

Decision Maker: ADULT CARE AND HEALTH POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: 21st November 2018

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2018/19

Contact Officer: David Bradshaw, Head of Education, Care & Health Services Finance
Tel: 020 8313 4807 E-mail: David.Bradshaw@bromley.gov.uk

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

Ward: Borough-wide

1. Reason for report

- 1.1 This report provides the budget monitoring position for 2018/19 based on activity up to the end of September 2018.
-

2. RECOMMENDATIONS

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

- i) Note that the latest projected overspend of £333,000 is forecast on the controllable budget, based on information as at September 2018;**
- ii) Note the full year effect cost pressures of £1,915,000 in 2019/20 as set out in section 4;**
- iii) Note the funding release request of funding from Contingency and Reserves as detailed in section 5 of this report;**
- iv) Note the comments of the Department in section 8 of this report; and,**
- v) Refer the report to the Portfolio Holder for Adult Care and Health for approval.**

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

- i) Note that the latest projected overspend of £333,000 is forecast on the controllable budget, based on information as at September 2018;**
- ii) Agree to the request for funding from Contingency and the Reserve as set out in section 5 and refer to the Executive for approval.**

Corporate Policy

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

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: £70.892m
 5. Source of funding: ACH approved budget
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable: Portfolio Holder decision.
-

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
-

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 £333k on the controllable budget. 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 £496k overspend. The main areas of overspend are:-

Assessment and Care Management - £660k overspent (net of £171k management action)

- 3.4 Assessment and Care Management is currently estimated to overspend by £660k. 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 16 above budgeted figures resulting in a £285k overspend in this area.
- 3.6 Domiciliary Care and Direct Payments for the 65+ are projected to be underspent by £63k. This relates to increased client contributions partially offset by 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 8 increase across all PSR categories. The overspend stands at £365k
- 3.8 For the 18-64's Domiciliary care and direct payments are also projected to overspend by £257k. This is due to increased demand and a payment of a direct payment, the cost of which had to be backdated.
- 3.9 The overall overspend assumes that management action of £171k 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. This has reduced since the last monitoring to reflect the remaining amount of the financial year that these savings can be realised.
- 3.10 The increase in the in year overspend has had an impact of increasing the full year effect which is detailed in paragraph 4.

Learning Disabilities - £545k overspent (net of £123k management action)

- 3.11 The overspend in Learning Disabilities is currently predicted to be £545k. 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 £123k of management action will be found to

partially offset the overspend. If this management action cannot be achieved the overspend would rise further.

- 3.12 There was an invest to save LD team that were looking at efficiencies and savings reviewing all packages and it is expected that the majority of the management action will come from this area. This group has ceased from the end of September 2018.
- 3.13 The service is also managing the transition of both Children and Adults by identifying and managing clients earlier and in turn managing their expectations.
- 3.14 The increase in the in year overspend has had an impact of increasing the full year effect which is detailed in paragraph 4.

Mental Health - £160k overspent

- 3.15 Projected spend on mental health placements are 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.
- 3.16 The increase in the in year overspend has had an impact of increasing the full year effect which is detailed in paragraph 4.

Better Care Fund (BCF) – Protection of social care - £369k underspend

- 3.17 Elements of the BCF 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 £369k for Adult Social Care as the grant now covers the spend.

Public Health

- 3.18 The current variance in Public Health is a net zero. Although there is an in year underspend of £340k, mainly due to contract savings on the sexual health contract, this can fluctuate according to demand. Any underspend that does materialise at year end can be carried forward to the following financial year as per the regulations.
- 3.19 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 £1,915k. This has risen by £1,414k since the last report position for May. 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. AGREEMENT TO REQUEST THE RELEASE OF FUNDING HELD IN CONTINGENCY OR RESERVES BY THE PORTFOLIO HOLDER

Improved Better Care Fund (IBCF) – £500,000

- 5.1 IBCF funding is given to Local Authorities to for three main purposes including the meeting of adult social care needs. As pressures in the service have continued and there is unallocated

IBCF available in year in the contingency, £500k has been allocated to offset in year costs within the service.

CCG Reserve - £1,500,000

- 5.2 A report to Executive on 30 November 2016 and Council on 12 December 2016 approved drawdown of £3.5m of CCG funds and a further £3.5m with this tranche being subject to a review on its use prior to finalising payment. The funding is for the CCG to significantly accelerate its key strategies to deliver not only transactional savings, but transformational changes that will deliver real reductions in the acute hospital activity. To date only £2m has been drawn down and the CCG are requesting access to the remaining £1.5m of the first tranche. This has no impact on the overall bottom line position of the Portfolio.
- 5.3 It is requested that the Portfolio Holder agree to the request to release the funding and refer to the Executive for approval.

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 £333k (£1,915k 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 £333k for the year. This is a demand led service that has scrutiny of spend and quality built into the process such as PRG and other case discussion forums for each service area.
- 8.2 The overspend includes the unrealised savings of £150k that was predicated on the transfer of re-ablement to BHC. As the transfer did not happen, this is reflected in the overspend of £333k.
- 8.3 The overspend is related to the growing number of service users supported, which is above the numbers and baseline of the budget that was agreed in this financial year. As a demand led service, we are statutorily bound to provide support and care to residents based on their

assessed needs. In addition, we are providing more support to carers to ensure they adequately support their loved ones to reduce escalation to statutory care services.

- 8.4 Bromley health and social care has seen a very busy summer with higher than ever recorded attendances at the PRUH , in turn we have seen a spike in both residential and nursing care placements (15) and emergency placements (16) having to be made
- 8.5 The overspend reflects the growing number of young people with statutory statements of need who are being transferred from children`s services. We are also seeing a number of providers managing challenging behaviour of older people with dementia and requesting additional staffing to care for them in a safe and humane way. These cases are automatically referred to the CCG for joint funding decisions which will continue as stated above.
- 8.6 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. We are seeing high demand from very complex cases where frailty and conditions relating to disability and ageing are compounded by the need for double handed care, sometimes 1 to 1 care provision to stabilise challenging behaviour.
- 8.7 The risks in the Adult Care and Health Portfolio are:-
 - i) Impact of the national living wage across Adult Care and Health Services and the impact on contracts
 - ii) Increased complexity of clients coming through the system
 - iii) Increasing number of clients coming through the system

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