

Adult Care and Health Portfolio Budget Monitoring Summary

2018/19 Actuals £'000	Division Service Areas	2019/20 Original Budget £'000	2019/20 Latest Approved £'000	2019/20 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
PEOPLE DEPARTMENT								
Adult Social Care								
23,299	Assessment and Care Management	21,381	21,990	24,181	2,191	1	1,440	2,928
	- Better Care Funding - Discharge to Assess			Cr 850	Cr 850	2	Cr 850	
139	Direct Services	160	160	169	9	3	0	0
103	Quality Assurance & Safeguarding	195	195	195	0		0	0
34,198	Learning Disabilities	35,089	35,089	35,851	762		460	1,201
	- Management action			Cr 150	Cr 150	4	0	Cr 447
6,416	Mental Health	6,554	6,554	7,034	480	5	424	557
Cr 677	Better Care Funding - Protection of Social Care	0	0	Cr 595	Cr 595	6	Cr 470	Cr 464
0	Better Care Funding - Additional Pressures	0	0	Cr 700	Cr 700	7	0	0
Cr 1,190	Winter Pressures Grant	0	0	0	0		0	0
	National Living Wage	1,500	318	0	Cr 318	8	Cr 318	Cr 318
62,288		64,879	64,306	65,135	829		686	3,457
Programmes								
2,316	Programmes Team	2,558	2,607	2,485	Cr 122	9	0	0
932	Information & Early Intervention							
	- Net Expenditure	1,148	1,148	1,116	Cr 32	10	0	0
Cr 932	- Recharge to Better Care Fund (Prot of Soc Care)	Cr 1,148	Cr 1,148	Cr 1,116	32		0	0
Better Care Fund								
22,377	- Expenditure	21,025	23,257	23,257	0		0	0
Cr 22,469	- Income	Cr 21,085	Cr 23,317	Cr 23,317	0	11	0	0
Improved Better Care Fund								
8,548	- Expenditure	8,570	10,971	10,971	0		0	0
Cr 8,548	- Income	Cr 9,070	Cr 11,471	Cr 11,471	0	12	0	0
NHS Support for Social Care								
1,100	- Expenditure	0	0	0	0		0	0
Cr 1,100	- Income	0	0	0	0		0	0
2,224		1,998	2,047	1,925	Cr 122		0	0
Strategy, Performance & Engagement								
355	Learning & Development	382	382	382	0		0	0
2,091	Strategy, Performance & Engagement	2,386	2,029	1,925	Cr 104	13	Cr 20	0
2,446		2,768	2,411	2,307	Cr 104		Cr 20	0
Public Health								
14,764	Public Health	14,180	14,179	14,179	0		0	0
Cr 14,708	Public Health - Grant Income	Cr 14,320	Cr 14,320	Cr 14,320	0		0	0
56		Cr 140	Cr 141	Cr 141	0		0	0
67,014	TOTAL CONTROLLABLE ADULT CARE & HEALTH	69,505	68,623	69,226	603		666	3,457
1,673	TOTAL NON CONTROLLABLE	1,097	1,097	1,097	0		Cr 4	0
2,271	TOTAL EXCLUDED RECHARGES	2,362	2,362	2,362	0		0	0
70,958	TOTAL ADULT CARE & HEALTH PORTFOLIO	72,964	72,082	72,685	603		662	3,457

Reconciliation of Latest Approved Budget

£'000

2019/20 Original Budget

72,964

Carry forwards requests

Better Care Fund

- expenditure 58
- income Cr 58

Improved Better Care Fund

- expenditure 3,967
- income Cr 3,967

Public Health Grant

- expenditure 1,779
- income Cr 1,779

Other:

Business Support posts transferred to Chief Executive's Dept Cr 59
Return of 2018/19 National Living Wage Funding to Contingency Cr 567
Leadership restructure Cr 207
Contributions to creation of Local Offer Development Officer 21
Policy & Projects posts transferred to Chief Executive's Dept Cr 112
Blue Badges 42

Items requested this cycle:

Additional Better Care Fund

- expenditure 659
- income Cr 659

Latest Approved Budget for 2019/20

72,082

REASONS FOR VARIATIONS**1. Assessment and Care Management - Dr £2,191k**

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	1,527
- Domiciliary Care / Direct Payments	<u>2,220</u>
	3,747
Services for 18 - 64	
- Placements	487
- Domiciliary Care / Direct Payments	<u>Cr 114</u>
	373
Other	
- Staffing	Cr 261
- Extra Care Housing	Cr 125
- Day Care	Cr 550
- Community DoLS	Cr 513
- D2A	<u>Cr 480</u>
	<u>Cr 1,929</u>
	<u>2,191</u>

The 2019/20 budget includes funding for the full year effect of the 2018/19 overspend, less savings agreed as part of management action to reduce this overspend.

Services for 65+ - Dr £3,747k

Since the last report to Members, numbers in residential, nursing care and shared lives placements have increased and continue to be above the budget provision of 414 places, currently by 41 with an overspend being projected of £1,195k for the year, an increase of £715k. Although the full year effect of the 2018/19 overspend was funded in the 2019/20 budget, this was offset by savings of £561k expected from continuation of the Discharge to Assess (D2A) service. This however has not realised the savings to the extent that were expected, as has previously been reported.

In addition to permanent placements, the numbers in temporary and emergency placements are higher than the budget provision, with a projected overspend of £332k reported in this area.

The overall position on the domiciliary care and direct payments budgets is a projected overspend of £2,220k. Contributing largely to this overspend are the savings that are included in the 2019/20 budget that are not being achieved. Savings from reablement account for £400k, with a further £1,308k to come from D2A. As mentioned above the savings from D2A have not been realised as expected, leading to a substantial projected overspend on the budget. Part of the overspend relates to having to use domiciliary care providers outside of the Framework for care, which costs more than those within the framework who are not always able to provide care packages.

Services for 18-64+ - Dr £373k

Placements for 18-64 age group are projected to overspend by £276k this year based on current service user numbers which are 9 above the budgeted number of 43, an increase of 2 since May. The main pressure area relates to clients with a primary support reason (PSR) of Physical Support where the actual number of 33 is 8 above the budget provision, accounting for £292k of the overspend.

In addition to permanent placements, the numbers in temporary and emergency placements are higher than the budget provision, with a projected overspend of £211k reported in this area.

The overall position on the domiciliary care and direct payments budgets is an underspend of £114k. Domiciliary care is currently projected to underspend by £147k and direct payments to overspend by £33k.

Staffing - Cr £261k

Growth of £522k was added to the budget in 2019/20 to fund a recruitment and retention package across Adult Social Care. Due to the number of vacant posts, those still covered by agency staff as well as the annual retention payment not taking effect until next year the call on this budget for the current year has not been as high as expected, resulting in a projected underspend.

Extra Care Housing - Cr £125k

Currently all schemes (except Crown Meadow Court) are delivering hours within the minimum allocation, therefore an underspend is currently being projected. Additionally, the funding of step down flats from the winter resilience budget has been doubled this year to £182k further contributing to the underspend.

Day Care Services - Cr £550k

Day Care services continue to show reduced use of the service with low numbers compared to the budget provision. Additionally as mentioned last year contracts with some providers for the provision of transport to their centres ended, with the main transport contracts taking on these clients. This has resulted in a current projected underspend of £550k.

Community DoLS - Cr £513k

Growth of £750k was added to the budget in 2019/20 to fund provision of a Community DoLS service. A large underspend is predicted on this budget as the service has yet to start operating. Currently posts are out to advert, with an assumption that the service will begin in early December.

Discharge to Assess (D2A) - Cr £480k

In July 2019 the Executive agreed to continue the Discharge to Assess (D2A) service for a further year. Staffing costs for the service as well as packages of care provided under the D2A scheme are projected to cost £970k this year against the budget provision of £1,450k, which reflects a part-year effect of a reduction in time spent in the D2A service. Any savings arising from this would show under the appropriate care package heading (ie placements or domiciliary care/direct payments), so are already included in the projections shown above.

2. Better Care Funding - Discharge to Assess - Cr £850k

As referred to in note 1 above, the savings from D2A have not materialised as expected. As agreed by the Executive in July 2019, the net overspend relating to this service is being funded from the Better Care Fund for 2019/20.

3. Direct Care - Dr 9k

The reablement service has had several support worker posts vacant during the year, with some now being filled in the second half of the year. This has resulted in an underspend of £139k. Similarly the Community Assessment and Rehabilitation Team service has seen 4 out of its 6 posts vacant this year, with no current plans to fill them, which has resulted in an underspend of £124k. Both these services are funded by an element of the Better Care Fund (BCF) set aside to protect social care services, therefore the underspend does not remain within the service, but can be offset against the overall department budget as mentioned in note number 6 below.

Additionally there is an overspend on management staffing costs of £9k.

4. Learning Disabilities - Dr 612k

The 2019/20 LD budget includes funding for both the full year effect of the 2018/19 overspend (based on the position at the time the budget was prepared) and 2019/20 anticipated demand-related pressures. Despite this, an overspend of £612k is currently anticipated after allowing for planned management action, and this is largely the result of recent new and increased care packages outpacing expected growth.

The projected overspend has increased by £152k since May 2019 budget monitoring. While some care packages and costs have reduced, a greater number has increased and demand is not currently being contained within budget. The service is facing a number of pressures including increasing numbers of young people from children's services and more clients with highly complex needs.

The delivery of a balanced budget position in 2019/20 was dependent on the successful management of continued demand pressures, rigorous gatekeeping and also delivery of 'tail-end' savings from the 'invest to save' work. The position will continue to be closely scrutinised, with management action taken to mitigate the pressures where possible. The current forecast position assumes £150k is saved as a result of management action (£447k in a full year).

There continues to be an element in the forecast based on future assumptions rather than actual data and this position may change in the second half of the year. To avoid overstating projections a 'probability factor' has been applied to future assumptions to reflect experience in previous years. This is on the basis that there tends to be 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 planned.

There is a projected overspend on LD Care Management staffing of £140k (net). This arises mainly from the use of agency staff covering vacancies and additional staff brought in to undertake review work. With the introduction of the new recruitment and retention package for qualified care staff in Adult Social Care it is hoped that cost pressures arising from agency staff will reduce as the positive impact of the package starts to take effect.

5. Mental Health (MH) - Dr £480k

Similar to Learning Disabilities above, the 2019/20 Mental Health budget includes funding for the full year effect of the 2018/19 overspend based on the position at the time the budget was prepared.

An overspend of £480k is currently anticipated in 2019/20 which is a result of new and increased care packages exceeding clients moving on, either to independent living or less intensive care packages. This is not the usual trend for Mental Health and the expected 'move through' is not currently evident. Clients with increasingly complex, forensic needs are increasing our reliance on expensive placements. If the current pattern continues budget pressures will increase as the year progresses.

6. Better Care Fund (BCF) - Protection of Social Care Cr £595k

A number of local authority adult social care services are funded by an element of the Better Care Fund (BCF) 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 £595k in 2019/20 and this has been used to offset other budget pressures within social care in line with the intentions of the funding.

7. Better Care Fund (BCF) - Additional Pressures Cr £700k

Subject to Executive approval, £700k of BCF underspend carried forward from previous years has been allocated to offset additional cost pressures within Adult Social Care. The use of this funding has been agreed with the CCG.

8. National Living Wage - Cr £318k

An amount of £1,500k was allocated in the 2019/20 budget for the impact of National Living Wage. At present it is projected that £318k of this amount will not be required.

9. Programmes Team - Cr £122k

The projected underspend relates mainly to part-year vacancies across the Programmes teams. The majority of posts are now filled and the current vacancy level is lower than in recent months.

10. Information & Early Intervention - Cr £32k & Dr £32k

There are inflationary savings on several of the contracts funded from the Information & Early Intervention (I&EI) budget. The whole I&EI budget (net) is funded from the element of the Better Care Fund set aside to protect social care services. This £32k underspend will therefore be used to offset other budget pressures within social care in line with the intentions of the funding.

11. Better Care Fund (BCF) - Nil Variation

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

Initial increases in the Better Care Fund (BCF) were announced as 1.79% which was included in the 2019/20 budget setting process. However in July 2019 NHS England announced that the increase would rise to 5%. The difference is an additional £659k of BCF grant. It is requested that these funds be drawn down in order for them to be utilised against new and existing BCF funded schemes.

12. Improved Better Care Fund (IBCF) - Nil Variation

The total amount of funding in 2019/20 is as follows:

	£'000
2019/20 IBCF allocation - recurrent	4,636
2019/20 IBCF allocation - non-recurrent (year 3)	1,677
2019/20 Winter Pressures Grant	1,191
Carry forward from previous years	3,967
	11,471

Of the above amount, £500k is held within the Council's central contingency and the balance is within People Department budgets.

13. Strategy, Performance & Engagement Division - Cr £104k

An underspend of £104k is anticipated on the People Department Strategy, Performance and Engagement Division. This has arisen from part-year vacancies (Cr £84k) and underspends on central departmental running expenses (Cr £20k).

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, 2 waivers for Adult placements have been agreed for between £50k and £100k.

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" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, one virement has been agreed for the funding of a post within Strategy, Performance and Engagement Division.

Description	2019/20 Latest Approved Budget £'000	Variation To 2019/20 Budget £'000	Potential Impact in 2020/21
Assessment and Care Management	22,308	1,753	The full year effect (FYE) of the current overspend is estimated at Dr £2,928k. Of this amount £2,221k relates to residential and nursing home placements and £2,175k to domiciliary care / direct payments . As mentioned in the budget monitoring note's, the savings in the budget relating to the Discharge to Assess service are not being realised, leading to a significant pressure on the budget. This is based on service user numbers as at September 2019. The FYE is reduced by an underspend in day care costs of £550k and Discharge to Assess costs of £600k. The budget allocation for NLW in 2019/20 is underspent with a FYE of £318k.
Learning Disabilities - including Care Placements, Transport and Care Management	35,089	612	The FYE is estimated at a net overspend of £754k. Anticipated 2019/20 growth and pressures from 2018/19 were both fully funded in the 2019/20 budget so this pressure is over and above that. The largest contributory factor is new and increased care packages outpacing anticipated growth. The service is facing a number of pressures including increasing numbers of young people from children's services and more clients with highly complex needs. The position will continue to be closely scrutinised, with management action taken to mitigate the pressures where possible. It is currently anticipated that management action will deliver £447k of cost reductions in a full year and this is reflected in the FYE net overspend of £754k.
Mental Health - Care Placements	6,554	480	There is a full year overspend of £557k anticipated on Mental Health care packages which is a result of new and increased care packages exceeding clients moving on, either to independent living or less intensive care packages. Clients with increasingly complex, forensic needs are increasing our reliance on expensive placements. As with Learning Disabilities above, the position will continue to be closely scrutinised, with management action taken to mitigate the pressures where possible.

Adult Social Care - Budget Monitoring Summary of Care Packages as at September 2019

	Latest Approved Budget £'000	Projection £'000	Variation £'000	Clients no.	Variation last reported £'000	Clients last reported no.
<u>Physical Support, Memory & Cognition, Sensory Support</u>						
18-64						
Domiciliary Care	1,418	1,271	Cr 147	119	Cr 109	120
Direct Payments	1,567	1,600	33	146	90	135
Residential/Nursing	1,937	2,085	148	44	158	43
Emergency & Temporary	200	411	211	6		
Supported Living	195	271	76	5	47	4
Shared Lives	0	52	52	4	30	3
	5,317	5,690	373	324	216	305
65+						
Domiciliary Care	3,010	5,115	2,105	821	1,881	785
Direct Payments	935	1,050	115	103	13	93
Extra Care Housing	2,750	2,625	Cr 125	218	0	218
Residential/Nursing	10,662	11,823	1,161	450	447	432
Emergency & Temporary	508	840	332	45		
Shared Lives	0	34	34	2	33	2
	17,865	21,487	3,622	1,639	2,374	1,530
<u>Learning Disabilities</u>						
Domiciliary Care	1,391	1,387	Cr 4	74	Cr 262	66
Direct Payments	3,500	3,722	222	166	67	165
Supported Living	11,379	11,169	Cr 210	219	Cr 374	210
Residential/Nursing	14,683	14,776	93	207	11	211
Shared Lives/Day Care	826	945	119	77	11	68
Former In-House Services	3,894	3,894	0	*	0	*
Future Assumptions (Net)		192	192	23	900	46
	35,673	36,085	412	766	353	766
<u>Mental Health</u>						
Domiciliary Care	518	550	32	100	Cr 54	87
Direct Payments	113	108	Cr 5	6	Cr 5	6
Supported Living	599	550	Cr 49	20	Cr 70	18
Residential/Nursing	3,572	4,198	626	123	311	111
Future Assumptions (Net)		Cr 84	Cr 84	1	282	12
	4,802	5,322	520	250	464	234
<u>All Primary Support Reasons</u>						
Domiciliary Care	6,337	8,323	1,986	1,114	1,456	1,058
Direct Payments	6,115	6,480	365	421	165	399
Extra Care Housing	2,750	2,625	Cr 125	218	0	218
Supported Living	12,173	11,990	Cr 183	244	Cr 397	232
Residential/Nursing	30,854	32,882	2,028	824	927	797
Shared Lives/Day Care	826	1,031	205	83	74	73
Former In-House Services	3,894	3,894	0	*	0	*
Future Assumptions	0	108	108	24	1,182	58
	62,949	67,333	4,384	2,928	3,407	2,835

* Numbers are measured on an incomparable basis (mixture of places and sessions)

Notes:

Clients may be counted more than once if they have more than one type of support

Future assumptions include: outstanding inflationary uplifts; transition clients; increased client needs; packages agreed in principle at Panel; planned client moves; attrition; client contribution uplifts; other potential future costs e.g. Ordinary Residence, CCG funding

All amounts are net of client contributions, joint funding and 3rd party top-ups