
Decision Maker: **ADULT CARE AND HEALTH POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

Date: **Tuesday 30th January 2024**

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

Title: **ADULT CARE AND HEALTH PORTFOLIO DRAFT BUDGET 2024/25**

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

- 1.1. The prime purpose of this report is to consider the Portfolio Holder's Draft 2024/25 Budget which incorporates future cost pressures, planned mitigation measures and savings from transformation and other budget options which were reported to Executive on 17th January 2024. Members are requested to consider the initial draft budget being proposed and also identify any further action that might be taken to reduce cost pressures facing the Council over the next four years.
- 1.2. Executive are requesting that each PDS Committee consider the proposed initial draft budget savings and cost pressures for their Portfolio and the views of each PDS Committee be reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on 2024/25 Council Tax levels.
- 1.3. There are still outstanding issues and areas of uncertainty remaining, including, for example grant conditions, which could impact on the final revenue budget. Any significant changes will be reported at the meeting and further updates will be included in the 2024/25 Council Tax report to the next meeting of the Executive.
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2. **RECOMMENDATIONS**

2.1 **The Adult Care and Health PDS Committee is requested to:**

- i) Consider the update on the financial forecast for 2024/25 to 2027/28;**
- ii) Consider the initial draft 2024/25 budget as a basis for setting the 2024/25 budget; and**
- iii) Provide comments on the initial draft 2024/25 budget for the February meeting of the Council's Executive.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: None arising directly from this report
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Corporate Policy

1. Policy Status: Existing Policy
 2. MBEB Priority: Adults and Older People, Managing our resources well
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Adult Care and Health portfolio budgets
 4. Total current budget for this head: £95.0m (draft 2024/25 budget)
 5. Source of funding: Draft revenue budget for 2024/25
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Personnel

1. Number of staff (current and additional): Full details will be available with the Council's 2024/25 Financial Control Budget to be published in March 2024
 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 Local Government Act 2000; the Local Government Act 2002 and the Accounts and Audit Regulations 2015.
 2. Call-in: Not 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 2024/25 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: Not Applicable

3. COMMENTARY

3.1. APPROACH TO BUDGETING, FINANCIAL CONTEXT AND ECONOMIC SITUATION WHICH CAN IMPACT ON PUBLIC FINANCES

- 3.1.1. The Draft 2024/25 Budget enables the Council to continue to deliver on its key priorities and the financial forecast enables medium term financial planning. Early decisions should be considered which impact on the medium-term financial plan within the context of meeting 'Making Bromley Even Better' priorities.
- 3.1.2. The Council continues to deliver key services and 'live within its means'. Forward financial planning and financial management is a key strength at Bromley. This report continues to forecast the financial prospects for the next four years and includes the outcome of the Provisional Local Government Finance Settlement 2024/25. It is important to note that some caution is required in considering any projections for 2025/26 to 2027/28 as this depends on the outcome of the Government's next Spending Review as well as the impact of the Fair Funding Review (likely to be from 2026/27, at the earliest).
- 3.1.3. A strong economy with growth increases revenues which supports the Government's ability to reduce public sector debt as the gap between finances raised and spend on public services is reduced. The slowing down of the global economy and many sources of uncertainty had previously resulted in a downgrading of the level of economic growth in the UK economy. It is important to consider the key national issues that could impact on public finances over the next four years. The Covid situation had a dramatic impact on public finances. Not since the second world war has a national emergency affected every business and household in the UK. The economic shock has had no comparisons for over 300 years. As part of the Office for Budget Responsibility report, published with the Autumn Statement, government overall debt rises from 84.9% of Gross Domestic Product (GDP) in 2022/23 and is expected to continue to increase and peak at 93.2% in 2026/27 and fall to 92.8% by 2028/29, maintaining a level not seen since the early 1960s. The next few years remain uncertain economically and fiscally. GDP is expected to be 0.6% in 2023/24 rising to 2% in 2026/27 and 1.9% in 2027/28. These economic factors could impact on the funding available for local government. The Provisional Local Government Finance Settlement 2024/25 provides a one-year settlement only which leaves considerable uncertainties over future years. The Institute for Fiscal Studies (IFS) forecast that the latest plans (Autumn Statement) provides real term cuts for unprotected budgets (mainly local government) of 3.4% for period 2024/25 to 2028/29 – additional funding of £20bn would be required to avoid cuts by 2028/29.
- 3.1.4. Local Government has borne the brunt of austerity and savings compared with other areas of Government expenditure from 2009/10 to 2019/20 (10 years) and had a 'rollover plus' one-year financial settlement for 2020/21, 2021/22 and 2022/23. For 2023/24 and 2024/25, the Council has received a more generous settlement which includes additional funding for social care, including the repurpose of Adult Social Care Reform monies and the new Adult Social Care Grant. However, this needs to be considered in the context of the 'new normal' (post Covid), significant increases in inflation since 2022/23 and the considerable cost pressures across service areas facing local government. The risk of austerity measures for future years, from 2025/26, will be a consideration but this will depend on the need for a sustainable economic recovery. Therefore 'flat' real terms funding for councils may be the best-case scenario from 2025/26. The Government will need to address the impact of the public finances from the Covid situation. Even if funding levels are maintained, the ongoing demographic and other costs pressures are unlikely to be matched by corresponding increases in government funding.
- 3.1.5. The Budget Strategy has to be set within the context of ongoing cost and demographic pressures not being matched by Government or other external funding with potential

Government funding reductions in the medium and longer term. There is an on-going need to transform the size and shape of the organisation to secure priority outcomes within the resources available. There is also a need to build in flexibility in identifying options to bridge the medium-term budget gap as the gap could increase further.

- 3.1.6. Bromley has the second lowest settlement funding per head of population in 2024/25 for the whole of London, giving us £123 per head of population compared with the average in London of £330 – the highest is £556. Despite this, Bromley has retained the fourth lowest council tax in outer London (other low grant funded authorities tend to have higher council tax levels). Using 2024/25 funding information, if Bromley's received the average grant funding for London, its annual income would increase by £53.7m. If the council tax was the average of the four other low grant funded boroughs, our income would increase by £31.9m. The lower council tax level has been achieved by having a below average cost per head of population in outer London. The Council continues to express concerns with the current and previous governments about the fairness of the funding system and to lobby for a fairer deal for our residents. Despite being a low-cost authority, Bromley has achieved general savings of over £130m since 2011/12 but it becomes more challenging to achieve further savings with a low-cost base.

3.2. SUMMARY OF FINANCIAL FORECAST

- 3.2.1. Details of the financial forecast are provided in the Draft 2024/25 Budget and Update on the Council's Financial Strategy 2024/25 to 2027/28 report to the Executive on 17th January 2024.
- 3.2.2. Even though the draft budget would be broadly balanced next year, the future year's budget gap is projected to increase to £38.7m per annum by 2027/28. Without any action to address the budget gap in future years additional reserves will need to be used with the risk of the budget gap increasing in future years and becoming unsustainable.
- 3.2.3. In the financial forecast, after allowing for inflation, council tax income and other changes there is an unfunded budget gap from 2025/26 partly due to net service growth/cost pressures. This highlights the importance of scrutinising growth and recognition that corresponding savings will need to be found to achieve a statutory balanced budget. It is timely as we all have to consider what level of growth the Council can afford and the need for significant mitigation or alternative transformation options.

3.3. CHANGES SINCE THE 2023/24 BUDGET THAT IMPACT ON THE DRAFT 2024/25 BUDGET AND FINANCIAL FORECAST

- 3.3.1. The 2023/24 Council Tax report reported to Executive in February 2023 identified a significant "budget gap" over the four-year financial planning period. Some key changes are summarised below.
- 3.3.2. The Local Government Finance Settlement 2024/25 includes increases in core funding to reflect inflation (CPI annual increase at Sept '23). The additional social care grant, which was originally planned as indicated by the Local Government Finance Settlement 2023/24, of £2.65m reflects the impact of the Council's ability to raise funding through the Adult Social Care precept – the more that can be raised the lower level of funding provided. Additional new homes bonus of £0.4m is available and the core spending power overall increase of 6.2% assumes council tax and ASC precept increase of 4.99%. The settlement includes a reduction in Services Grant from £1.5m to £0.2m (reduction of £1.3m) which is disappointing. Although the settlement broadly recognises the impact of inflation it does not reflect the scale of cost/growth pressures facing the Council for 2024/25. Uncertainty remains on the level of funding from 2025/26. The forecast assumes that the level of core grant funding will not reduce, in real terms, from 2025/26.

- 3.3.3. This is the sixth one-year settlement in a row for councils, despite requests for multi-year settlement to assist in financial planning and to aid the delivery of financial sustainability.
- 3.3.4. Historically, the main measure of inflation for annual price increases for the Council's contracted out services was Retail Price Index (excluding mortgage interest rates) i.e., RPIX. However, more recent contracts use Consumer Price Index (CPI). The RPIX is normally at least 1% above the Consumer Price Index (CPI) level. The Draft 2024/25 Budget assumes overall price increases, including a cash limit, of 3.5% in 2024/25 reducing to 2.5% in 2025/26 and 2% per annum from 2026/27, which compares with the existing CPI of 3.9% (4.1% for RPIX). Although inflation is expected to reduce further some volatility remains. It is important to note that the rate of 3.5% in 2024/25 is consistent to an approach taken by many other local authorities but it creates a challenge during a period of cost pressures across services - the alternative is more savings to address the increased budget gap.
- 3.3.5. The Draft Adult Care and Health Portfolio 2024/25 budget includes the full year effect of the Phase 3 Transformation Savings combined with new changes, totalling £2,193k in 2024/25. More details of the savings are provided within Appendix 1.
- 3.3.6. There remain significant cost/growth pressures impacting on Adult Care and Health budgets as well as opportunities for the mitigation of costs which have been reflected in the draft 2024/25 Budget and financial forecast which are summarised below with more details in Appendix 1:

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Growth/cost pressures	9,573	11,400	13,227	15,054
Mitigation	Cr 4,989	Cr 2,114	Cr 2,114	Cr 2,114
Net additional costs	4,584	9,286	11,113	12,940

- 3.3.7. It remains essential that there is the ongoing scrutiny and review of growth/cost pressures, which are mainly unfunded beyond 2025/26 with options to help achieve a balanced budget, including any mitigation over the financial forecast period.
- 3.3.8. **DETAILED DRAFT 2024/25 BUDGET**
- 3.3.9. Detailed Draft 2024/25 Budgets are attached in Appendix 1 and will form the basis for the overall final Portfolio/Departmental budget after any further adjustments to deal with service pressures and any other additional spending. Under the budget process previously agreed, these initial detailed budgets are forwarded to PDS committees for scrutiny and comment prior to the next Executive meeting in February.
- 3.3.10. Appendix 1 sets out the draft 2024/25 budget as follows:
- A summary of the Draft 2024/25 Revenue Budget for the Portfolio showing actual 2022/23 expenditure, 2023/24 budget, 2024/25 budget and overall variations in planned spending between 2023/24 and 2024/25;
 - A summary of the main reasons for variations for the Portfolio in planned spending between 2023/24 and 2024/25 together with supporting notes;
 - A high-level subjective summary for the Portfolio showing expenditure on employees, premises etc.

3.4. ADULT SOCIAL CARE REFORM

- 3.4.1. In September 2021, the Government provided plans to reform adult social care in England and £5.4bn (cumulative) was allocated for the period 2022/23 to 2024/25 to fund the reforms.
- 3.4.2. The funding was initially planned to come from the new Health and Social Care Levy, but in September 2022 the Government announced the levy would be cancelled. The then Health Secretary, Thérèse Coffey, however, said that funding for social care would remain unchanged.
- 3.4.3. The Government originally proposed that the adult social care charging reforms would be implemented from October 2023. However, at the Autumn Statement 2022, the Chancellor announced that the reforms would be delayed for two years (until October 2025), with the funding allocated “to allow local authorities to provide more care packages.”
- One of the reforms, The Fair Cost of Care, sought to resolve the issues of self-funders cross subsidising the rate paid by Local Authorities. In preparation for the introduction of this an exercise was completed with care providers to ascertain the ‘Fair Cost of Care’ in order that the Council could work towards paying this over a period of years.
 - £1.4 billion was to be provided to local authorities to support them to increase the rates they pay to providers where necessary (move towards paying a “fair cost of care”).
- 3.4.4. Prior to the 2022 Autumn Statement announcement delaying the charging reforms, the Government had announced the Fair Cost of Care reforms would be implemented in stages from October 2023 to April 2025. The Council has previously raised concerns that the funding for the reforms was insufficient, particularly for the Fair Cost of Care, with Bromley facing a higher funding shortfall compared with many other local authorities.
- 3.4.5. As part of the 2023/24 Local Government Finance Settlement, the funding for Fair Cost of Care and Charging Reforms was ‘repurposed’ to support additional cost pressures on adults and children’s social care which was welcomed by the Council. There remains uncertainty about the future funding for the reforms when implemented in October 2025 and whether the existing ‘repurposed’ funding would need to be diverted to support the delayed reforms. The financial forecast assumes that the ‘repurposed’ funding can be used to support the Council’s revenue budget and will not be required to fund the delayed reforms. This remains a potential financial risk for the Council and creates uncertainty for the future funding of key services. The expectations of providers were, however, raised and costs for care have continued to remain high and are increasing on the back of the exercise carried out to determine the Fair Cost of Care.
- 3.4.6. The Draft 2024/25 Budget includes the ‘repurposed’ Adult Social Care Reform funding (£2.65m in 2024/25) which has been consolidated into the Social Care grant, as well as the second year of the Market Sustainability and Improvement Fund grant (£5.2m in 2024/25).
- 3.4.7. A White Paper on social care reform was published on 1st December 2021 which included, for example, offering more choice, control and independence for care users, information on workforce reform, inspection and quality assurance, integrated housing support and integration with health services. As part of support for wider system reform the £1.8bn over the period 2022/23 to 2024/25 was originally planned to be allocated as follows:
- At least £300m to provide integrated housing
 - At least £150m for technology and digitalisation
 - At least £500m for workforce training and qualifications
 - Up to £25m to support unpaid carers
 - £30m for innovation of support and care
 - At least £5m to help people understand care and support available

- More than £70m to improve the delivery of care and support services
- Use of the balance (around £720m) yet to be determined

3.4.8. Despite much of this now being delayed the Council has continued to seek to maximise the opportunities to utilise technology and digitalisation, has developed a workforce strategy and worked with the voluntary sector to improve the offer to carers.

3.5. INTEGRATION WITH HEALTH

3.5.1. The Council continues to work with the South East London Integrated Care Board to explore opportunities for any further delivery of local integration of health and social care. Integration will help protect social care and provide more effective services to people in the community. There are close interdependencies between health and social care which was recognised by the Government in the creation of the Better Care Fund. Opportunities will be explored including the pooling of resources across the locality if it enables better opportunities for value for money, economies of scale, reduce duplication and streamline processes. Any opportunities for further integration will be considered by the Bromley Local Care Partnership, which is co-chaired by the Leader of the Council.

3.5.2. Advice from Chartered Institute of Public Finance and Accountancy (CIPFA) states that Councils have a duty to their own council taxpayers as well as their clients and need to ensure that their council taxpayers are not, in effect, being asked to underwrite a portion of NHS costs.

3.5.3. The new Integrated Care System (ICS) created from June 2022 provides a new combined South East London ICS. The changes will be monitored closely to identify the risks/opportunities that may arise to meet the 'Making Bromley Even Better Priorities'. The Local Care Partnership maintains oversight of decisions to ensure that they are not made to the detriment of the Bromley population.

3.6. REVIEW OF FEES AND CHARGES

3.6.1. As part of the Transformation Programme, to help partly offset the impact of the financial challenges facing the Council, a comprehensive review of fees and charges was undertaken. The aim was to identify opportunities for cost savings by implementing increased charges, surpassing the annual inflationary adjustments. The review observed that most services conduct regular price evaluation, accommodating inflation adjustments wherever feasible. Chief Officers will continue to review fees and charges for 2025/26 and beyond to identify opportunities to reduce the future years 'budget gap'.

3.7. IDENTIFYING FURTHER SAVINGS/MITIGATION

3.7.1. The scale of savings required in future years are unlikely to be met by efficiency alone – there may need to be a reduction in the scope and level of services. The council will need to continue to review its core priorities and how it works with partners and key stakeholders and the overall provision of services. A significant challenge is to consider discretionary services which, if reduced, could result in higher cost statutory obligations. Therefore, it is important to consider the risk of 'unintended consequence' of reducing discretionary services adversely impacting on the cost of statutory services. The Draft 2024/25 Budget represents the fifth year of savings from the Transformation Programme.

3.8. POSITION BY DEPARTMENT – OTHER KEY ISSUES/RISKS

Adult Social Care

- 3.8.1. The budget proposals represent a realistic position for Adult Social Care which build on the continued success of previous transformation programmes. The new proposals seek to address further areas of potential efficiencies and to address some inequalities in current service delivery. Work on developing these has been carried out with providers of services, both statutory and voluntary and those represented by them.
- 3.8.2. The impact of people being discharged from hospital with higher levels of acuity, requiring more care at higher cost continues to be a pressure. There was a reduction in the monies from health to pay for discharges to clear hospital beds, which has created an additional pressure and will become a risk if this funding is further reduced. Another remaining pressure is with those young people moving through transition into adulthood as the new Moving into Adulthood service is yet to start delivering efficiencies.
- 3.8.3. A further risk lies with the government's delay of some of the Adult Social Care reforms. Work with the provider sector has raised genuine expectations of the Council moving towards the Fair Cost of Care, pushing up care costs.
- 3.8.4. Adult Social Care is committed to moving forward with the increased use of digital technology to make best use of available staff capacity, whilst enabling service users to remain independent.
- 3.8.5. The Directorate continue to prepare for the new Assurance Process with the Care Quality Commission, who will consider as part of the assurance process if appropriate resource is available to meet statutory requirements. As the Director of Adult Social Care, I am content that the available budget for the next financial year is appropriate to do this, within the current governmental requirements, but any additional burdens introduced within the year will require additional funding.

Public Health

- 3.8.6. Recurring cost pressures of annual NHS pay awards and inflation continue to put pressure on the new and existing public health contracts, specifically Sexual Health and 0-19 Services. However, these are being managed through careful budget monitoring and contract management during 23/24. This position is likely to continue unless next year's pay awards and inflation rise beyond current level. In the case of Sexual Health, the agreed new clinical procedures and treatments identified during 23/24 will be incorporated into the London Integrated Sexual Health Tariffs from 24/25. Current forecast suggests that the cost implication could potentially be absorbed by the current Public Health Grant budget. This is feasible as recent online activity indicates the rate of growth has slowed with the possibility of plateauing during the coming year in 24/25.
- 3.8.7. However, the Office of Health Improvement and Disparities (OHID) has prescribed several new and emerging public health initiatives to enhance existing programmes with expectation that local implementation will take place during 24/25. While grant funding is available for service implementation, there will not be any for programme management as it is expected that existing staffing capacity will support these. As Bromley does not have provision for some of these programmes, i.e. Stop Smoking and Weight Management, there will not be any capacity available to implement these requirements. This is further compounded by the retirement of a few key staff members within the Department, however, a couple of them have opted for return to work on reduced hours. This has meant the experience required is retained but additional specific public health programme support will be needed to fulfil future mandated obligations.
- 3.8.8. A medium-term Public Health Grant budget forecast (24/25 to 27/28) suggested that the additional prescribed staffing cost would give rise to an immediate pressure in the first year

of 2024/25 but thereafter this would be fully covered throughout the planning horizon to 2027/28. This forecasted position remains the same under three different financial scenarios from 1% to 0% Public Health Grant Uplift from 25/26 to 27/28.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The Draft 2024/25 Budget reflects the Council's key priorities which includes, for example, supporting vulnerable adults with children and being ambitious for all our children and young people.

5. POLICY IMPLICATIONS

5.1 The Draft 2024/25 Budget enables the Council to continue to deliver on its 'Making Bromley Even Better' key priorities and the financial forecast enables medium term financial planning allowing for early decisions to be made which impact on the medium-term financial plan. The Council continues to deliver key services and lives within its means.

6. FINANCIAL IMPLICATIONS

6.1 Financial implications are contained within the overall body of the report.

7. PERSONNEL IMPLICATIONS

7.1 Staff, departmental and trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the Draft 2024/25 Budget. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

8. LEGAL IMPLICATIONS

8.1 The adoption of the budget and the setting of the council tax are matters reserved for the Council upon recommendation from the Executive. In coming to decisions in relation to the revenue budget (and the Council Tax), the Council and its officers have various statutory duties. In general terms, the Council is required by the Local Government Finance Act 1992 to make estimates of gross Revenue expenditure and anticipated income, leading to a calculation of a budget requirement and the setting of an overall budget (and Council Tax). The amount of the budget requirement must be sufficient to meet the Council's legal and financial obligations, ensure the proper discharge of its statutory duties, and lead to a balanced budget.

8.2 Schedule 72 to the Localism Act 2011 inserted a new section IVZA in the Local Government Finance 1992 Act which sets out the duty on billing authorities, and precepting authorities to each determine whether their relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum will apply.

8.3 The making of these budget decisions at full Council is a statutory responsibility for all Members. The Council should be satisfied that the proposals put forward are a reasonably prudent use of resources in both the short and long term, and that the interests of both Council Taxpayers and ratepayers on the one hand and the users of Council services on the other are both taken into account. The Council has a number of statutory duties which it must fulfill by law. Although there can be an element of discretion on level of service provision. The Council also discharges a range of discretionary services. The Council is not bound to carry out such activities in the same way as it is for statutory duties, however, it may be bound contractually to do so. A decision to cease or reduce provision of a

discretionary service must be taken in accordance with sound public /administrative law decision making principles. The Council must also comply with the Public Sector Equality Duties in section 149 of the Equality Act 2010. In doing so, the Council must have due regard to elimination of discrimination, harassment and victimisation, advance equality of opportunity and foster good relations with persons who share a protected characteristic.

- 8.4 This report sets the budget for the forthcoming financial year and, in some cases where budgets are recommended to be reduced, further decisions may be required (or have already been taken) to implement the initiative achieving the budget reduction. These decisions will be subject to any applicable consultation requirements and analysis of equalities impacts together with consideration of other specific legal requirements. This will be undertaken as part the decision-making process as required to implement the proposed budget.
- 8.5 Further a significant number of these decisions are by law for the Executive or delegated officers. Such considerations, which will be fully assessed by the decision makers in due course, are therefore not set out in this report. It therefore follows that the outcome of these decisions may lead to further amendments and/or changes to the proposed savings. Members will be aware that decisions on the budget do not amount to detailed decisions on the precise delivery of services, those decisions, in any event, for most services, being by law a matter for the Executive. Decision makers (usually Executive, Portfolio Holders or Chief Officers) are aware and will be reminded of their flexibility for example, around possible budget virements and adjustments and the use of reserves when they consider it appropriate to make alternative decisions, which may not accord with a particular budget line. The overall requirement to balance the budget remains, however.
- 8.6 The Local Government Act 2003 included new requirements to be followed by local authorities, which includes the CIPFA Prudential Code. This includes obligations, which includes ensuring adequacy of future years reserves in making budget decisions and section 25 of that Act requires the Director of Finance to report on the robustness of the estimates made for the purposes of calculating the Council Tax and the adequacy of the reserves. Further details to support these obligations will be reflected in the 2024/25 Council Tax report to be reported to the February meeting of the Executive.

Non-Applicable Sections:	Procurement Implications
Background Documents: (Access via Contact Officer)	Capital Programme Monitoring 2023/24, Executive, 29 th November 2023 Budget Monitoring 2023/24, Executive, 29 th November 2023 Provisional Final Accounts 2022/23, Executive, 5 th July 2023 2023/24 Council Tax, Executive 8 th February 2023

ADULT CARE & HEALTH PORTFOLIO

DRAFT REVENUE BUDGET 2024/25 - SUMMARY

2022/23 Actual	Service Area	2023/24 Budget	Increased costs	Other Changes	2024/25 Draft Budget
£		£	£	£	£
	Adult Social Care				
23,299,363	Assessment and Care Management	22,815,560	1,844,820	183,030	24,843,410
0	Carers	0	3,480	0	3,480
117,972	Direct Services	117,090	40,710	(22,420)	135,380
43,807,379	Learning Disabilities Services	48,075,130	1,842,630	1,743,090	51,660,850
8,649,499	Mental Health Services	8,414,440	302,330	279,000	8,995,770
2,333,397	Quality Assurance & Safeguarding	2,074,980	75,470	627,610	2,778,060
907,032	Placement and Brokerage	979,180	33,360	(319,620)	692,920
79,114,642		82,476,380	4,142,800	2,490,690	89,109,870
	Integrated Commissioning Service				
(19,513)	Better Care Fund	(20,320)	(610,380)	610,380	(20,320)
0	Improved Better Care Fund	0	(0)	(0)	(0)
0	Information & Early Intervention	5,250	122,730	(60,740)	67,240
1,298,942	Integrated Commissioning Service	1,400,420	53,740	(2,390)	1,451,770
1,279,429		1,385,350	(433,910)	547,250	1,498,690
	Public Health				
289,490	Public Health	315,890	67,430	(64,000)	319,320
289,490		315,890	67,430	(64,000)	319,320
80,683,561	TOTAL CONTROLLABLE	84,177,620	3,776,320	2,973,940	90,927,880
421,685	TOTAL NON CONTROLLABLE	558,860	12,490	(16,870)	554,480
4,091,806	TOTAL EXCLUDED RECHARGES	3,494,270	0	0	3,494,270
85,197,052	PORTFOLIO TOTAL	88,230,750	3,788,810	2,957,070	94,976,630

ADULT CARE & HEALTH PORTFOLIO
SUMMARY OF BUDGET VARIATIONS 2024/25

Ref		VARIATION IN 2024/25		ORIGINAL
		£'000	£'000	BUDGET 2023/24 £'000
1	2023/24 BUDGET		88,231	
2	Increased Costs		3,789	
	Full Year Effect of Allocation of Central Contingency			
3	Market Sustainability and Improvement Fund	2,788		2,788
4	Adult Social Care Discharge Fund	Cr 1,084		Cr 1,084
5	Social Care Grant re ASC reforms	Cr 720		Cr 15,265
6	Funding from Contingency for Social Care Grant	1,400	2,384	Cr 15,265
	Movements Between Portfolios/Departments			
7	Transfer of LD Care Management Staff & funding to Children's 0-25 years' service	Cr 144		117
8	Care Placements Team Staff to Childrens Division	Cr 320	Cr 464	320
	Real Changes			
	<i>Savings identified for 2024/25 as part of the 2023/24 Budget process</i>			
9	Develop in-Borough supported housing schemes for Learning Disabilities Services	Cr 174		17,920
10	Shared lives project out of Borough	Cr 8		558
11	Sexual Health	25	Cr 157	3,188
	<i>Other Real Changes</i>			
12	Repurposed ASC Reform Monies (2024/25)		Cr 1,400	Cr 2,880
	<i>Growth</i>			
13	ACM - Placements - 23/24 FYE	4,637		30,223
14	Learning Disabilities - 23/24 FYE	833		46,397
15	Mental Health - 23/24 FYE	529		6,598
16	National Living Wage	1,640		800
17	Fall out of IBCF one off use	400		Cr 400
18	Learning Disabilities Growth	1,534	9,573	46,397
	<i>Mitigation</i>			
19	Preparing for adulthood support	Cr 46		46,397
20	Better Care Fund Inflation	Cr 177		0
21	Improved Better Care Fund Inflation	Cr 51		
22	LA Discharge funding	Cr 1,081		Cr 1,083
23	ICB Discharge Funding	Cr 1,213		0
24	Market Sustainability Improvement Fund	Cr 2,420	Cr 4,988	Cr 3,810
	<i>Transformation Programme Savings</i>			
25	Strategic needs assessment of those with learning disabilities to support commissioning of supported housing and associated services	Cr 250		46,397
26	Extra care housing for older people	Cr 100		14,806
27	Providing a Direct Payment for D2A	Cr 25		956
28	Charging Policy for Adhoc Transport Costs	Cr 10		Cr 4,718
29	Reduce Agency fees by recruiting ASYE and permanent staff	Cr 50		0
30	Digital Transformation in Adult Social Care	Cr 50		7,070
31	Adult Social Care Reform - General Includes models of care and community hubs	Cr 50		7,070
32	Mental Health Housing Support transformation	Cr 50		6,100
33	DOLs reduction in the number of assessments	Cr 14		885
34	Enhanced Domiciliary Care	Cr 369		7,070
35	Ordinary Residents Review	Cr 200		14,806
36	Disabled Facilities Grant (DFG)	Cr 20		7,070
37	Enhanced Reablement	Cr 200		14,806
38	Efficiencies across the Promoting Independence Service	Cr 250		7,070
39	CareLink/ AT Service Transformation.	Cr 203		7,070
40	Utilisation of public health reserve to mitigate against inflation increases	Cr 263		0
41	Utilisation of public health reserve to mitigate against inflation increases - staffing	Cr 89	Cr 2,193	0
42	Variations in Capital Charges		0	
43	Variations in Recharges		218	
44	Variations in Insurances		Cr 17	
45	2024/25 DRAFT BUDGET		94,976	

ADULT CARE & HEALTH PORTFOLIO

Notes on Budget Variations in 2024/25

Ref	Comments
	<u>Full Year Effect of Allocation of Central Contingency</u>
3	<u>Market Sustainability and Improvement Fund (Dr £2,788k)</u> Drawdown of Market Sustainability and Improvement Fund expenditure budget (23/24 level) to Adult Social Care.
4	<u>Adult Social Care Discharge Fund (Cr £1,084k)</u> Drawdown of the Adult Social Care Discharge Fund grant (23/24 level) to Adult Social Care.
5	<u>Social Care Grant for ASC reforms (Cr £720k)</u> Allocation of part of the Adult Social Care Reform grant funding from 23/24 to the Adult Social Care budget.
6	<u>Funding from Contingency for Social Care Grant - (Dr £1,400k)</u> Adjustment from contingency to reflect the final allocation of Social Care Grant for 23/24.
	<u>Movements Between Portfolios/Departments</u>
7	<u>Transfer of LD Care Management Staff & funding to Children's 0-25 years' service (Cr £144k)</u> This is the full year effect of the transfer of Learning Disabilities care management staff and funding for a 0.5 fte to the 0-25 years' service within Childrens Social Care.
8	<u>Care Placements Team Staff to Childrens Division (Cr £320k)</u> This is the full year effect of the transfer of several staff from the Care Placements team to the Children's Division.
	<u>Real Changes</u>
	<i>Savings identified for 2024/25 as part of the 2023/24 Budget process</i>
9	<u>Develop in-Borough supported housing schemes for Learning Disabilities Services (Cr £174k)</u> Development and implementation of the Housing with Care Strategy to address growth pressures.
10	<u>Shared lives project out of Borough (Cr £8k)</u> Continued focus of Shared Lives to place residents in brough and support residents out-of-borough return.
11	<u>Sexual Health (Dr £25k)</u> This is a reduction in the 2023/24 savings of £50k relating to further developing on-line provision and therefore reduce clinic attendance.
	<i>Other Real Changes</i>
12	<u>Adult Social Care Reform Monies (2024/25) (Cr £1,400k)</u> There is an increase in government funding in 2024/25 for Adult Social Care Reforms.

	<i>Growth</i>
13	<u>Assessment & Care Management - Full Year Effect of 2023/24 (Dr £4,637k)</u> The full year effect of the 2023/24 overspend on Assessment & Care Management is £4,637k and this has been funded in the 2024/25 budget.
14	<u>Learning Disabilities - Full Year Effect of 2023/24 (Dr £833k)</u> The full year effect of the 2023/24 overspend on Learning Disabilities services is £833k and this has been funded in the 2024/25 budget.
15	<u>Mental Health - Full Year Effect of 2023/24 (Dr £529k)</u> The full year effect of the 2023/24 overspend on Mental Health services is £529k and this has been funded in the 2024/25 budget.
16	<u>National Living Wage (Dr £1,640k)</u> Provision of £1,640k has been included in the 2024/25 budget to fund the impact of the increase to the National Living Wage.
17	<u>Fall out of one-off IBCF funding (Dr £400k)</u> £400k of one-off underspends on the Improved Better Care Fund (iBCF) was allocated in 2023/24 to part fund growth pressures. This has now been removed from the budget in 2024/25 so there is a fall out of £400k.
18	<u>Learning Disabilities Growth (Dr £1,534k)</u> There are demand-related pressures on the Learning Disabilities budget in 2024/25 arising mainly from transition clients and increased client needs and complexity. This is offset by both mitigation and transformation savings as detailed below.
	<i>Mitigation</i>
19	<u>Preparing for adulthood support (Cr £46k)</u> This saving will be delivered through the 0-25 service who now hold this budget.
20	<u>Better Care Fund Inflation (Cr £177k)</u> Additional inflation from the Better Care Fund above that already allocated in the budget.
21	<u>Improved Better Care Fund Inflation (Cr £51k)</u> Additional inflation from the Improved Better Care Fund above that already allocated in the budget.
22	<u>LA Discharge funding (Cr £1,081k)</u> Increase in the Hospital Discharge funding for Bromley in 2024/25, and use of funding in baseline of Discharge funding to support growth in budget.
23	<u>ICB Discharge Funding (Cr £1,213k)</u> Utilisation of the SEL ICB Discharge funding to support increased demand in adult social care in 2024/25.
24	<u>Market Sustainability Improvement Fund (Cr £2,420k)</u> Increase in the Market Sustainability Improvement Fund funding for Bromley in 2024/25.

<i>Transformation Programme Savings</i>	
25	<u>Strategic needs assessment of those with learning disabilities to support commissioning of supported housing and associated services (Cr £250k)</u> LD commissioning of supported housing including building and expanding current stock.
26	<u>Extra care housing for older people (Cr £100k)</u> Demand and capacity management in the 6 Extra Care Housing schemes
27	<u>Providing a Direct Payment for D2A (Cr £25k)</u> Provide DPs to residents on discharge identified as eligible in place of D2A.
28	<u>Charging Policy for Adhoc Transport Costs (Cr £10k)</u> Reduction in transport costs due to charging users for adhoc journeys.
29	<u>Reduce Agency fees by recruiting ASYE and permanent staff (Cr £50k)</u> Reduction in agency fees due to recruitment of newly qualified social workers and permanent staff.
30	<u>Digital Transformation in Adult Social Care (Cr £50k)</u> Implementation of ASC Digital Transformation Strategy.
31	<u>Adult Social Care Reform - General Includes models of care and community hubs (Cr £50k)</u> Delivery of ASC Transformation Strategy including strategic coproduction project.
32	<u>Mental Health Housing Support transformation (Cr £50k)</u> Savings from the new MH service post procurement and a lower overall number of people in high-cost placements, with individuals “stepping down” to current vacancies.
33	<u>DOLs reduction in the number of assessments (Cr £14k)</u> Introduction of the DOLs Portal, enabling professionals to complete online assessments.
34	<u>Enhanced Domiciliary Care (Cr £369k)</u> Saving based on estimate of long term savings in residential care, less cost of intervention.
35	<u>Ordinary Residents Review (Cr £200k)</u> Review OR list to identify Working Age Adults/Older People whose care and support is currently being paid for by Bromley, however, are the responsibility of another local authority. Re-charge other LA for previous and ongoing costs.
36	<u>Disabled Facilities Grant (Cr £20k)</u> Review care and support to identify where DFG could be used to help residents remain at home and maintain independent living.

37	<u>Enhanced Reablement (Cr £200k)</u>
	Enhanced reablement offer - pathway is part of the prevention offer, reducing reliance on domiciliary care.
38	<u>Efficiencies across the Promoting Independence Service (Cr £250k)</u>
	OT preventive offer/model includes supporting increased number of people in the community to achieve the outcomes that matter to them in their life.
39	<u>CareLink/ AT Service Transformation (Cr £203k)</u>
	Continued delivery of CareLink/AT Service Transformation programme.
40	<u>Utilisation of public health reserve to mitigate against inflation increases (Cr £263k)</u>
	Inflation on Public Health services recharged in to PH from other departments funded from the PH reserve.
41	<u>Utilisation of public health reserve to mitigate against inflation increases - Payroll (Cr £89k)</u>
	Provision for inflationary pay award's for Public Health staff funded from the PH reserve.
42	<u>Variations in Capital Charges (Net £0)</u>
	The variation in capital charges is due to a combination of the following: (i) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – these are schemes in the capital programme that do not add value to the Council's fixed asset base. It is the nature of the capital programme that the projects covered will change from year to year. The amounts shown are for our current best understanding of the relevant schemes for 2024/25. (ii) Government grants – mainly due to variations in credits for capital grants receivable in respect of 2024/25 capital programme schemes. These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.
43	<u>Variations in Recharges (Dr £218k)</u>
	Variations in recharges are offset by corresponding variations elsewhere and have no impact on the overall position. The variations in recharges include £218k for inflation in services that are recharged to Public Health.
44	<u>Variations in Insurance (Cr £17k)</u>
	Insurance recharges to individual portfolios also have changed between years, in some cases significantly, partly due to the changing profile of actual claims in the recent past. Inflation has also had an impact, both on the projected policy costs, and the costs of delivering the service.

ADULT CARE & HEALTH PORTFOLIO

DRAFT REVENUE BUDGET 2024/25 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Government Grants	Other Grants Reimbursements and Contributions	Customer and Client Receipts	Controllable Recharges	Net Interest Income	Transfers to/from Earmarked Reserves	Total Controllable
	£	£	£	£	£	£	£	£	£				£
Adult Social Care													
Assessment and Care Management	9,241,290	210,830	384,660	4,950,070	53,790,800	6,223,880	Cr 13,048,550	Cr 684,590	Cr 15,352,170	Cr 20,452,810	0	0	25,263,410
Carers	0	0	0	0	0	103,000	0	0	0	Cr 99,520	0	0	3,480
Direct Services	1,850,470	0	82,160	103,490	47,940	0	0	0	Cr 571,480	Cr 1,377,200	0	0	135,380
Learning Disabilities Services	1,305,230	25,600	910,250	33,630	53,779,880	5,799,720	Cr 425,190	Cr 1,534,950	Cr 3,949,420	Cr 4,283,900	0	0	51,660,850
Mental Health Services	128,750	0	15,970	Cr 335,710	10,671,800	223,940	0	Cr 1,090,610	Cr 394,980	Cr 223,390	0	0	8,995,770
Quality Assurance & Safeguarding	1,957,410	1,950	2,930	890,060	6,430	0	0	0	0	Cr 80,720	0	0	2,778,060
Placement and Brokerage	979,870	0	4,470	2,470	0	0	0	0	0	Cr 293,890	0	0	692,920
	15,463,020	238,380	1,400,440	5,644,010	118,296,850	12,350,540	Cr 13,473,740	Cr 3,310,150	Cr 20,268,050	Cr 26,811,430	0	0	89,529,870
Integrated Commissioning Service													
Better Care Fund	0	0	0	0	9,079,455	0	Cr 1,806,000	Cr 29,724,485	0	22,010,710	0	0	Cr 440,320
Improved Better Care Fund	0	0	0	0	190,530	0	Cr 7,730,240	0	0	7,539,710	0	0	0
Information & Early Intervention	0	0	0	0	3,892,180	0	Cr 170,590	Cr 263,300	0	Cr 3,391,050	0	0	67,240
Integrated Commissioning Service	1,483,620	0	3,350	35,350	282,790	0	0	Cr 194,120	Cr 20,700	Cr 138,520	0	0	1,451,770
	1,483,620	0	3,350	35,350	13,444,955	0	Cr 9,706,830	Cr 30,181,905	Cr 20,700	26,020,850	0	0	1,078,690
Public Health	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Health	1,993,890	0	3,100	559,795	9,430,220	0	Cr 16,332,905	Cr 7,560	0	5,283,780	0	Cr 611,000	319,320
	1,993,890	0	3,100	559,795	9,430,220	0	Cr 16,332,905	Cr 7,560	0	5,283,780	0	Cr 611,000	319,320
	18,940,530	238,380	1,406,890	6,239,155	141,172,025	12,350,540	Cr 39,513,475	Cr 33,499,615	Cr 20,288,750	4,493,200	0	Cr 611,000	90,927,880

Service area	Premises Related Expenditure	Insurance Charges	Property Rental Income	Investment Property Income	Capital Charges /Financing	Total Non Controllable	Excluded Recharges	Total Net Budget
	£							£
Adult Social Care								
Assessment and Care Management	164,320	112,540	Cr 116,070	0	31,000	191,790	4,113,180	29,568,380
Carers	0	0	0	0	0	0	0	3,480
Direct Services	0	4,220	0	0	0	4,220	Cr 2,900	136,700
Learning Disabilities Services	138,830	11,240	0	0	125,000	275,070	Cr 2,792,890	49,143,030
Mental Health Services	24,460	0	Cr 29,740	0	45,000	39,720	Cr 1,514,510	7,520,980
Quality Assurance & Safeguarding	0	3,140	0	0	0	3,140	Cr 1,026,470	1,754,730
Placement and Brokerage	0	1,970	0	0	0	1,970	Cr 694,890	0
	327,610	133,110	Cr 145,810	0	201,000	515,910	Cr 1,918,480	88,127,300
Integrated Commissioning Service								
Better Care Fund	0	0	0	0	0	0	20,320	Cr 420,000
Improved Better Care Fund	0	0	0	0	0	0	0	0
Information & Early Intervention	0	0	0	0	0	0	0	67,240
Integrated Commissioning Service	0	2,450	0	0	0	2,450	5,103,350	6,557,570
	0	2,450	0	0	0	2,450	5,123,670	6,204,810
Public Health								
Public Health	0	36,120	0	0	0	36,120	289,080	644,520
	0	36,120	0	0	0	36,120	289,080	644,520
	327,610	171,680	Cr 145,810	0	201,000	554,480	3,494,270	94,976,630