

**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 Wednesday 17<sup>th</sup> March 2021

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** BUDGET MONITORING 2020/21

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

**Ward:** All Wards

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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 December 2020.
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2. RECOMMENDATION(S)

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

- i) Note the projected net underspend of £591k on controllable expenditure (excluding the impact of COVID-19), based on information as at December 2020;
- ii) Note the full year effect cost pressures of £4,809k in 2021/22 as set out in section 3.5;
- iii) Note the comments of the Director of Adult Social Care in section 3.7; 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 net underspend of £591k on controllable expenditure (excluding the impact of COVID-19), based on information as at December 2020.

### 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: £69.1m
  5. Source of funding: AC&H approved budget
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### Personnel

1. Number of staff (current and additional): 335 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 net underspend of £591k 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 £559k underspend. The main reasons for this are:

##### Assessment and Care Management - £230k underspend

3.3.2 Assessment and Care Management is currently estimated to underspend by £230k. 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, Community DoLS and Discharge to Assess.

##### Learning Disabilities - £79k overspend

3.3.3 The overspend in Learning Disabilities is currently projected to be £79k. This is based on actual information received on placements, with a particularly high level of young people transitioning from Children's Services, partly offset by reduced levels of spend as a result of COVID-19, for example day services and transport.

##### Mental Health - £437k overspend

3.3.4 Projected spend on mental health placements is an overspend of £437k, 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.

##### CCG Support for Social Care - £535k underspend

3.3.5 In November 2020, South East London CCG confirmed they had allocated a total of £3m one-off financial support to the six local authorities to help maintain a robust social care offer over the remainder of the financial year, with Bromley allocated £535k. This funding helps to offset some of the additional care packages during the pandemic which are mainly detailed in note 1 of appendix 1A.

#### **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 £164k, 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.

#### **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 £4,809k. Further net growth of £4,020k for Adult Social Care has been included in the 2021/22 budget which was approved by Council on 1<sup>st</sup> March 2021.

### **3.6 IMPACT OF COVID-19**

- 3.6.1 The figures above and shown in the appendices generally exclude the financial impact of the COVID-19 pandemic. Based on figures submitted to MHCLG in January 2021, the impact on Adult Care & Health Portfolio budgets could potentially be around £16.0m, of which approximately £13.4m is funded from government grants and NHS funding for hospital discharges.
- 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 24<sup>th</sup> March 2021.
- 3.6.3 The impact of COVID-19 will be closely monitored throughout the year and further updates will be included in the 2020/21 final outturn report and future 2021/22 budget monitoring reports.

### **3.7 COMMENTS FROM THE DIRECTOR OF ADULT SOCIAL CARE**

- 3.7.1 Staff within social care have continued to largely work remotely as we have continued to respond to the Coronavirus pandemic. Demand for assessments resulting in support have continued to increase and we have kept pace with the increase in demand to discharge patients from acute settings. However, our overall spend has reduced, sadly due to the impact of Covid on a number of our most vulnerable service users.
- 3.7.2 We have continued to provide support to providers of care in order to assist them with maintaining safe services.
- 3.7.3 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.
- 3.7.4 Relationships with partners have gone from strength to strength and we have jointly used the learning from the pandemic and embedded this in our practice and forward planning. Health have continued to fund discharge arrangements for the first six weeks post discharge, and this will continue to the end of the financial year. We are currently jointly working to find a sustainable way of funding any new arrangements.
- 3.7.5 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. The effects of Long Covid are becoming more evident as people are needing support for longer. We are currently modelling the financial impact of this.
- 3.7.6 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 has ensured sufficient supply of services through the busy winter months.
- 3.7.7 Where appropriate additional spend will continue to be reported against the Covid-19 expenditure line to minimise the impact on mainstream budgets.
- 3.7.8 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 net underspend position stands at £591k (£4,809k overspend full year effect). A total of £4,362k funding for the full year effect has been included as growth in the 2021/22 budget.
- 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.

<b>Non-Applicable Sections:</b>	Legal, Personnel and Procurement Implications
Background Documents: (Access via Contact Officer)	2020/21 Budget Monitoring files in ECHS Finance Section