

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: BUDGET MONITORING 2018/19

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

Ward: Borough-wide

1. Reason for report

1.1 This report provides the budget monitoring position for the Adult Care and Health Portfolio for 2018/19, based on activity up to the end of May 2018.

2. RECOMMENDATION(S)

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

- i) Note that the latest projected overspend of £308,000 is forecast on the controllable budget, based on information as at May 2018;
- ii) Note the full year effect cost pressures of £501,000 in 2019/20 as set out in section 4;
- iii) Note the funding release request of carry forward funding 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 Adult Care and Health Portfolio Holder is requested to:

- i) Note that the latest projected overspend of £308,000 is forecast on the controllable budget, based on information as at May 2018; and
- ii) Agree to the release of the carry forward funding as set out in Section 5.

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Health and Integration
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: ACH Portfolio
 4. Total current budget for this head: £70.265m
 5. Source of funding: ACH approved budget
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Staff

1. Number of staff (current and additional): 319 Full time equivalent
 2. If from existing staff resources, number of staff hours: Not Applicable
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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 2018/19 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: Not Applicable

3. COMMENTARY

- 3.1 The 2018/19 projected outturn for the Adult Care and Health 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 £308k. 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.

Adult Social Care

- 3.3 Overall the position for Adult Social Care is a predicted £365k overspend. The main areas of overspend are:-

Assessment and Care Management - £234k overspent (net of £340k management action)

- 3.4 Assessment and Care Management is currently estimated to overspend by £234k. This is in the main due to Placements/Domiciliary Care/Direct Payments for 65+ where client numbers are currently above the budgeted figure.
- 3.5 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 6 above budgeted figures resulting in a £83k overspend in this area.
- 3.6 Domiciliary Care and Direct Payments for the 65+ are also projected to be overspent by £151k. This relates to a savings in reablement that was planned in 2018/19 that has not materialised.
- 3.7 In services for the 18-64 there is also pressures on placements where there is a net 3 increase across all PSR categories. Domiciliary care and direct payments are also projected to overspend.
- 3.8 The overall overspend assumes that management action of £340k takes place during the year. This is a result of full year management action from 2017/18 that had not been achieved by year end and will need to be addressed in order to balance the budget. Management are currently looking at ways that this can be achieved, and it is assumed for budget purposes that this will be completed by the year end. If this is not successful then the overspend will rise.

Learning Disabilities - £102k overspent (net of £464k management action)

- 3.9 The overspend in Learning Disabilities is currently predicted to be £102k. This is based on actual information received on placements, which has seen an increases 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 £464k of management action will be found to partially offset the overspend. If this management action cannot be achieved the overspend would rise further.
- 3.10 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.
- 3.11 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 - £129k overspent

- 3.12 Projected spend on mental health placements is continuing to overspend this reporting cycle. Some areas of the forecast such as flexible support (due to data cleansing), attrition and planned management actions have reduced the overspend, 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

Better Care Fund – Protection of social care - £100k underspend

- 3.13 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 £100k for Adult Social Care as the grant now covers the spend.

Public Health

- 3.14 The current variance in Public Health is a net zero. Although there is an in year overspend of £164k, management will continue to try and reduce this further during the year. Any overspend that does materialise at year end can be offset against carry forward grant set aside as per the regulations.
- 3.15 This area has recently seen a reduction in grant funding and has significant savings targets for 2018/19 which are being managed.

4. FULL YEAR EFFECT GOING INTO 2019/20

- 4.1 The cost pressures identified in section 3 above will impact in 2019/20 by £501k. 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.

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

Better Care Fund – £35,890

- 5.1 £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.
- 5.2 2017/18 was 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.

Improved Better Care Fund - £3,171,681

- 5.3 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.

Public Health Grant - £1,018,324

- 5.4 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 in 2017/18 as there was an underspend of £395k. This cumulative balance was carried forward to fund public health initiatives that may be required in 2018/19.
- 5.5 It is requested that the Portfolio Holder agree to the contingency funding release.

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 2018/19 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 overspend position stands at £308k (£501k overspend full year effect). The full year effect will be addressed in 2018/19 and 2019/20 in due course.

8. EXECUTIVE DIRECTOR COMMENTS

- 8.1 The Adult, Care and Health Services Portfolio has an overspend of £308,000 for the year.
- 8.2 In Adults' Social Care, there was a very ambitious efficiency programme which will realise efficiency savings in the context of an ageing population of older people in the borough.
- 8.3 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.
- 8.4 The risks in the Adult Care and Health Portfolio are:-
- i) Impact of the national living wage across Adult Care and Health and the impact on contracts
 - ii) Increased complexity of clients coming through the system
 - iii) Increasing number of clients coming through the system
 - iv) Potential funding issues in school nursing area of Public Health

Non-Applicable Sections:	Legal, Personnel and Customer Implications
Background Documents: (Access via Contact Officer)	2018/19 Budget Monitoring files in ECHS Finance Section