

**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 12<sup>th</sup> March 2024

**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

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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 December 2023.

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2. RECOMMENDATION(S)

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

- i) Note the net overspend of £1,925k on controllable expenditure based on information as at December 2023;
- ii) Note the full year effect cost pressures of £6,497k 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 £1,925k on controllable expenditure based on information as at December 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: £86.1m
  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: Not Applicable

### **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 £1,925k 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 £1,925k overspend. The main reasons for this are:

##### Assessment and Care Management - £970k overspend

3.3.2 Assessment and Care Management is currently estimated to overspend by £970k. This is mainly due to the cost of care package and placements, including hospital discharge packages, partly offset by the application of grant funding, and an overspend on the Community Equipment contract budget.

##### Quality Assurance and Safeguarding - £160k underspend

3.3.3 This underspend is mainly against the Deprivation of Liberty Safeguards & Mental Capacity Act supplies and services budget.

##### Learning Disabilities – £155k overspend

3.3.4 Learning Disabilities is currently projecting an overspend of £155k, based upon the current level of client numbers and costs.

##### Mental Health - £960k overspend

3.3.5 The forecast on mental health is projecting an overspend of £960k. This is split between £435k on services for 18-64 year-olds, £326k on services for adults over 65, a £212k delay in achievement of savings, and £13k underspend on Transport costs.

#### **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 £6,497k as detailed in Appendix 2.

#### **3.5 COMMENTS FROM THE DIRECTOR OF ADULT SOCIAL CARE**

3.5.1 As can be seen, pressures on the budget have continued but have been largely contained. There remain three main pressure areas, costs relating to the transition of young people into adult services, hospital discharge and community equipment.

3.5.2 The teams continue to experience pressure in relation to those moving into adulthood from children's services and attention continues at a senior level within the Council. From the beginning of the next financial year the budget for the management of services for this group of young adults' transfers to children's services under the management of the 0-25 service, so whilst a pressure for the Council, should not show as a significant pressure in the adults budget.

- 3.5.3 Whilst pressures are being managed in relation to hospital discharge, the current pressures within the health system may have a knock on to the adult's budget. Systems are in place to monitor this on a very regular basis and any impacts will be challenged and managed through the One Bromley Executive. The Director is currently chairing this board so has a direct influence on information provided to the board for all partners.
- 3.5.4 The new Integrated Community Equipment Service continues to generate some concerns but the new provider is now in a much firmer financial position and performance continues to improve, albeit slowly. The budget contains a risk around the delivery of credits, which are paid against returned equipment, but which are expected to deliver. This is flagged as a risk as these may not deliver before the end of the financial year, but a carry forward will allow for late delivery of these.

#### **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 £1,925k (£6,497k 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.

<b>Non-Applicable Sections:</b>	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
	<b>PEOPLE DEPARTMENT</b>							
	<b>Adult Social Care</b>							
23,554	Assessment and Care Management	22,816	24,568	25,538	970	1	550	5,531
118	Direct Services	117	117	117	0		0	0
2,334	Quality Assurance & Safeguarding	2,075	2,695	2,535	Cr 160	2	0	0
43,807	Learning Disabilities	48,075	47,943	48,098	155	3	0	709
8,650	Mental Health	8,415	8,415	9,375	960	4	951	257
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
<b>79,115</b>		<b>82,477</b>	<b>84,397</b>	<b>86,322</b>	<b>1,925</b>		<b>1,501</b>	<b>6,497</b>
	<b>Integrated Commissioning Service</b>							
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	5	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	6	0	0
Cr 10,327	- Income	Cr 8,130	Cr 8,130	Cr 8,130	0		0	0
<b>1,279</b>		<b>1,385</b>	<b>1,385</b>	<b>1,385</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>Public Health</b>							
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
<b>290</b>		<b>316</b>	<b>316</b>	<b>316</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>80,684</b>	<b>TOTAL CONTROLLABLE ADULT CARE &amp; HEALTH</b>	<b>84,178</b>	<b>86,098</b>	<b>88,023</b>	<b>1,925</b>		<b>1,501</b>	<b>6,497</b>
421	<b>TOTAL NON CONTROLLABLE</b>	559	559	559	0		0	0
4,092	<b>TOTAL EXCLUDED RECHARGES</b>	3,494	3,494	3,494	0		0	0
<b>85,197</b>	<b>TOTAL ADULT CARE &amp; HEALTH PORTFOLIO</b>	<b>88,231</b>	<b>90,151</b>	<b>92,076</b>	<b>1,925</b>		<b>1,501</b>	<b>6,497</b>

Reconciliation of Latest Approved Budget		£'000
2023/24 Original Budget		88,231
<b>Carry forwards:</b>		
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
Winter Resilience Funding		
- 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
<b>Contingency:</b>		
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
Adult Social Care grant		1,400
<b>Other:</b>		
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
<b>Latest Approved Budget for 2023/24</b>		<b>90,151</b>

**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 &amp; Cognition</u>	
<b>Services for 65 +</b>	
- Placements	151
- Domiciliary Care / Direct Payments	2,764
	<u>2,915</u>
<b>Services for 18-64</b>	
- Placements	Cr 62
- Domiciliary Care / Direct Payments	1,031
	<u>969</u>
<b>Market Sustainability and Improvement Fund (MSIF)</b>	
- 23/24 MSIF allocation	Cr 1,227
- 23/24 MSIF Workforce Fund allocation	Cr 1,810
	<u>3,037</u>
<b>Hospital Discharge Packages</b>	
- Placements	2,536
- Domiciliary Care	1,190
- Enhanced Care	1,147
- 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
- Winter Resilience funding	Cr 200
- Management action	Cr 625
	<u>474</u>
<b>Other</b>	
Extra Care Housing	Cr 85
Day Care	Cr 333
Adult Transport	Cr 223
Community Equipment	450
	<u>1,130</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 £2,915k**

Numbers in residential and nursing care to date are 22 below the budget provision of 512 (was 15 below in Q2), however an overspend of £568k 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 £372k and respite care of £45k.

The overall position on the domiciliary care and direct payments budgets (65+) is a projected overspend of £2,764k, which is an increase of £333k from Q1. Domiciliary care is projected to overspend by £2,312k and direct payments to overspend by £452k.

**Services for 18-64 - Dr £969k**

Placements for 18-64 age group are projected to overspend by £171k this year based on current service user numbers which are currently 1 above budgeted levels. This is a reduction of £216k since Q2. Offsetting this is a projected underspend on emergency and temporary placements of £221k and respite of £12k.

The overall position on the domiciliary care and direct payments budgets (18-64) is a projected overspend of £1,031k. Domiciliary care is currently projected to overspend by £644k, an increase of £177k from Q1 and direct payments to overspend by £387k.



Hospital Discharge - Dr £474k

Discharges from hospital continue to follow the new pathway set up with Health. Currently a full year overspend of £4,873k (£5,554k in Q2) is projected, split between placements of £2,536k, domiciliary care of £1,190k and enhanced care of £1,147k. This is however offset by management action of £625k, (reduced from £1,306k in Q2 as savings achieved) aiming to reduce the length of time a service user spends in a D2a setting. Additional funding has also been applied as follows: Hospital Discharge funding (£324k LBB and £1,133 ICB); use of BCF reserve (£1,300k); additional Adult Social Care Reform funding of £817k and Winter Resilience funding brought forward of £200k. 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.

Extra Care Housing - Cr £85k

Extra Care Housing is currently projected to underspend by £85k as a result of the net impact of voids (reduced care hours offset by Void payments to housing provider)

Day Care - Cr £333k / Transport - Cr £223k

Day Care services is currently projected to underspend by £333k, with numbers still being down on pre-covid numbers as service users switched to other services when the centres were closed during covid. This has also impacted the transport budget, which is showing a projected underspend of £223k.

Community Equipment - Dr £450k

The community equipment budget is currently predicted to overspend by £450k. A gross pressure of £3,062k is forecast based on the value of invoices paid to the supplier to date, however the net forecast assumes the receipt of collection credits of £1,210k and contributions from the Better Care Fund of £1,402k which will reduce the net overspend to £450k. There is additional information in part 2 of this report concerning the current position on the Community Equipment contract and associated financial risks.

**2. Quality Assurance & Safeguarding - Cr £160k**

The Quality Assurance & Safeguarding budget is currently projecting an overall underspend of £160k for Q3, mainly against the Deprivation of Liberty Safeguards budget.

**3. Learning Disabilities - Dr £155k**

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 overspend of £155k is now projected for this budget (Q2 nil variance forecast) which is based upon the current level of costs and client numbers. The change in the projection from Q2 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.

**4. Mental Health - Dr £960k**

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 £302k this year based on current service user numbers of 52 (50 in Q2).

The overall position on the domiciliary care and direct payments budgets (65+) is a projected overspend of £24k. Domiciliary care is currently projected to overspend by £124k and direct payments to underspend by £100k.

Placements for the 18-64 age group are projected to overspend by £302k this year based on current service user numbers of 107 (also 107 in Q2), 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 £133k, with Domiciliary care currently projected to overspend by £55k and direct payments to overspend by £78k.

In addition to the above, savings of £424k were included in the 2023/24 budget. To date £124k has been achieved and another £88k is expected to be achieved. This leaves £212k as not being achieved for the remainder of the year.

Transport costs are expected to underspend by £13k

**5. 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.

**6. 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	<u>1,911</u>
	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, 37 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 no virements since the last report to Executive.

Description	2023/24 Latest	Variation To	Potential Impact in 2024/25
	Approved	2023/24	
	Budget	Budget	
	£'000	£'000	
Assessment and Care Management - Care Placements / Community Equipment	33,544	970	The full year impact of the current overspend is estimated at £5,531k . Of this amount Dr £221k relates to residential and nursing home placements for 65+ and Cr £45k for the 18-64's. Domiciliary care & direct payments 65+ is £2,843k overspent and for 18-64 £1,100k. This is based on service user numbers as at the end of December 2023. There is also a £1,412k FYE of current level of Discharge to Assess costs. It assumed that management action and other discharge funding continues in 2024/25.
Learning Disabilities - including Care Placements, Transport and Care Management	42,273	155	The full year effect (FYE) variation is estimated at a net overspend of £709k (Q2 £833k). 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	960	A full year overspend of £257k is anticipated on Mental Health care packages , with residential , nursing and supported living placements £63k overspent and domiciliary care and direct payments £194k overspent.