

Adult Care and Health Portfolio Final Outturn Summary

2018/19 Actuals £'000	Division Service Areas	2019/20 Original Budget £'000	2019/20 Final Approved £'000	2019/20 Provisional 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	21,390	23,910	2,520	1	2,335	2,857
	- Better Care Funding - Discharge to Assess			Cr 850	Cr 850	2	Cr 850	0
139	Direct Services	160	160	120	Cr 40	3	9	0
103	Quality Assurance & Safeguarding	195	304	323	19	4	0	0
34,198	Learning Disabilities	35,089	35,582	36,120	538	5	590	1,713
	- Management action			0	0		Cr 10	0
6,416	Mental Health	6,554	6,581	7,051	470	6	702	923
Cr 677	Better Care Funding - Protection of Social Care	0	0	Cr 770	Cr 770	7	Cr 619	Cr 464
0	Better Care Funding - Additional Pressures	0	0	Cr 900	Cr 900	8	Cr 900	0
Cr 1,190	Winter Pressures Grant	0	0	0	0		0	0
	National Living Wage	1,500	318	0	Cr 318	9	Cr 318	Cr 318
62,288		64,885	64,335	65,004	669		939	4,711
	Programmes							
2,316	Programmes Team	2,552	2,538	2,354	Cr 184	10	Cr 153	0
	Information & Early Intervention							
932	- Net Expenditure	1,148	1,148	1,049	Cr 99	11	Cr 56	0
Cr 932	- Recharge to Better Care Fund (Prot of Soc Care)	Cr 1,148	Cr 1,148	Cr 1,049	99		56	0
	Better Care Fund							
22,377	- Expenditure	21,025	23,957	23,764	Cr 193	12	0	0
Cr 22,469	- Income	Cr 21,085	Cr 24,017	Cr 23,823	194		0	0
	Improved Better Care Fund							
8,548	- Expenditure	8,570	11,471	11,471	0	13	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	3,593	3,593	0	14	0	0
Cr 1,100	- Income	0	Cr 3,593	Cr 3,593	0		0	0
2,224		1,992	2,478	2,295	Cr 183		Cr 153	0
	Strategy, Performance & Engagement							
355	Learning & Development	382	383	288	Cr 95		Cr 36	0
2,091	Strategy, Performance & Engagement	2,386	2,044	1,832	Cr 212		Cr 143	0
2,446		2,768	2,427	2,120	Cr 307	15	Cr 179	0
	Public Health							
14,764	Public Health	14,180	14,181	14,181	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 139	Cr 139	0		0	0
67,014	TOTAL CONTROLLABLE ADULT CARE & HEALTH	69,505	69,101	69,280	179		607	4,711
1,673	TOTAL NON CONTROLLABLE	1,097	Cr 912	Cr 912	0		0	0
2,271	TOTAL EXCLUDED RECHARGES	2,362	3,454	3,454	0		0	0
70,958	TOTAL ADULT CARE & HEALTH PORTFOLIO	72,964	71,643	71,822	179		607	4,711

REASONS FOR VARIATIONS**1. Assessment and Care Management - Dr £2,520k**

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	924
- Domiciliary Care / Direct Payments	<u>2,063</u>
	2,987
Services for 18 - 64	
- Placements	804
- Domiciliary Care / Direct Payments	<u>Cr 189</u>
	615
Other	
- Staffing	Cr 223
- Extra Care Housing	Cr 329
- Day Care	Cr 590
- Community DoLS	Cr 703
- D2A	Cr 272
- Credit Loss Allowance	1,289
- Other	<u>Cr 254</u>
	<u>Cr 1,082</u>
	<u>2,520</u>

The 2019/20 budget included 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 £2,987k

Since the last report to Members, numbers in residential, nursing care and shared lives placements have reduced slightly but continue to be above the budget provision of 414 places, currently by 32 with a final overspend of £471k for the year. 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 final overspend of £509k reported in this area, a reduction of £61k from last reported, whilst respite care placements underspent by £56k.

The overall position on the domiciliary care and direct payments budgets is a final overspend of £2,063k, an increase of £88k from the last reported figure. Contributing largely to this overspend were the savings that were 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 £615k

Placements for 18-64 age group have ended the year with an overspend of £580k, an increase of £145k since last reported. The actual number of service user's was 55 which is 12 above the budgeted number of 43. 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 £433k of the overspend.

In addition to permanent placements, the numbers in temporary and emergency placements are higher than the budget provision, with a final overspend of £233k reported in this area, whilst respite care placements underspent by £9k.

The final position on the domiciliary care and direct payments budgets is an underspend of £189k, a reduction of £119k from the last reported figure.

Staffing - Cr £223k

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 an underspend of £223k on the staffing budget.

Extra Care Housing - Cr £329k

During the year 5 of the 6 schemes (except Crown Meadow Court) were delivering hours within the minimum allocation, therefore resulting in a projected underspend. At the end of the year this trend continued, which together with a lower than expected cost of void payments, has led to an increased final underspend (an increase of £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 £590k

Day Care services continued to show reduced use of the service during the year 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 final underspend of £590k, which is an increase of £40k on the previously reported figure.

Community DoLS - Cr £703k

Growth of £750k was added to the budget in 2019/20 to fund provision of a Community DoLS service. A large underspend has occurred 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 £272k

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 cost £1,178k 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 (i.e. placements or domiciliary care/direct payments), so are already included in the final outturns shown above.

Credit Loss Allowance - Dr £1,289k

The provision for possible bad debts relating to invoices raised by the department (now known as Credit loss Allowance) is recalculated on an annual basis, taking account of the latest debt levels and assumptions around the recoverability of various types of debt and the age of the debt. As a result of this the provision has been increased to ensure the provision is sufficient to cover the level of debts likely to be unpaid.

Other - Cr £254k

Other underspends in the division include:

- services for people with visual and hearing impairments - Cr £145k
- income from deferred payments scheme from charges and interest Cr £46k
- adult transport services - Cr £43k

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 - Cr £41k

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 £193k. 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 £133k. 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 underspend on management staffing costs of £14k due to a current vacancy.

The Carelink service has outturned with an underspend of £27k. There were underspends in staffing (£13k), transport (£15k), supplies and services (£23k), and the contract for call monitoring (£8k). This was offset by a reduction in income from users of the service of £32k, partly due to increased competition from competitors.

4. Quality Assurance & Safeguarding - Dr £19k

The overspend in this area relates to Staffing.

5. Learning Disabilities (LD) - Dr £538k

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, the outturn position is an overspend of £538k, a small reduction from the £580k reported in quarter 3. The overspend is largely the result of the number and cost of new and increased care packages outpacing expected growth.

The projected, and now final, year-end overspend position has broadly remained steady in net terms throughout the year. 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.

To deliver a balanced budget position in 2019/20 the successful management of continued demand pressures, rigorous gatekeeping and also delivery of 'tail-end' savings from the previous 'invest to save' work were required. This has not been possible, hence the £538k overspend, and the position will continue to be closely scrutinised going forward into next financial year, with management action taken to mitigate the pressures where possible.

Current indications are that there will be increasing pressures next year, with the full year effect overspend increasing to £1,713k. The increase is largely as a result of both slippage in the delivery of anticipated cost reductions and a number of new and increased high cost packages agreed in the latter part of the year. While these have a relatively small financial impact in 2019/20 there is a far greater effect in a full year.

The overspend on LD Care Management staffing has reduced from £114k (net) in December to £57k. 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, cost pressures arising from agency staff are reducing as the positive impact of the package starts to take effect.

6. Mental Health (MH) - Dr £470k

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.

The final outturn position is an overspend of £470k compared to £702k reported in quarter 3. Many of the Primary Support Reason (PSR) misclassifications referred to in the previous report have now been corrected and this is the reason for the reduction. It is suspected that some misclassifications still remain but the residual overspend can now largely be attributed to correctly classified Mental Health clients. Clients with increasingly complex needs are increasing our reliance on expensive placements and there have been fewer care packages reducing or ending as clients move forward to independence.

7. Better Care Fund (BCF) - Protection of Social Care Cr £770k

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 underspent by £770k in 2019/20 and this has been used to offset other budget pressures within social care in line with the intentions of the funding.

8. 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 was approved in the December cycle from the additional allocation announced in July (above inflation assumptions). The use of this funding has been agreed with Bromley Clinical Commissioning Group.

9. National Living Wage - Cr £318k

An amount of £1,500k was allocated in the 2019/20 budget for the impact of National Living Wage, of which £318k was not required.

10. Programmes Team - Cr £184k

The underspend relates mainly to part-year vacancies across the Programmes teams and is slightly higher than the anticipated position reported in quarter 3. The majority of posts are now filled and the current vacancy level is lower than in recent months.

11. Information & Early Intervention - Cr £99k & Dr £99k

There are inflationary savings on several of the contracts funded from the Information & Early Intervention (I&EI) budget and also an underspend on the Primary and Secondary Intervention Services Innovation Fund. Underspends on the Innovation Fund are shared between LBB, Bromley Clinical Commissioning Group and the Better Care Fund; the LBB share of the underspend is Cr £53k.

The whole I&EI (net) budget is funded from the element of the Better Care Fund set aside to protect social care services. This £99k underspend has therefore been used to offset other budget pressures within social care in line with the intentions of the funding.

12. Better Care Fund (BCF) - Dr £1k (Net)

Other than variations on the protection of social care element, any underspends on Better Care Fund (BCF) budgets are carried forward for spending in future years under the pooled budget arrangement with Bromley Clinical Commissioning Group. The net variation of Dr £1k is offset by a corresponding Cr £1k variation on BCF non-controllable budgets.

The income variation relates to an underspend of £70k on 2019/20 BCF (to be carried forward to 2020/21) and £124k lower than budgeted contribution from previous years funding. This is fully offset by an equivalent underspend on expenditure (when non-controllable budgets are taken into account).

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 in the September cycle to draw these funds down in order for them to be utilised against new and existing BCF funded schemes.

13. 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

There was a degree of slippage in 2017/18, the first year of IBCF, partly because allocations were agreed relatively late in the financial year and this has had a knock on effect in the remaining years of the programme resulting in underspends totalling £2,766k. In line with the original IBCF report to the Executive in October 2017, underspends can be carried forward to support expenditure in future years, hence a nil variance in 2019/20, and future spending commitments are in place. These commitments include a contribution of £1.5m to fund Adult Social Care pressures in 2020/21.

14. 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 Clinical Commissioning Group (CCG) costs of transformation for the 'One Bromley' partnership. More recently, contributions from the CCG have been agreed to a Health and Social Care Transformation Fund (£1.5m) and a Health Facilities Fund (£993k).

15. Strategy, Performance & Engagement Division - Cr £307k

There is an underspend of £307k on the People Department Strategy, Performance and Engagement Division. This has arisen from part-year staffing vacancies that are partly offset by recharges to capital to give a net underspend of £202k. The remaining central departmental running expenses were underspent by £92k along with some other minor underspends of £13k.

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, 9 Adult placements have been agreed through the brokerage process between £50k and £100k and 6 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.

Carry Forwards from 2019/20 to 2020/21 - Adult Care & Health Portfolio**MEMBERS' APPROVAL REQUIRED****Grants with Explicit Right of Repayment****ADULT CARE AND HEALTH PORTFOLIO**

1 Better Care Fund (BCF)	70,328
Bromley's Better Care Fund (BCF) allocation for 2019/20 was £21,701k. Some areas within BCF, including those for reablement and resilience, were not fully spent by 31st March 2020 and, under the pooled budget arrangement with Bromley CCG, underspends are carried forward for spending on BCF activities in 2020/21. This funding will be allocated to agreed projects together with new BCF funding for 2020/21.	
Total Expenditure to be Carried Forward	70,328
Total Grant Income	-70,328

Grants with no Explicit Right of Repayment**ADULT CARE AND HEALTH PORTFOLIO**

2 Improved Better Care Fund (IBCF)	2,765,753
A total of £10,280k Improved Better Care Funding (IBCF) was available for spending in 2019/20 (excluding Winter Pressures Grant), which comprised both 2019/20 grants and an amount brought forward from 2018/19. There was a degree of slippage in 2017/18, the first year of IBCF, partly because allocations were agreed relatively late in the financial year and this has had a knock on effect in the remaining years of the programme resulting in underspends totalling £2,766k. In line with the original IBCF report to the Executive in October 2017, underspends can be carried forward to support expenditure in future years and spending commitments are in place in 2020/21. These commitments include a contribution of £1.5m to fund Adult Social Care pressures in 2020/21.	
3 Public Health Grant	1,534,074
The Public Health Grant underspent as follows: £141k in 2014/15 £152k in 2015/16 £330k in 2016/17 £395k in 2017/18 £761k in 2018/19 This total balance of £1,779k was carried forward to 2019/20 to fund public health initiatives as per the terms of the grant. Of this amount, £245k was used as part of a £603k contribution to School Nursing as agreed as part of the 2019/20 budget. The balance of the £603k was funded by a £358k underspend in year. The cumulative balance is requested to be carried forward to fund public health initiatives in future years, including the contract for health support to school age children which was reported to the Executive in November 2018.	
Total Expenditure to be Carried Forward	4,299,827
Total Grant Income	-4,299,827

OTHER CARRY FORWARD REQUESTS**ADULT CARE AND HEALTH PORTFOLIO**

4 Learning and Development Funding to fund training for Adult Social Care (ASC) staff	10,000
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Proposals have been developed to engage an external provider to offer strengths based approaches training to ASC staff. £10,000 was set aside from the budget together with a further £22,000 set aside from the transformation reserve approved by the Chief Executive.

The original plan was to start delivery as early as possible in 2020 and deliver most of the training in the 19/20 financial year. Procurement advice was taken and this proposed a competitive process in the form of a request for quotes from selected providers. The procurement timetable in the invitation to tender would have allowed for the use of learning and development funding in the 19/20 year but the procurement slipped due to the need for clarification questions of the selected provider. The offer letter was sent to the successful provider on the 17th March meaning there is was no realistic prospect of any delivery in the 19/20 year.

In order to ensure we can fund the full training programme in the 20/21 year the request is to carry over the £10,000 of learning and development funding from 19/20 to 20/21. The balance of funding for this training from the transformation reserve remains available across the financial years.

Total Other	10,000
TOTAL NET CARRY FORWARD TO 2020/21	10,000

Description	2019/20 Approved Budget £'000	Variation To 2019/20 Budget £'000	Potential Impact in 2020/21
Assessment and Care Management	21,709	2,202	The full year effect (FYE) of the final overspend is estimated at Dr £2,075k. Of this amount Dr £1,787k relates to residential and nursing home placements and Dr £1,820k 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 March 2020. Day care costs have a FYE underspend of £550k, Discharge to Assess costs of £200k and National Living Wage of £318k. Underspends in other areas funded by the Better Care Fund Protection of Social Care element which can be used to offset overspends elsewhere amount to Cr £464k.
Learning Disabilities - including Care Placements, Transport and Care Management	35,582	538	The FYE is estimated at a net overspend of £1,713k. Anticipated 2019/20 growth and pressures from 2018/19 were both fully funded in the 2019/20 budget so this pressure is in excess of 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 going forward into 2020/21, with management action taken to mitigate the pressures where possible. The FYE overspend has increased since the previous report largely as a result of both slippage in the delivery of anticipated cost reductions and a number of new and increased high cost packages agreed in the latter part of the year. While these have a relatively small financial impact in 2019/20 there is a far greater effect in a full year.
Mental Health - Care Placements	6,581	470	There is a full year overspend of £923k 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. Many of the Primary Support Reason (PSR) misclassifications referred to in the previous report have now been corrected although it is suspected a few still remain. However the majority of this full year pressure can now be attributed to correctly classified Mental Health clients. Clients with increasingly complex needs are increasing our reliance on expensive placements and there have been fewer care packages reducing or ending as clients move forward to independence.

Adult Care and Health Portfolio Final Outturn

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
Improved Better Care Fund - expenditure	500
Merit awards	49
Memorandum Items:	
Capital Charges	Cr 3,737
Insurance	139
Repairs & Maintenance	Cr 159
IAS19 (FRS17)	1,677
Excluded Recharges	1,092
Latest Approved Budget for 2019/20	<u><u>71,643</u></u>