

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 Tuesday 30th June 2020

Decision Type: Non-Urgent Executive Non-Key

Title: FINAL OUTTURN REPORT 2019/20

Contact Officer: James Mullender, Head of Finance, Adults, Health & Housing
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Chief Officer: Director of Adult Social Care

Ward: All Wards

1. Reason for report

- 1.1 This report provides details of the final outturn position for 2019/20 for the Adult Care and Health Portfolio.
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2. RECOMMENDATION(S)

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

- i) Note the net overspend of £179k on controllable expenditure at the end of 2019/20 and consider any issues arising from it.

2.2 The Adult Care and Health Portfolio Holder is requested to:

- i) Endorse the 2019/20 final outturn position for the Adult Care and Health Portfolio.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None directly arising from this report
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Corporate Policy

1. Policy Status: Existing Policy: Sound financial management
 2. BBB Priority: Excellent Council, Supporting Independence, Healthy Bromley
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: AC&H Portfolio Budgets
 4. Total current budget for this head: £71.6m
 5. Source of funding: AC&H approved budget
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Personnel

1. Number of staff (current and additional): 367 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: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000 and the Local Government Act 2002
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications: Not Applicable
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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:

3. COMMENTARY

- 3.1 This report provides the final outturn position for the Adult Care and Health Portfolio for 2019/20, which is broken down in detail in Appendix 1, along with explanatory notes.
- 3.2 The final outturn for the “controllable” element of the Adult Care and Health budget in 2019/20 is a net overspend of £179k compared to the last reported figure of a net overspend of £607k which was based on activity at the end of December 2019.

Summary of Major Variations

- 3.3 The main variations comprising the £179k net overspend are summarised in the table below:

	£'000
Adult Social Care (mainly placements and DomCare, partly offset by staffing, day care, transport, CDoLS and ECH)	3,189
Better Care Fund (D2A, Protection of Social Care & Additional Pressures)	Cr 2,519
	<u>670</u>
Programmes (mainly staffing)	Cr 184
Strategy, Performance & Engagement (mainly staffing and running expenses)	Cr 307
	<u><u>179</u></u>

Public Health

- 3.4 Public Health underspent by £358k in year in 2019/20. As part of the 2019/20 budget it was agreed that £603k funding from the Public Health reserve would be used to fund the Health Support to Schools contract. The underspend means that only £245k was required from the reserve in 2019/20. The balance on the Public Health reserve now stands at £1,534k, which can be used in future years for Public Health activities. Further details are given in Appendix 2.

Full Year Effect

- 3.5 The cost pressures identified in this report are projected to impact in 2020/21 by £4,711k. Growth of £4,017k has been included in the 2020/21 budget (excluding the fall-out of non-recurrent IBCF and Health Support to Schools); however this includes an element of future pressures such as the increase in National Living Wage (£1m).
- 3.6 Given the significant financial savings that the Council will need to make over the next four years, it is important that all future cost pressures are contained and that savings are identified early to mitigate these pressures. Further details are contained within Appendix 3.

Carry Forward Requests

- 3.7 On the 27th May 2020 the Executive, Resources and Contracts PDS Committee recommended that the Leader approve a number of carry forward requests relating to either unspent grant income, or delays in expenditure where cost pressures will follow through into 2020/21.
- 3.8 Appendix 2 provides a detailed breakdown of all of the carry forward requests for Adult Care & Health Portfolio. The carry forwards included in section 1 will have repayment implications if not approved, and those in section 2 relate to grants which will not have to be repaid if not agreed

but will impact on service delivery in 2020/21. Future reports to the Portfolio Holder will be required to approve their release from the 2020/21 Central Contingency.

Comments from the Director of Adult Social Care

- 3.9 Pressure has continued over this period with the acute hospital remaining under significant pressure over the period post Christmas and beyond. However the council has continued to minimise the impact on Delayed Transfers of Care, with the flow of patients out of hospital being maintained.
- 3.10 As with the last reporting period the overall number of older people receiving support has increased very minimally, however the complexity of need has increased, meaning that we have continued having to pay increased fees for care. Work has continued to minimise the risk of this by working with the care home sector to stabilise care provision and fulfil our duty to manage the market. The correct coding of older people with mental health needs into this budget line has also had an impact, with the subsequent decrease in the mental health budget showing.
- 3.11 The Plans that were put in place with health to ensure that we could respond appropriately to the increased pressure during the winter months have proved effective and where appropriate these have continued.
- 3.12 Plans put in place to bring spend back under control continue to be monitored on a fortnightly basis through both the Leadership Team and the Transformation Board. Senior managers are taking this issue very seriously and are evidencing a better understanding of the underlying system issues that impact on both spend and performance. The current actions are beginning to show results, particularly in the Learning Disability budget lines. Further actions are being developed to manage demand into future years.
- 3.13 Work has continued to reduce the reliance on agency staff with an improvement in the percentage of front line staff who are in permanent roles at the front line to 81%. The newly appointed Assistant Director of Joint Commissioning commenced in post on 6th April 2020 as planned.

4. POLICY IMPLICATIONS

- 4.1 The “Building a Better Bromley” objective of being an Excellent Council refers to the Council’s intention to ensure good strategic financial management and robust discipline to deliver within our budgets.
- 4.2 The “2019/20 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2020/21 to minimise the risk of compounding financial pressures in future years.
- 4.4 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.

5. FINANCIAL IMPLICATIONS

- 5.1 The financial implications are included in the body of the report. A detailed breakdown of the projected outturn by service area is shown in appendix 1A with explanatory notes in appendix 1B. Appendix 2 outlines the requested carry forwards to 2020/21. Appendix 3 shows the latest full year effects and Appendix 4 gives the analysis of the latest approved budget.
- 5.2 Costs attributable to individual services have been classified as “controllable” and “non-controllable” in Appendix 1. Budget holders have full responsibility for those budgets classified

as “controllable” as any variations relate to those factors over which the budget holder has, in general, direct control.

- 5.3 “Non-controllable” budgets are those which are managed outside of individual budget holder’s service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include, for example, building maintenance costs and property rents which are managed by the Property Division but are allocated within individual departmental/portfolio budgets to reflect the full cost of the service. As such, any variations arising are shown as “non-controllable” within services but “controllable” within the Resources, Commissioning and Contracts Management Portfolio. Other examples include cross departmental recharges and capital financing costs.
- 5.4 This approach, which is reflected in financial monitoring reports to budget holders, should ensure clearer accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the “controllable” budget variations relating to portfolios in considering financial performance.

Non-Applicable Sections:	Legal, Personnel and Procurement Implications
Background Documents: (Access via Contact Officer)	2019/20 Budget Monitoring files in ECHS Finance Section