

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 Thursday 23rd November 2021

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2021/22

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 the budget monitoring position for 2021/22 for the Adult Care and Health Portfolio based on activity up to the end of September 2021.
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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 £225k on controllable expenditure based on information as at September 2021;
- ii) Note the full year effect cost pressures of £4,491k in 2022/23 as set out in section 3.4;
- iii) Note the comments of the Director of Adult Social Care in section 3.5; 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 £225k on controllable expenditure based on information as at September 2021.

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. MBEB Priority: For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices. To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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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: £74.2m
 5. Source of funding: AC&H approved budget
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Personnel

1. Number of staff (current and additional): 347 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 2021/22 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 2021/22 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 £225k on the controllable budget, and some of the main variances are highlighted below.

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 £225k overspend. The main reasons for this are:

Assessment and Care Management - £1,112k overspend

3.3.2 Assessment and Care Management is currently estimated to overspend by £1,112k. This is mainly due to a significant overspend on Placements, partly offset by projected underspends and Domiciliary Care/Direct Payments, Day Care, Transport, Extra Care Housing, D2A and Community DoLS.

Learning Disabilities - £285k overspend

3.3.3 The overspend in Learning Disabilities is currently projected to be £285k, mainly due to pressures from new and increased care packages. These figures assume the remaining savings of £1m will be delivered during the rest of the year.

Mental Health - £69k underspend

3.3.4 Projected spend on mental health placements is an underspend of £69k, mainly as a result of the full year effect of 2020/21 spend being lower than the growth included in the 2021/22 budget.

COVID grant - £1,000k credit

3.3.5 £1,000k of COVID grant funding from the un-ringfenced Contain Outbreak Management Fund has been legitimately allocated to offset much of the pressures above. Details of the use of COVID grant funding was reported to the Executive, Resources and Contracts PDS Committee in October 2021 with further details due to be included in the Council-wide budget monitoring report to Executive in November 2021.

3.4 FULL YEAR EFFECT GOING INTO 2022/23

3.4.1 The cost pressures identified in sections 3.3 and 3.4 above are projected to impact in 2022/23 by £4,491k as detailed in Appendix 2.

3.5 COMMENTS FROM THE DIRECTOR OF ADULT SOCIAL CARE

3.5.1 Demand for assessments resulting in support have continued to increase as people become more confident in getting back to 'normal' life. The SPA has kept pace with the increase in demand to discharge patients from acute settings. Keeping pace with demand will remain a challenge as health partners seek to deal with the backlog of admissions and their waiting lists, as well as the expected seasonal increase in activity. Continued funding from health to support discharge has been confirmed to the financial year end; this is currently expected to cover the cost of these packages.

- 3.5.2 A further tranche of Infection Control and Testing funding to support providers of care has been released and this will be distributed in line with national guidelines. Whilst this will not impact on the adults budget it will provide direct additional support to care providers.
- 3.5.3 Relationships with partners have continued to be strong and we have jointly used the learning from the pandemic and embedded this in our practice and forward planning.
- 3.5.4 We continue to focus efforts in the process of hospital discharge to avoid placements through support plans that focus on support at home and promoting independence and by careful development of the Trusted Assessor arrangements.
- 3.5.5 The Department is closely monitoring the numbers of staff who report that they have been double vaccinated and can therefore meet the requirements to work in residential care settings. We believe that there will be sufficient supply as we head into the busy winter months.
- 3.5.6 Work continues to deliver savings identified through the Transformation programme and progress is monitored on a monthly basis. New targets are being developed to help offset the overall pressures on the Council's budget as we move out of the pandemic.

4. POLICY IMPLICATIONS

- 4.1 One of the "Making Bromley Even Better" ambitions is to manage our resources well, providing value for money, and efficient and effective services for Bromley's residents and to meet this we will need to maintain a relentless focus on efficiency, outcomes of services and prudent management of our finances.
- 4.2 The "2020/22 Council Tax" report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2021/22 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 £225k (£4,491k 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)	2021/22 Budget Monitoring files in ECHS Finance Section