

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	21,387	21,807	24,142	2,335	1	2,191	3,025
	- Better Care Funding - Discharge to Assess			Cr 850	Cr 850	2	Cr 850	0
139	Direct Services	160	160	169	9	3	9	0
103	Quality Assurance & Safeguarding	195	195	195	0		0	0
34,198	Learning Disabilities	35,089	35,310	35,900	590	4	762	1,197
	- Management action			Cr 10	Cr 10		Cr 150	Cr 120
6,416	Mental Health	6,554	6,554	7,256	702	5	480	1,270
Cr 677	Better Care Funding - Protection of Social Care	0	0	Cr 619	Cr 619	6	Cr 595	Cr 464
0	Better Care Funding - Additional Pressures	0	0	Cr 900	Cr 900	7	Cr 700	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		64,885	64,344	65,283	939		829	4,590
Programmes								
2,316	Programmes Team	2,552	2,560	2,407	Cr 153	9	Cr 122	0
	Information & Early Intervention							
932	- Net Expenditure	1,148	1,148	1,092	Cr 56	10	Cr 32	0
Cr 932	- Recharge to Better Care Fund (Prot of Soc Care)	Cr 1,148	Cr 1,148	Cr 1,092	56		32	0
	Better Care Fund							
22,377	- Expenditure	21,025	23,957	23,957	0	11	0	0
Cr 22,469	- Income	Cr 21,085	Cr 24,017	Cr 24,017	0		0	0
	Improved Better Care Fund							
8,548	- Expenditure	8,570	11,471	11,471	0	12	0	0
Cr 8,548	- Income	Cr 9,070	Cr 11,471	Cr 11,471	0		0	0
	Health Support for Social Care							
1,100	- Expenditure	0	1,100	1,100	0	13	0	0
Cr 1,100	- Income	0	Cr 1,100	Cr 1,100	0		0	0
2,224		1,992	2,500	2,347	Cr 153		Cr 122	0
Strategy, Performance & Engagement								
355	Learning & Development	382	382	346	Cr 36		0	0
2,091	Strategy, Performance & Engagement	2,386	2,038	1,895	Cr 143		Cr 104	0
2,446		2,768	2,420	2,241	Cr 179	14	Cr 104	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	69,123	69,730	607		603	4,590
1,673	TOTAL NON CONTROLLABLE	1,097	1,097	1,097	0		0	0
2,271	TOTAL EXCLUDED RECHARGES	2,362	2,362	2,362	0		0	0
70,958	TOTAL ADULT CARE & HEALTH PORTFOLIO	72,964	72,582	73,189	607		603	4,590

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

Additional Better Care Fund

- expenditure

659

- income

Cr 659

Items requested this cycle:

Improved Better Care Fund - expenditure

500

Latest Approved Budget for 2019/20

72,582

REASONS FOR VARIATIONS**1. Assessment and Care Management - Dr £2,335k**

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	1,650
- Domiciliary Care / Direct Payments	1,975
	<u>3,625</u>
Services for 18 - 64	
- Placements	671
- Domiciliary Care / Direct Payments	Cr 70
	<u>601</u>
Other	
- Staffing	Cr 261
- Extra Care Housing	Cr 170
- Day Care	Cr 550
- Community DoLS	Cr 658
- D2A	Cr 252
	<u>Cr 1,891</u>
	<u>2,335</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 £3,625k

Since the last report to Members, numbers in residential, nursing care and shared lives placements have increased slightly and continue to be above the budget provision of 414 places, currently by 45 with an overspend being projected of £1,080k for the year. This is a reduction of £115k from the last reported position despite the increase in overall numbers by 4. This would be as a result in fluctuations in costs of individual placements and varying contributions from service users. 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 £570k reported in this area.

The overall position on the domiciliary care and direct payments budgets is a projected overspend of £1,975k, a reduction of £245k from the last reported figure. 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 expected to be achieved 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 £601k

Placements for 18-64 age group are projected to overspend by £435k this year based on current service user numbers which are 10 above the budgeted number of 43, a net increase of 1 since September. The main pressure area relates to clients with a primary support reason (PSR) of Physical Support where the actual number of 34 is 8 above the budget provision, accounting for £419k 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 £236k reported in this area.

The overall position on the domiciliary care and direct payments budgets is an underspend of £70k, a reduction of £44k from the last reported figure. Domiciliary care is currently projected to underspend by £153k and direct payments to overspend by £83k.

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 £170k

Currently all schemes (except Crown Meadow Court) are delivering hours within the minimum allocation, therefore an underspend is currently being projected. This underspend has increased by £45k since the last reported figure. 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 previously reported, 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, which is no change on the previously reported figure.

Community DoLS - Cr £658k

Growth of £750k was added to the budget in 2019/20 to fund provision of a Community DoLS service. A large underspend is expected on this budget as it has proved difficult to recruit to the posts created for the service, with only one appointment being made. This has resulted in both the staffing budget and the budget for assessment's being underspent.

Discharge to Assess (D2A) - Cr £252k

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 £1,198k 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. Changes in the contracts for the provision of this service coming into effect shortly should reduce the costs of the service, but this will not be seen until the new financial year.

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

As referred to in note 1 above, the savings from D2A have not been realised 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 of 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 (LD) - Dr £580k

The 2019/20 Learning Disabilities (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 £580k is currently anticipated after allowing for planned management action, and this is largely the result of the number and cost of new and increased care packages outpacing expected growth.

The projected overspend has broadly remained steady since September budget monitoring. While some care packages and costs have reduced, others have increased and significant demand pressures remain. 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 previous 'invest to save' work. The position will continue to be closely scrutinised for the remainder of this year and going forward into next financial year, with management action taken to mitigate the pressures where possible.

There continues to be an element in the forecast based on assumptions rather than actual data and, although this element is minimised given the late stage in the financial year, the position may change between now and outturn. To avoid overstating projections a 'probability factor' has been applied to 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 and when planned.

The projected overspend on LD Care Management staffing has reduced from £140k (net) in September to £114k. The overspend arises mainly from the use of agency staff covering vacancies and additional staff brought in to undertake review work in the earlier part of the year. Recent action has been taken to address this and, 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 further as the positive impact of the package starts to take effect.

5. Mental Health (MH) - Dr £702k

Similar to Learning Disabilities above, the 2019/20 Mental Health (MH) 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 £702k 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 services and it is suspected that many of the recent new care packages have been misclassified with Mental Health as their primary support reason. It hasn't been possible to fully investigate and clarify this in time for this report but work is underway to ensure this is rectified before the accounts are closed. If this is the case it will significantly reduce the overspend on Mental Health although the change will be cost neutral across the whole of Adult Social Care.

Once suspected misclassifications are excluded, the underlying overspend on MH is in the region of £380k which relates largely to clients with increasingly complex needs increasing our reliance on expensive placements.

6. Better Care Fund (BCF) - Protection of Social Care Cr £619k

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 £619k 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 £900k

Following approval in September budget monitoring, £700k of BCF underspend carried forward from previous years has been allocated to offset additional cost pressures within Adult Social Care. A further £200k is requested this cycle from the additional allocation announced in July (above the previously announced inflationary increase). 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 £153k

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 £56k & Dr £56k

There are inflationary savings on several of the contracts funded from the Information & Early Intervention (I&EI) budget and also a projected underspend on the Primary and Secondary Intervention Services Innovation Fund. Underspends on the Innovation Fund are shared between LBB, Bromley CCG and the Better Care Fund; the LBB share of the anticipated underspend is Cr £19k.

The whole I&EI (net) budget is funded from the element of the Better Care Fund set aside to protect social care services. This £56k 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 (BCF) budgets will be carried forward for spending in future years under the pooled budget arrangement with Bromley CCG.

Initial increases in 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 funding and approval was given last cycle to draw these funds 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 - 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 has been held within the Council's central contingency and it is requested that this be drawn down to be carried forward for spending in future years.

13. Health Support for Social Care - Nil Variation

Approval was given earlier in the year to draw down £1.1m from the Health & Social Care Initiatives Reserve to contribute to Bromley CCG costs of transformation for the 'One Bromley' partnership. A further £900k was agreed for the CCG to contribute towards Children's Social Care placements.

14. Strategy, Performance & Engagement Division - Cr £179k

An underspend of £179k is anticipated on the People Department Strategy, Performance and Engagement Division. This has arisen from part-year vacancies (Cr £111k), underspends on central departmental running expenses (Cr £45k) and other minor variations.

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, 27 Adult placements have been agreed through the brokerage process between £50k and £100k and 18 for placements of more than £100k under delegated authority to the Director of Adult Social Care.

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. No virements have been agreed since the last report to Executive.

APPENDIX 2

Description	2019/20 Latest Approved Budget £'000	Variation To 2019/20 Budget £'000	Potential Impact in 2020/21
Assessment and Care Management	21,807	2,335	The full year effect (FYE) of the current overspend is estimated at Dr £3,025k. Of this amount £2,468k relates to residential and nursing home placements and £2,003k to domiciliary care / direct payments. As mentioned in the budget monitoring notes, 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 December 2019. The FYE is reduced by an underspend in day care costs of £550k, Discharge to Assess costs of £200k and National Living Wage of £318k.
Learning Disabilities - including Care Placements, Transport and Care Management	35,089	580	The FYE is estimated at a net overspend of £1,077k. 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, both in this financial year and going forward into next year, with management action taken to mitigate the pressures where possible. It is currently anticipated that management action in the remainder of this year will deliver £120k of cost reductions in a full year and this is reflected in the FYE net overspend of £1,077k. The FYE overspend has increased since the previous report largely as a result of slippage in the delivery of anticipated cost reductions. It is hoped that these will be achieved early in the new financial year.
Mental Health - Care Placements	6,554	702	There is a full year overspend of £1,270k anticipated on Mental Health (MH) 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. This is not the usual trend for Mental Health services and it is suspected that many of the recent new care packages have been misclassified with Mental Health as their primary support reason. It hasn't been possible to fully investigate and clarify this in time for this report but work is underway to ensure this is rectified before the accounts are closed. If this is the case it will significantly reduce both the in-year and full year effect overspend on Mental Health, although the change will be cost neutral across the whole of Adult Social Care. The full year impact of the misclassification could be as much as £750k. The residual FYE MH overspend can largely be attributed to clients with increasingly complex needs increasing our reliance on expensive placements.

Adult Social Care - Budget Monitoring Summary of Care Packages as at December 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	1,265	Cr 153	103	Cr 147	119
Direct Payments	1,567	1,650	83	149	33	146
Residential/Nursing	1,937	2,243	306	44	148	44
Emergency & Temporary	200	436	236	6	211	6
Supported Living	195	271	76	5	76	5
Shared Lives	0	54	54	4	52	4
	5,317	5,919	602	311	373	324
65+						
Domiciliary Care	3,010	5,000	1,990	789	2,105	821
Direct Payments	935	1,008	73	98	115	103
Extra Care Housing	2,750	2,580	Cr 170	218	Cr 125	218
Residential/Nursing	10,662	11,792	1,130	453	1,161	450
Emergency & Temporary	508	1,078	570	47	332	45
Shared Lives	0	23	23	2	34	2
	17,865	21,481	3,616	1,607	3,622	1,639
<u>Learning Disabilities</u>						
Domiciliary Care	1,516	1,448	Cr 68	76	Cr 4	74
Direct Payments	3,500	3,617	117	166	222	166
Supported Living	11,254	11,392	138	219	Cr 210	219
Residential/Nursing	14,684	14,774	90	207	93	207
Shared Lives/Day Care	825	928	103	76	119	77
Former In-House Services	3,894	3,967	73	*	0	*
Assumptions (Net)		Cr 53	Cr 53	1	192	23
	35,673	36,073	400	745	412	766
<u>Mental Health</u>						
Domiciliary Care	518	564	46	100	32	100
Direct Payments	113	108	Cr 5	6	Cr 5	6
Supported Living	599	533	Cr 66	20	Cr 49	20
Residential/Nursing	3,572	4,421	849	128	626	123
Assumptions (Net)		Cr 66	Cr 66	1	Cr 84	1
	4,802	5,560	758	255	520	250
<u>All Primary Support Reasons</u>						
Domiciliary Care	6,462	8,277	1,815	1,068	1,986	1,114
Direct Payments	6,115	6,383	268	419	365	421
Extra Care Housing	2,750	2,580	Cr 170	218	Cr 125	218
Supported Living	12,048	12,196	148	244	Cr 183	244
Residential/Nursing	30,855	33,230	2,375	832	2,028	824
Shared Lives/Day Care	825	1,005	180	82	205	83
Former In-House Services	3,894	3,967	73	*	0	*
Assumptions (Net)	0	Cr 119	Cr 119	2	108	24
	62,949	67,519	4,570	2,865	4,384	2,928

* 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: 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