt with as part of the 2018/19 budget process but if savings are not brought back on track early in 2018/19 it will result in a budget pressure in 2018/19.
Mental Health - Care Placements	5,966	52	There is currently a full year overspend of £194k anticipated on Mental Health placements. Similar to Learning Disabilities above, this has increased from £169k in the last report mainly due to slippage in planned savings. It is hoped that this can be re-balanced by delivering savings early in the new financial year. There continues to be a degree of misclassification of clients' Primary Support Reasons (PSRs) and this may result in the full year effect shifting between PSRs in future months. The full year effect has been dealt with as part of the 2018/19 budget process and only a small variance is predicted in 2018/19 at this stage.
Supporting People	1,072	Cr 159	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:	
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:	
National Living Wage	912
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
Transfer of Central Placements Team	79
Transfer of funding for posts to / from other Portfolios (net)	56
Funding of additional costs re Liberata contract	Cr 4
Homelessness Temporary Accommodation Drawdown	844
Public Health	
- funding transferred to Chidrens Social Care	Cr 490
- recharge to public health	490
Provision for inflation - Extra Care Housing	11
Flexible Homelessness Support Grant	
- Grant related expenditure	2,107
- Grant related income	Cr 2,107
Homelessness Reduction Grant	
- Grant related expenditure	255
- Grant related income	Cr 255
Homelessness Reduction ACT IT upgrade for new reporting requirements	
- Grant related expenditure	9
- Grant related income	Cr 9
Deprivation of Liberty	28
Merit awards	34
Memorandum Items	
Capital Charges	457
Insurance	Cr 38
Rent Income	146
Repairs & Maintenance	Cr 50
IAS19 (FRS17)	1,417
Excluded Recharges	60
Final Approved Budget for 2017/18	<u>78,685</u>