

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 21st November 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 September 2023.

2. RECOMMENDATION(S)

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

- i) Note the net overspend of £1,501k on controllable expenditure based on information as at September 2023;
- ii) Note the full year effect cost pressures of £5,999k in 2023/24 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 £1,501k on controllable expenditure based on information as at September 2023;

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: £84.7m
 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 £1,501k 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 £1,501k overspend. The main reasons for this are:

Assessment and Care Management - £550k overspend

3.3.2 Assessment and Care Management is currently estimated to overspend by £550k. 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 – nil variance

3.3.3 Learning Disabilities is currently projecting a nil variance, based upon the current level of client numbers and costs.

Mental Health - £951k overspend

3.3.4 The forecast on mental health is projecting an overspend of £951k. This is split between £287k on services for 18-64 year-olds, £452k on services for adults over 65, and £212k delay in achievement of savings.

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 £5,999k as detailed in Appendix 2.

3.5 COMMENTS FROM THE DIRECTOR OF ADULT SOCIAL CARE

3.5.1 The second quarter of the financial year has seen a continuation of the pressures experienced during the first quarter, 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 continued discussions are taking place with health partners to address this.

3.5.2 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. There is also significant growth in demand from those experiencing mental health issues, part of the pressure relating to the current under delivery of efficiencies.

3.5.3 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.

3.5.4 Officers are seeking to draw down the ongoing underspend in the Better Care Fund to quite legitimately offset the current pressures in the budget.

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 £1,501k (£5,999k 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	23,788	24,338	550	1	450	4,637
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	47,943	0	2	Cr 758	833
8,650	Mental Health	8,415	8,415	9,366	951	3	758	529
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	82,997	84,498	1,501		450	5,999
	Integrated Commissioning Service							
1,299	Integrated Commissioning Service	1,400	1,400	1,400	0		0	0
	Information & Early Intervention							
1,205	- 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	84,698	86,199	1,501		450	5,999
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	88,751	90,252	1,501		450	5,999

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
Social Care grant re ASC reforms		Cr	720
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			
			88,751

1. Assessment and Care Management - Dr £550k

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 140
- Domiciliary Care / Direct Payments	2,431
	<u>2,291</u>
Services for 18-64	
- Placements	180
- Domiciliary Care / Direct Payments	845
	<u>1,025</u>
Market Sustainability and Improvement Fund (MSIF)	
- 23/24 MSIF allocation	Cr 1,227
- 23/24 MSIF Workforce Fund allocation	Cr 1,810
	<u>Cr 3,037</u>
Hospital Discharge Packages	
- Placements	2,444
- Domiciliary Care	1,646
- Enhanced Care	1,464
- LBB Discharge Funding	Cr 324
- ICB Discharge Funding	Cr 1,133
- Adult Social Care Reform growth	Cr 817
- BCF use of underspend	Cr 1,300
- Management action	Cr 1,306
	<u>674</u>
Other	
Extra Care Housing	Cr 70
Day Care	Cr 333
	<u>550</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 £2,291k

Numbers in residential and nursing care to date are 15 below the budget provision of 489 (was 31 below in Q1), however an overspend of £241k 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. Offsetting this is a projected underspend in emergency and temporary placements of £336k and respite care of £45k.

The overall position on the domiciliary care and direct payments budgets (65+) is a projected overspend of £2,431k, which is a reduction of £39k from last time. Domiciliary care is projected to overspend by £2,094k and direct payments to overspend by £337k.

Services for 18-64 - Dr £1,025k

Placements for 18-64 age group are projected to overspend by £387k this year based on current service user numbers which are currently 5 above budgeted levels (also 5 above in Q1). Offsetting this is a projected underspend on emergency and temporary placements of £199k and respite of £8k

The overall position on the domiciliary care and direct payments budgets (18-64) is a projected overspend of £845k. Domiciliary care is currently projected to overspend by £467k and direct payments to overspend by £378k.

Hospital Discharge - Dr £674k

Discharges from hospital continue to follow the new pathway set up with Health. Currently a full year overspend of £5,554k is projected, split between placements of £2,444k, domiciliary care of £1,646k and enhanced care of £1,464k. This is however offset by management action of £1,036k, aiming to reduce the length of time a service user spends in a D2a setting, as well as the application of discharge funding (£324k LBB and £1,133 ICB) and use of BCF reserve (£1,300k). 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.

Other - Cr £403k

Extra Care Housing is currently projected to underspend by £70k and Day Care services by £333k, the latter still being down on pre-covid numbers as service users switched to other services when the centres were closed during covid.

2. Learning Disabilities - £0k

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.

A breakeven position is now presented for this budget (Q1 projected underspend £758k) which is based upon the current level of costs and client numbers. The change in the projection from Q1 mainly relates to uplifts in weekly placement costs now applied and the additional support required by high-needs clients and those clients transitioning from Children's Services. Work is still on-going around transitions in order to scrutinise any future impact on costs.

3. Mental Health - Dr £951k

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 £278k this year based on current service user numbers of 50 (also 50 in Q1).

The overall position on the domiciliary care and direct payments budgets (65+) is a projected overspend of £9k. Domiciliary care is currently projected to overspend by £109k and direct payments to underspend by £100k.

Placements for the 18-64 age group are projected to overspend by £337k this year based on current service user numbers of 107 (also 107 in Q1), and mainly relates to placements in Nursing homes.

The overall position on the domiciliary care and direct payments budgets (18-64) is a projected overspend of £115k, with Domiciliary care currently projected to underspend by £7k and direct payments to overspend by £122k.

In addition to the above, savings of £212k in the budget to date have not been achieved therefore this is being reported as an overspend. A further £212k is still to be achieved for the remainder of the year.

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
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	9,642

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, 20 waivers for Adult placements have been agreed for between £50k and £100k and 6 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 no virements since the last report to Executive.

Description	2023/24 Latest	Variation To	Potential Impact in 2024/25
	Approved	2023/24	
	Budget £'000	Budget £'000	
Assessment and Care Management - Care Placements	31,253	550	The full year impact of the current overspend is estimated at £4,637k . Of this amount Cr £69k relates to residential and nursing home placements for 65+ and Dr £160k for the 18-64's. Domiciliary care & direct payments 65+ is £2,540k overspent and for 18-64 £889k.This is based on service user numbers as at the end of September 2023. There is also a £1,117k FYE of current level of Discharge to Assess costs. It assumed that management action of £1,306k continues into future years and that discharge funding also continues at current level.
Learning Disabilities - including Care Placements, Transport and Care Management	42,273	0	The full year effect (FYE) variation is estimated at a net overspend of £833k (Q1 £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.
Mental Health - Care Placements	6,598	951	A full year overspend of £529k is anticipated on Mental Health care packages , with residential , nursing and supported living placements £412k overspent and domiciliary care and direct payments £117k overspent.