

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 7th September 2022

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2022/23

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 2022/23 for the Adult Care and Health Portfolio based on activity up to the end of July 2022.

2. RECOMMENDATION(S)

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

- i) Note the net overspend of £594k on controllable expenditure based on information as at July 2022;
- ii) Note the full year effect cost pressures of £1,121k in 2023/24 as set out in section 3.4;
- 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 overspend of £594k on controllable expenditure based on information as at July 2022;
- ii) Agree the release of amounts carried forward from 2021/22 as set out in section 3.5; and
- iii) Recommend that Executive agree the release of funds from the Central Contingency as set out in section 3.6.

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: £79.2m
 5. Source of funding: AC&H approved budget
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Personnel

1. Number of staff (current and additional): 312 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 2022/23 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 2022/23 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 £594k 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 £594k overspend. The main reasons for this are:

Assessment and Care Management - £328k overspend

3.3.2 Assessment and Care Management is currently estimated to overspend by £328k. This is mainly due to care home placements, partly offset by projected underspends on Community DoLS and Discharge to Assess (D2A) budgets.

Learning Disabilities - £97k overspend

3.3.3 The overspend in Learning Disabilities is currently projected to be £97k, mainly due to full year effect pressures from increased client needs during 2021/22, partly offset by client contributions and underspends on Direct Payments and Domiciliary Care.

Mental Health - £169k overspend

3.3.4 Projected spend on mental health placements is an overspend of £169k, mainly due to care home placements, partly offset by underspends on Domiciliary Care.

3.4 FULL YEAR EFFECT GOING INTO 2023/24

3.4.1 The cost pressures identified in section 3.3 above are projected to impact in 2022/23 by £1,121k as detailed in Appendix 2.

3.5 AGREEMENT TO RELEASE AMOUNTS CARRIED FORWARD FROM 2021/22 BY THE PORTFOLIO HOLDER

Better Care Fund – Dr £83k & Cr £83k

3.5.1 Bromley's Better Care Fund (BCF) allocation for 2021/22 was £24,171k. Some areas within BCF were not fully spent by 31st March 2022. Under the pooled budget arrangement with South East London ICB underspends are carried forward for spending on BCF activities in 2022/23. This funding will be allocated to agreed projects together with new BCF funding for 2022/23.

Improved Better Care Fund (IBCF) - Dr £2,597k & Cr £2,597k

3.5.2 A total of £10,050k Improved Better Care Funding (IBCF) was available for spending in 2021/22. This included both the Winter Pressures Grant and non-recurrent IBCF allocation, along with an amount brought forward from 2020/21. Some of the funding earmarked for spending in 2021/22 was not spent and, in line with the original IBCF report to the Executive in October 2017, underspends can be carried forward to support expenditure in future years. £1,400k of the proposed carry forward has been used in the 2022/23 budget to part-mitigate adult social care growth pressures.

Public Health Grant - Dr £1,964k & Cr £1,964k

3.5.3 The cumulative underspend for the ring-fenced Public Health Grant brought forward from 2020/21 was £1,855k. An underspend during 2021/22 year of £109k increased this to £1,964k and this amount is requested to be carried forward to fund public health initiatives in future years.

3.6 REQUESTS FOR DRAWDOWNS FROM CENTRAL CONTINGENCY

Better Care Fund – Dr £402k & Cr £402k

3.6.1 The final Better Care Fund 2022/23 allocation was published in May at a 5.66% increase above 2021/22 levels, which equates to a £402k increase above the 4% assumed in the budget. It is proposed that this allocation is set aside for hospital discharge care packages.

Improved Better Care Fund – Dr £227k & Cr £227k

3.6.2 For the first time in recent years, the IBCF allocation had an inflationary increase for 2022/23 of 3% which equates to £227k. It is proposed that this is allocated to help offset cost pressures in the portfolio, and has been assumed in the figures above.

Public Health Grant - Dr £427k & Cr £427k

3.6.3 The 2022/23 budget included assumed inflation of £214k on the Public Health Grant. The final allocation was £15,612k, which includes a further £427k increase. The financial forecast currently assumes the use of £259k from the Public Health reserve from 2023/24 onwards to fund growth items. This will be reviewed as part of the 2023/24 budget process will any surplus identified potentially reversing some of the 'core' Council funding for growth pressures.

Funding from the Integrated Care Board – Dr £3,916k & Cr £3,916k

3.6.4 South East London Integrated Care Board have provide various amounts of funding as detailed below:

- a) Hospital Discharges (£3,308k): This is one-off funding to 'secure the continued provision of social care services in line with presenting need and discharge standards'. It is intended that this is used to fund the cost of hospital discharge packages following the cessation of central funding from NHS England during the Covid-19 pandemic.
- b) LD/Autism (£247k): As part of health and care pandemic recovery arrangements SELCCG awarded each of the six South East London boroughs one-off ringfenced funds to support the development of learning disability and autism services to residents. Funds were to be used to better identify and understand population health needs, enhance day activities and access to employment, reduce waiting times for paediatric support and to raise awareness of autism across universal public services and commercial services . LBB received £247K and through a S256 agreement with SELICB it is planned to spend the funds as follows:

Service/Project	DESCRIPTION	FUNDING To 31st MARCH 2023
Demand/management project	Commission of population health intelligence work to collect, create and analyse data to plan for future demand	£35,000
Day Services equipment	The provision of specialist equipment to three-day centres for adults with learning disabilities	£40,000

Employment Development Fund	Pump priming to enable the development of social enterprises and other employment opportunities to support people with learning disabilities	£60,000
Autism waiting times reduction	Commission a dedicated family support/community pediatrics pilot to reduce waiting times for children	£62,000
Autism awareness campaign	Commission an autism awareness campaign aimed at universal services	£50,000

c) Discharge Transformation (£361k): This funding has been used to enable the continuation of 2021/22 Winter Pressures schemes into the 2022/23 financial year in line with continued discharge demand. The fund will also allow the early start to some schemes for the coming winter.

Funding from King's for the Single Point of Access – Dr £500k & Cr £500k

3.6.5 In response to the Covid pandemic LBB, with then SELCCG (now SELICB), jointly commissioned and developed a range of new and innovative multi-agency hospital discharge arrangements. These arrangements have made a significant contribution to hospital performance at the Princess Royal University Hospital reducing hospital lengths of stay. As part of sustaining these discharge arrangements the Kings College Hospital Trust has agreed to contribute funds to the new discharge arrangements at £500K per annum. Funds are to be spent on enhancing the discharge arrangements through an enhanced hospital to home service offer including assisted technology for discharged patients and additional resources to support post discharge welfare checks.

Market Sustainability and Fair Cost of Care Fund – Dr £804k & Cr £804k

3.6.6 The Department for Health & Social Care (DHSC) has provided funding to support local authorities to prepare their markets for reform of the adult social care system, including the further commencement of Section 18(3) of the Care Act 2014 in October 2023, and to support local authorities to move towards paying providers a fair cost of care. The Council's allocation is £804k, and details of how it is proposed this will be utilised is set out in the Adult Social Care Reform report elsewhere on the agenda.

Charging Reform Implementation Support Grant – Dr £104k & Cr £104k

3.6.7 Similar to the grant detailed above, DHSC has provided funding to support to local authorities towards expenditure in funding adult social care charging reform implementation. The grant covers the planning and preparation costs associated with charging reform to recruit additional staff to manage the increased demand for assessments and the implementation of the care account module. The Council's allocation is £104k, and details of how it is proposed this will be utilised is set out in the Adult Social Care Reform report elsewhere on the agenda.

3.7 COMMENTS FROM THE DIRECTOR OF ADULT SOCIAL CARE

3.7.1 The start of the financial year has seen a continuation of the pressures experienced during the last financial year, with continuing demand from the hospitals as they attempt to clear waiting lists that developed due the pandemic and continued pressure to discharge people quickly. Whilst we have seen an increase in numbers of people being discharged compared to pre-pandemic, more importantly the needs of individuals needing support has remained high.

3.7.2 The teams have worked hard to clear the backlog of assessments that built as people started wanting services again, with the waiting times reduced to less than two weeks at this point in time. Those with disabilities have again started to attend services as confidence in mixing has increased.

3.7.3 We have seen an upturn in the cost of care, partly due to the increase in the cost of living, but also as providers prepare for the introduction of the Fair Cost of Care, with prices increasing significantly. The work to prepare for the changes in policy are well under way, with an emphasis on mitigating any risk, but this is expected to be a feature in future years as more people fall into government funding.

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 “2022/23 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2022/23 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 £594k (£1,121k overspend full year effect), although as there are a number of significant assumptions within the forecasts, for example relating to younger people transitioning to adult’s services, these figures are likely to change during the year.

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:	2022/23 Budget Monitoring files in ECHS Finance Section

(Access via Contact Officer)	
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