

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 24th November 2020

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2020/21

Contact Officer: James Mullender, Head of Finance, Adults, Health & Housing
Tel: 020 8313 4196 E-mail: James.Mullender@bromley.gov.uk

Chief Officer: Director of Adult Social Care

Ward: All Wards

1. Reason for report

- 1.1 This report provides the budget monitoring position for 2020/21 for the Adult Care and Health Portfolio based on activity up to the end of September 2020.
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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 £679k on controllable expenditure (excluding the impact of COVID-19), based on information as at September 2020;
- ii) Note the full year effect cost pressures of £4,362k in 2020/21 as set out in section 3.5;
- iii) Note the comments of the Director of Adult Social Care in section 3.8; and
- iv) Refer the report to the Portfolio Holder for approval.

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

- i) Note the projected overspend of £679k on controllable expenditure (excluding the impact of COVID-19), based on information as at September 2020; and
- ii) Agree the release of amounts carried forward from 2019/20 as set out in section 3.7.

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: £69.4m
 5. Source of funding: AC&H approved budget
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Personnel

1. Number of staff (current and additional): 330 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 2020/21 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 The 2020/21 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 a projected overspend of £679k on the controllable budget, and some of the main variances are highlighted below. This excludes the impact of COVID-19, as set out in section 3.6.

3.2 Senior officers meet on a regular basis to scrutinise and challenge the expenditure position and formulate management action to address any issues.

3.3 Adult Social Care

3.3.1 Overall the position for Adult Social Care is a projected £682k overspend. The main reasons for this are:

Assessment and Care Management - £383k underspend

3.3.2 Assessment and Care Management is currently estimated to underspend by £383k. This is mainly due to overspends on Placements and Domiciliary Care/Direct Payments, offset by projected underspends on the costs of Day Care, Transport, Extra Care Housing and Community DoLS.

3.3.3 It should be noted that the projections assume that £267k of further savings will be delivered in the remainder of the year.

Learning Disabilities - £392k overspend

3.3.4 The overspend in Learning Disabilities is currently projected to be £202k. This is based on actual information received on placements, with a particularly high level of young people transitioning from Children's Services. Similar to Assessment & Care Management above, these figures assume further savings of £201k will be delivered in the remainder of the year.

Mental Health - £707k overspend

3.3.5 Projected spend on mental health placements is an overspend of £413k, mainly as a result of the full year effect of 2019/20 spend being higher than the growth included in the 2020/21 budget, as well as further new or increased care packages.

3.4 Public Health

3.4.1 The current variation in Public Health is a net nil. There is a projected in year overspend of £382k, mainly due to savings not yet being fully identified to offset the reduction in grant from 2019/20. If this is unable to be addressed during the year, the overspend at year-end can be funded from Public Health grant underspends carried forward from previous years, which currently total £1,534k, as set out in paragraph 3.7.3.

3.5 FULL YEAR EFFECT GOING INTO 2020/21

3.5.1 The cost pressures identified in sections 3.3 and 3.4 above are projected to impact in 2021/22 by £4,362k. Further net growth of £2,551k for Adult Social Care has been assumed in the financial forecast; however, given the Council's "budget gap", which is projected to increase to around £17m by 2023/24, these growth items are currently unfunded.

3.6 IMPACT OF COVID-19

- 3.6.1 The figures above and shown in the appendices all exclude the financial impact of the COVID-19 pandemic. Based on figures submitted to MHCLG in September 2020, the impact on Adult Care & Health Portfolio budgets could potentially be around £11m.
- 3.6.2 Further details are included in the Council-wide Budget Monitoring report that was scrutinised by the Executive, Resources and Contracts PDS Committee on 18th November.
- 3.6.3 The impact of COVID-19 will be closely monitored throughout the year and further updates will be included in future budget monitoring reports.

3.7 AGREEMENT TO RELEASE OF AMOUNTS CARRIED FORWARD FROM 2019/20 BY THE PORTFOLIO HOLDER

Better Care Fund – Dr £70k & Cr £70k

- 3.7.1 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.

Improved Better Care Fund (IBCF) - Dr £2,766k & Cr £2,766k

- 3.7.2 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.

Public Health Grant - Dr £1,534k & Cr £1,534k

- 3.7.3 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 has been 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.

- 3.7.4 It is requested that the Portfolio Holder agree to release the three items of funding above.

3.8 COMMENTS FROM THE DIRECTOR OF ADULT SOCIAL CARE

- 3.8.1 The first six months of the financial year have continued to be challenging for adult social care as we continue to deal with the Coronavirus pandemic. Staff have continued to largely work remotely, and we have seen continued increases in demand to discharge patients from acute settings, increased requests for support from providers of care as their costs increase and a number of services have remained closed due to safety issues.
- 3.8.2 Relationships with partners have continued to be strong and we have taken the learning from the first three months of the pandemic and embedded this in our practice. Health have continued to fund discharge arrangements for the first six weeks post discharge, and indications are that this will continue to the end of the financial year. However we continue to see an increase in the numbers of people who were previously unknown to the council prior to admission and who need ongoing support post their period of recovery.
- 3.8.3 All statutory duties have continued to be delivered and staff have found alternative ways of supporting individuals where they have been unable to access their normal services.
- 3.8.4 The Department has facilitated the transfer of all available Government Grants to providers and keeps in regular contact with providers to monitor the impact of the pandemic on their staffing and financial levels. This will continue as we enter into the busy winter months.
- 3.8.5 Where appropriate additional spend will continue to be reported against the Covid-19 expenditure line to minimise the impact on mainstream budgets.
- 3.8.6 Work continues to deliver savings identified through the Transformation programme and progress is monitored on a monthly basis.

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 “2020/21 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.
- 4.3 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 A detailed breakdown of the projected outturn by service area is shown in appendix 1A with explanatory notes in appendix 1B. Appendix 2 shows the latest full year effects. Other financial implications are contained in the body of this report and Appendix 1B provides more detailed notes on the major services.
- 5.2 Overall the current overspend position stands at £679k (£4,262k overspend full year effect). The majority of the full year effect has been included as growth in the financial forecast; however due to the Council’s “budget-gap”, this is currently unfunded.
- 5.3 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. “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 Portfolio. Other examples include cross departmental recharges and capital financing costs. 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)	2020/21 Budget Monitoring files in ECHS Finance Section