

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 5th September 2023

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2023/24

Contact Officer: John Johnstone, 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 2023/24 for the Adult Care and Health Portfolio based on activity up to the end of July 2023.

2. RECOMMENDATION(S)

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

- i) Note the net overspend of £450k on controllable expenditure based on information as at July 2023;
- ii) Note the full year effect cost pressures of £4,351k 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 £450k on controllable expenditure based on information as at July 2023;
- ii) Agree the release of amounts carried forward from 2022/23 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: £85.4m
 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 2023/24 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 2023/24 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 £450k 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 £450k overspend. The main reasons for this are:

Assessment and Care Management - £450k overspend

3.3.2 Assessment and Care Management is currently estimated to overspend by £450k. This is mainly due to the cost of care package and placements, including hospital discharge packages, partly offset by the application of grant funding.

Learning Disabilities - £758k underspend

3.3.3 Learning Disabilities is currently projecting an underspend of £758k, based upon the current level of client numbers and costs.

Mental Health - £758k overspend

3.3.4 The forecast on mental health is projecting an overspend of £758k, split between £411k on services for 18-64 year olds, and £347k on services for adults over 65.

3.4 FULL YEAR EFFECT GOING INTO 2024/25

3.4.1 The cost pressures identified in section 3.3 above are projected to impact in 2024/25 by £4,351k as detailed in Appendix 2.

3.5 AGREEMENT TO RELEASE AMOUNTS CARRIED FORWARD FROM 2022/23 BY THE PORTFOLIO HOLDER

Supplementary Substance Misuse Treatment & Recovery Funding – Dr £57k & Cr £57k

3.5.1 In June 2022, Executive approved the drawdown of £264k grant from the Office for Health Improvements and Disparities (OHID) to continue with the improvements in the quality and capacity of drug and alcohol treatment and to support delivery of the ambitions of the national drugs plan, 'From Harm to Hope: a 10-year drugs plan to cut crime and save lives' at local level. £57k of this amount was unspent by year end and it is requested that this is carried forward to 2023/24.

Improved Better Care Fund (IBCF) - Dr £1,911k & Cr £1,911k

3.5.2 A total of £10,327k Improved Better Care Funding (IBCF) was available for spending in 2022/23. This included both the Winter Pressures Grant and non-recurrent IBCF allocation, along with an amount brought forward from 2021/22. Some of the funding earmarked for spending in 2022/23 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. £400k of the proposed carry forward has been used in the 2023/24 budget to part-mitigate adult social care growth pressures.

Public Health Grant - Dr £2,874k & Cr £2,874k

3.5.3 The cumulative underspend for the ring-fenced Public Health Grant brought forward from 2021/22 was £1,964k. An underspend during the year of £910k has increased this to £2,874k and this amount is requested to be carried forward to fund public health initiatives in future years.

LD/Autism Funding from South East London ICB – Dr £208k & Cr £208k

3.5.4 As part of health and care pandemic recovery arrangements, SELICB 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. It is requested that £208k of these funds is carried forward into 2023/24. In agreement with SELICB it is planned to spend the funds as follows:

- Commission of population health intelligence work to collect, create and analyse data to plan for future demand - £35k
- Pump priming to enable the development of social enterprises and other employment opportunities to support people with learning disabilities - £60k
- Commission a project to reduce waiting times for children waiting for diagnosis assessment - £62k
- Commission an autism awareness campaign aimed at universal services - £50k.

Discharge Transformation Funding from South East London ICB- Dr £256k & Cr £256k

3.5.5 In December 2022 the Council was allocated by the Department for Health and Social Care £992,046 Discharge Transformation Funds. These funds were ringfenced to support the safe and timely discharge of residents from hospital with monies spent on additional care packages and other activities in support of hospital discharge. It is requested that £256k of these funds is carried over into this financial year to cover the cost of hospital discharge pressures that have continued into 2023/24.

Winter Resilience Funding- Dr £400k & Cr £400k

3.5.6 In November 2021, South East London CCG confirmed they had allocated 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 £1,430k allocated to Bromley. This funding was used to help offset some of the additional care packages and other pressures during the pandemic and to manage the additional pressures of winter and Covid demand with funding carried forward to into 2022/23 to meet continued pressures. £400k of these funds, allocated to support the recruitment and retention of frontline care workers, was underspent in 2022/23. It is requested these funds be carried forward to 2023/24 as part measures to provide continued support to local care providers in recruiting and retaining staff.

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

- 3.5.7 A carry forward of the £104k Charging Reform Implementation Support Grant is requested to continue the work needed to prepare for the implementation of the charging reform. This includes funding the Reform Programme Team and working with the Social Care Institute of Excellence (SCIE) develop a forward strategy and help facilitate its delivery.

Omicron Support Fund- Dr £136k & Cr £136k

- 3.5.8 The Council received £297k of Omicron Support Fund grant in January 2022 of which £148k was allocated for Occupational Therapy equipment. It is requested that the remaining balance of £136k is carried forward to 2023/24 to purchase a range of digital devices in preparation for the digital switchover in 2025.

Test and Trace service support grant- Dr £368k & Cr £368k

- 3.5.9 The Council received an allocation of £1,370k for the Test and Trace Service Support Grant to cover expenditure in relation to the mitigation against and management of local outbreaks of COVID-19. A total of £1,002k has been spent to date and the balance of £368k is requested to be carried forward to 2023/24.

Contain Outbreak Management Fund grant- Dr £54k & Cr £54k

- 3.5.10 An element of the Contain Outbreak Management Fund allocated for the Homeless Health Project remains unspent and it is requested the balance of £54k is carried forward to 2023/24 to meet committed spend.

3.6 REQUESTS FOR DRAWDOWNS FROM CENTRAL CONTINGENCY

Market Sustainability and Improvement Fund – Dr £2,788k

- 3.6.1 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 for 2023/24 is £2,788k, and details of the proposed spending of this allocation was set out in report ASH23-11 that was presented to this committee on 29 March 2023.

Adult Social Care Discharge Fund – Cr £1,084k

- 3.6.2 The Department for Levelling Up, Housing and Communities is providing this funding to support local authorities to build additional adult social care and community-based reablement capacity to reduce hospital discharge delays through delivering sustainable improvements to services for individuals.

Market Sustainability and Improvement - Workforce Fund – Dr £1,810k & Cr £1,810k

- 3.6.3 The Department for Health & Social Care (DHSC) announced a further tranche of MSIF funding in July 2023. It is intended to enable local authorities to make tangible improvements to adult social care, in particular to increase social care capacity through increasing social care workforce capacity and retention, reducing social care waiting times and increasing fee rates paid to social care providers.

Work Safe Project – Dr £65k & Cr £65k

- 3.6.4 The Council was awarded £65,000 from South East London Integrated Care System Workforce Programme to deliver the 'Work Safe Project'. This is a one-off ringfenced grant, allocated to the Council by South East London ICB for the proposed Work Safe Project under a Section 256 agreement.

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 to discharge patients as soon as possible. The integrated system is working hard to avoid people being admitted directly from hospital to a care facility, helping them to continue their recovery at home. Whilst this is a better outcome for individuals, this is building an additional pressure into the social care budget and discussions are taking place with health partners to address this.

- 3.7.2 The teams continue to experience pressure in relation to those moving into adulthood from children's services and this is being given due attention at a senior level within the Council. Whilst there is a very evident growth in demand with more young people moving into adulthood, and people living longer lives, the growth in the budget built in is still under pressure. There is also significant growth in demand from those experiencing mental health issues.

The upturn in the cost of care has continued, partly due to the increase in the cost of living, but also with the expectation from providers that the Council moves closer to the Fair Cost of Care, with prices increasing significantly.

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 "2023/24 Council Tax" report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2023/24 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 £450k (£4,351k 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: (Access via Contact Officer)	2023/24 Budget Monitoring files in ECHS Finance Section

Adult Care and Health Portfolio Budget Monitoring Summary								
2022/23	Division	2023/24	2023/24	2023/24	Variation	Notes	Variation	Full Year
Actuals	Service Areas	Original	Latest	Projected			Last	Effect
£'000		Budget	Approved	Outturn	£'000		Reported	£'000
		£'000	£'000	£'000	£'000		£'000	£'000
	PEOPLE DEPARTMENT							
	Adult Social Care							
23,554	Assessment and Care Management	22,816	24,508	24,958	450	1	0	3,095
118	Direct Services	117	117	117	0		0	0
2,334	Quality Assurance & Safeguarding	2,075	2,075	2,075	0		0	0
43,807	Learning Disabilities	48,075	47,943	47,185	Cr 758	2	0	456
8,650	Mental Health	8,415	8,415	9,173	758	3	0	800
907	Placement and Brokerage	979	659	659	0		0	0
Cr 255	Better Care Fund - Protection of Social Care	0	0	0	0		0	0
79,115		82,477	83,717	84,167	450		0	4,351
	Integrated Commissioning Service							
1,299	Integrated Commissioning Service	1,400	1,400	1,400	0		0	0
1,205	Information & Early Intervention							
	- Net Expenditure	3,761	3,761	3,761	0		0	0
Cr 1,205	- Recharge to Better Care Fund	Cr 3,756	Cr 3,756	Cr 3,756	0		0	0
	Better Care Fund							
25,602	- Expenditure	28,226	28,226	28,226	0	4	0	0
Cr 25,622	- Income	Cr 28,246	Cr 28,246	Cr 28,246	0		0	0
	Improved Better Care Fund							
10,327	- Expenditure	8,130	8,130	8,130	0	5	0	0
Cr 10,327	- Income	Cr 8,130	Cr 8,130	Cr 8,130	0		0	0
1,279		1,385	1,385	1,385	0		0	0
	Public Health							
16,166	Public Health	15,927	16,436	16,436	0		0	0
Cr 15,876	Public Health - Grant Income	Cr 15,611	Cr 16,120	Cr 16,120	0		0	0
290		316	316	316	0		0	0
80,684	TOTAL CONTROLLABLE ADULT CARE & HEALTH	84,178	85,418	85,868	450		0	4,351
421	TOTAL NON CONTROLLABLE	559	559	559	0		0	0
4,092	TOTAL EXCLUDED RECHARGES	3,494	3,494	3,494	0		0	0
85,197	TOTAL ADULT CARE & HEALTH PORTFOLIO	88,231	89,471	89,921	450		0	4,351

Reconciliation of Latest Approved Budget		£'000
2023/24 Original Budget		88,231
Carry forwards:		
Supplementary Substance Misuse Treatment & Recovery Funding		
- expenditure		57
- income		-57
Improved Better Care Fund (IBCF)		
- expenditure		1,911
- income		-1,911
Public Health Grant		
- expenditure		2,874
- income		-2,874
LD/Autism Funding from South East London ICB		
- expenditure		208
- income		-208

Discharge Transformation Funding from South East London ICB			
- expenditure			256
- income			-256
Shared Lives Transformation Posts			
- expenditure			400
- income			-400
Charging Reform Implementation Support Grant			
- expenditure			104
- income			-104
Omicron Support Fund			
- expenditure			136
- income			-136
Test and Trace service support grant			
- expenditure			368
- income			-368
Contain Outbreak Management Fund grant			
- expenditure			54
- income			-54
Contingency:			
Market Sustainability and Improvement Fund			2,788
Adult Social Care Discharge Fund		Cr	1,084
Market Sustainability and Improvement Fund - Workforce Fund			
- expenditure			1,810
- income		Cr	1,810
ICB Funding for Hospital Discharges			
- expenditure			1,511
- income		Cr	1,511
Work Safe Project			
- expenditure			65
- income		Cr	65
Other:			
Transfer of Staff from LD Care Management to Children's 0-25 years' service		Cr	144
Transfer of Care Placements Team Staff to Children's Services		Cr	320
Latest Approved Budget for 2023/24			
			89,471

1. Assessment and Care Management - Dr £450k

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	Cr 272
- Domiciliary Care / Direct Payments	2,470
	<u>2,198</u>
Services for 18-64	
- Placements	288
- Domiciliary Care / Direct Payments	909
	<u>1,197</u>
Market Sustainability and Improvement Fund (MSIF)	
- 23/24 MSIF allocation	Cr 2,788
- 23/24 MSIF Workforce Fund allocation	Cr 1,810
	<u>Cr 4,598</u>
Other	
Hospital Discharge Packages	
- Placements	2,548
- Domiciliary Care	1,731
- Enhanced Care	2,300
- LBB Discharge Funding	Cr 1,084
- ICB Discharge Funding	Cr 1,511
- Management action	Cr 2,331
	<u>1,653</u>
	<u><u>450</u></u>

The 2023/24 budget includes funding for the full year effect of the September 2022 overspend as reported to Members in the September Budget Monitoring report.

Services for 65+ - Dr £2,198k

Numbers in residential and nursing care to date are 59 below the budget provision of 489, however an overspend of £366k is currently projected. This is due to placements having to be made above the guide rates, as well as additional 1:1 support packages required for some service users in their placements costing circa £2.5m. Offsetting this is a projected underspend in emergency and temporary placements of £638k.

The overall position on the domiciliary care and direct payments budgets is a projected overspend of £2,470k. Domiciliary care is projected to overspend by £2,089k and direct payments to overspend by £381k.

Services for 18-64+ - Dr £1,197k

Placements for 18-64 age group are projected to overspend by £486k this year based on current service user numbers which are currently 5 above budgeted levels. Offsetting this is a projected underspend on emergency and temporary placements of £198k.

The overall position on the domiciliary care and direct payments budgets is a projected overspend of £909k. Domiciliary care is currently projected to overspend by £517k and direct payments to overspend by £392k.

Discharge to Assess (D2A) - Dr £1,653k

Discharges from hospital continue to follow the new pathway set up with Health. Currently a full year overspend of £6,579k is projected, split between placements of £2,548k, domiciliary care of £1,731k and enhanced care of £2,300k. This is however offset by management action of £2,331k, aiming to reduce the length of time a service user spends in a D2a setting, as well as the application of discharge funding (£1,084k LBB and £1,511k ICB). Officers also continue to ensure that service users are moved on from these packages to normal packages of care as soon as possible, ensuring that client contributions are being maximised. The numbers of residents being discharged are broadly within trend for Bromley, however, the packages of care are more expensive and for longer duration.

2. Learning Disabilities - Cr £758k

The 2023/24 Learning Disabilities (LD) budget includes funding for anticipated 2023/24 demand-related pressures and the full year effect (FYE) of the 2022/23 overspend but also reductions relating to planned savings.

An underspend of £758k is currently anticipated which mainly relates to the 18-64 age range. This is based upon the current level of costs and client numbers. Work is on-going to identify the impact of clients who are expected to transition from Children's Services during the year. Given the early stage in the financial year a significant element of projected spend is based on assumptions, for example future services for young people transitioning to adult social care services and increased client needs during the year. In view of the relatively high proportion of the forecast based on future assumptions rather than actual data, this position is likely to change as the year progresses.

3. Mental Health - Dr £758k

The 2023/24 budget includes an adjustment for the full year effect of the September 2022 underspend reported to Members as part of the September Budget Monitoring report.

Placements for 65+ age group are projected to overspend by £298k this year based on current service user numbers of 50.

The overall position on the domiciliary care and direct payments budgets is a projected overspend of £49k. Domiciliary care is currently projected to overspend by £148k and direct payments to underspend by £99k.

Placements for the 18-64 age group are projected to overspend by £312k this year based on current service user numbers of 107, and mainly relates to placements in Nursing homes.

The overall position on the domiciliary care and direct payments budgets is a projected overspend of £99k, with Domiciliary care currently projected to underspend by £1k and direct payments to overspend by £100k.

4. Better Care Fund (BCF) - Nil variation

Other than variations on the protection of social care element, any underspends on Better Care Fund budgets will be carried forward for spending in future years under the pooled budget arrangement with South East London ICB.

The final 2023/24 allocation is a 5.66% increase above 2022/23 levels. It is likely that this allocation will be needed to offset the cost of hospital discharge care packages.

5. Improved Better Care Fund (IBCF) - Nil Variation

The total amount of funding available in 2023/24 is:

	£'000
2023/24 IBCF allocation	7,731
Carry forward from previous years	1,911
	<u>9,642</u>

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. The Director of Adult Social Care has additional authority in respect of placements.

Since the last report to the Executive, 29 waivers for Adult placements have been agreed for between £50k and £100k and 8 for more than £100k.

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. There have been 2 virements since the last report to Executive. (1) Transfer of Staff from Learning Disabilities Care Management to Children's 0-25 years' service (£144k) and (2) Transfer of Care Placements Team Staff to Children's Services (£320k)

Description	2023/24 Latest Approved Budget £'000	Variation To 2023/24 Budget £'000	Potential Impact in 2024/25
Assessment and Care Management - Care Placements	31,308	450	The full year impact of the current overspend is estimated at £3,095k . Of this amount Cr £57k relates to residential and nursing home placements for 65+ and Dr £308k for 18-64's. Domiciliary care & direct payments 65+ is £2,410k overspent and for 18-64 £939k.This is based on client numbers as at the end of June 2023. There is also a £4,421k FYE of current level of Discharge to Assess costs. It assumed that management action of £2,331k continues into future years and that discharge funding also continues at current level.
Learning Disabilities - including Care Placements, Transport and Care Management	42,273	Cr 758	The full year effect (FYE) is estimated at a net overspend of £456k. This figure is greater than the in-year underspend as demand-related growth pressures, for example transition and increased client needs, have only a part year impact in 2023/24 but a greater financial impact in a full year. Given the early stage in the financial year and the uncertainties that remain in relation to the delivery of savings and the transition cohort, the FYE is likely to change as the year progresses and things become clearer.
Mental Health - Care Placements	6,598	758	A full year overspend of £800k is anticipated on Mental Health care packages , with residential , nursing and supported living placements £635k overspent and domiciliary care and direct payments £165k overspent.