

**FINANCE AND PERFORMANCE REPORT – OCTOBER 2017**

**To: Adults Committee**

**Meeting Date: 7 December 2017**

**From: Executive Director: People and Communities  
Chief Finance Officer**

**Electoral division(s): All**

**Forward Plan ref: Not applicable      Key decision: No**

**Purpose: To provide the Committee with the October 2017 Finance and Performance report for People And Communities Services (P&C), formerly Children's, Families and Adults Services (CFA).**

**The report is presented to provide the Committee with the opportunity to comment on the financial and performance position as at the end of October 2017.**

**Recommendation: The Committee is asked to review and comment on the report**

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## 1.0 BACKGROUND

- 1.1 A Finance & Performance Report for People and Communities (P&C), formerly Children, Families and Adults Directorates (CFA) is produced monthly and the most recent available report is presented to the Committee when it meets.
- 1.2 The report is presented to provide the Committee with the opportunity to comment on the financial and performance position of the services for which the Committee has responsibility.
- 1.3 This report is for the whole of the P&C Service, and as such, not all of the budgets contained within it are the responsibility of this Committee. Members are requested to restrict their attention to the budget lines detailed in Annex A, whilst the table below provides a summary of the budget totals relating to Adults Committee:

<b>Forecast Variance Outturn (Sept) £000</b>	<b>Directorate</b>	<b>Current Budget 2017/18 £000</b>	<b>Actual to end of Oct £000</b>	<b>Current Variance £000</b>	<b>Forecast Variance Outturn (Oct) £000</b>
448	Adults & Safeguarding	146,193	89,923	1,374	3,275
-55	Adults Commissioning (including Local Assistance Scheme)	10,503	2,649	94	-55
0	Communities & Safety – Safer Communities Partnership	1,589	805	51	0
<b>393</b>	<b>Total Expenditure</b>	<b>158,285</b>	<b>93,378</b>	<b>1,519</b>	<b>3,220</b>
0	Grant Funding (including Better Care Fund, Social Care in Prisons Grant etc.)	-15,025	-8,947	0	0
<b>393</b>	<b>Total</b>	<b>143,260</b>	<b>84,431</b>	<b>1,519</b>	<b>3,220</b>

**Please note:** Strategic Management – Commissioning, Executive Director and Central Financing budgets cover all of P&C and are therefore not included in the table above.

### 1.4 Financial Context

As previously discussed at Adults Committee the major savings agenda continues with £99.2m of savings required across the Council between 2017 and 2022.

The required savings for CFA in the 2017/18 financial year total £20,658k.

## 2.0 MAIN ISSUES IN THE OCTOBER 2017 P&C FINANCE & PERFORMANCE REPORT

- 2.1 The October 2017 Finance and Performance report is attached at Annex B. At the end of October, P&C forecast a pressure of £5,562k. This is a worsening position from the previous month when the forecast was £4,388k.

As well as making savings through transformation, the service faces significant demand pressures, particularly in children's services related to the rising number of looked after children, a national trend. This month the report also acknowledges emerging pressures in Adults services, and risk will likely increase in this area as efforts to meet national delayed

transfers of care targets step-up for winter.

In response to these pressures the Executive Director budget includes assumptions around the ability to re-prioritise grant funded activity (Improved Better Care Fund (iBCF)), this relates particularly to recently improved performance in delayed transfers of care (DTOC), bringing with it an increased need for the delivery of complex packages of care for older people. This is part of a planned approach across at least the next 2 years.

The directorate is focused on identifying financial mitigations to offset pressures; seventeen service lines have already identified underspends and other areas are anticipating that they can improve their current position before year-end in the forecast submitted.

The whole directorate has been tasked with going further to improve the position. In many cases, planned transformation and demand management strategies are in progress and will deliver the expected savings ask although to a delayed timescale.

## 2.2 Revenue

The main changes to the revenue forecast variances within Adults Committees areas of responsibility since the previous report are as follows:

- In Adults and Safeguarding, the forecast pressure on the Learning Disability Partnership increased by £811k as a result of some high-cost care packages agreed in month, service-users who have transferred to in-patient placements and who have moved into the county and become this Council's responsibility. This is compounded by a review of expected savings delivery, which has highlighted slippage in the rate of reassessment work, pushing saving opportunities into 2018/19
- In Adults and Safeguarding, the forecast underspend in Physical Disabilities has decreased by £150k as a result of revised care cost projections for the remainder of the year following analysis of trends in the first two quarters.
- In Adults and Safeguarding, Older People's locality teams are forecasting a pressure of £1.858m. Demand for placements is higher than anticipated at the start of the year; preventative measures are reducing numbers of service user with low needs accessing services, but there has been an increase in demand for high cost, complex packages, borne out by an increasing number of residential and nursing placements. Much of this is linked to our recently improved performance on reducing delayed transfers out of hospital.

2.3 The table below identifies the key areas of pressures and underspends within Adults services alongside potential mitigating actions and future risks or issues.

<b>Strategic Management - Adults</b>  Forecast year-end variance: <b>-£293k</b>	The key reasons for the underspend in this area are: <ul style="list-style-type: none"><li>• £193k on vacancy savings as a result of difficulties in recruiting to posts across the Directorate.</li><li>• £100k of efficiencies from the provision of services relating to social care needs for prisoners.</li></ul>
<b>Learning Disability Services (LD)</b>	The key reasons for the pressure in this area are: <ul style="list-style-type: none"><li>• Increased levels of care and support required to meet needs and the sustainability of these arrangements through the year. The circumstances of the young people as they reach 18 years old is</li></ul>

<p>Forecast year-end variance: <b>+£1,756k</b></p>	<p>monitored closely to confirm the level of funding required to meet their needs and to try to anticipate the sustainability of the arrangements. This includes both the home circumstances and the educational arrangements for the young person.</p> <ul style="list-style-type: none"> <li>• Demand pressures are higher than expected, and there is continued expenditure on high-cost out of county in-patient placements due to the level of need of the people concerned. New package costs and increases in the costs of existing packages were higher than expected in the final months of 2016/17 and have continued to be high in the first part of 2017/18. This has also resulted in revised projections of demand pressures for the remainder of the year.</li> </ul> <p>Mitigating actions include:</p> <ul style="list-style-type: none"> <li>• The dedicated reassessment and brokerage capacity funded by the Transformation Fund is continuing to explore additional workstreams to deliver further savings, and is providing key expertise in negotiating with providers to avoid increases in costs and to rationalise existing arrangements.</li> <li>• Restrictions on price uplifts for providers are being targeted.</li> <li>• Work to return service-users placed out of county into cheaper, in-county provisions is being scoped to see if this can be brought-forward into 2017/18.</li> <li>• Reviewing the utilisation of staff to reduce reliance on agency staff and overtime working in the in-house provider services.</li> <li>• Ongoing work with colleagues in Children's services to ensure that packages are cost effective leading up to each person's 18th birthday.</li> <li>• The Young Adults Team are working to try to mitigate the potential of increased costs if individual circumstances are not sustainable.</li> </ul>
<p><b>Older People's Services</b></p> <p>Forecast year-end variance: <b>+£1,858k</b></p>	<p>The key reasons for the pressure in this area are:</p> <ul style="list-style-type: none"> <li>• Higher demand for placements than anticipated at the start of the year.</li> <li>• Increasing package prices.</li> <li>• Recently improved performance in DTOC, resulting in increased expenditure</li> </ul> <p>Mitigating actions include:</p> <ul style="list-style-type: none"> <li>• Increasing the utilisation rate of existing block contracts;</li> <li>• Working closely with the Brokerage team to minimise new placement costs;</li> <li>• Introducing a new process for Continuing Health Care to help reduce the time between initial checklist and case completion.</li> <li>• Reviewing DTOC arrangements to ensure timely reviews following discharge</li> </ul>
<p><b>Physical Disabilities (PD)</b></p> <p>Forecast year-end variance: <b>-£164k</b></p>	<p>The key reason for the underspend in this area is:</p> <ul style="list-style-type: none"> <li>• Revised projections of costs for the remaining part of the year as a result of lower than expected demand and higher than expected clawbacks of unused direct payments.</li> </ul>
<p><b>Autism and Adult Support</b></p> <p>Forecast year-end variance: <b>-£175k</b></p>	<p>The key reason for the underspend in this area is:</p> <ul style="list-style-type: none"> <li>• Lower than expected service-user needs, and efficiencies that have been made in existing care packages as a result of shorter-term interventions being put in place in line with the Transforming Lives approach.</li> </ul>
<p><b>Mental Health</b></p>	<p>The key reason for the underspend in this area is:</p>

<b>Central</b>  Forecast year-end variance: <b>-£157k</b>	<ul style="list-style-type: none"> <li>The Section 75 contract value with CPFT (who host the mental health workforce) has been updated in line with the restructure of Mental Health Services undertaken during 2016/17.</li> </ul>
<b>Mental Health Services</b>  Forecast year-end variance: <b>+330k</b>	<p>The key reasons for the pressure in this area are:</p> <ul style="list-style-type: none"> <li>Increases in care commitments in the last quarter of 2016/17 resulted in a £360k pressure on the budget at the start of the year.</li> <li>Increase in the underlying cost of care commitments since September.</li> </ul> <p>Mitigating actions include:</p> <ul style="list-style-type: none"> <li>Identification of underspends elsewhere across Mental Health Services, notably efficiencies achieved on the Section 75 contract, as reported under Mental Health Central.</li> <li>Stepping up strategies for move on;</li> <li>Working with the new provider of supported accommodation to increase thresholds thereby reducing the use of more expensive residential care in adult mental health; and</li> <li>Securing appropriate funding for service users with health needs.</li> </ul>

## 2.4 Performance

Of the twenty-three P&C service performance indicators eleven are shown as green, four as amber and eight are red.

Of the Adults Performance Indicators, three are green, two are amber and three are red. The three red performance indicators are:

1. Proportion of adults with learning disabilities in paid employment
2. BCF Average number of bed-day delays, per 100,000 of population per month (aged 18+)
3. Average number of ASC attributable bed-day delays per 100,000 population per month (aged 18+)

## 2.5 P&C Portfolio

The major change programmes and projects underway across P&C are detailed in Appendix 8 of the report – none of these is currently assessed as red.

## 3.0 2017-18 SAVINGS TRACKER

- 3.1 As previously reported the “tracker” report – a tool for summarising delivery of savings – will be made available for Members on a quarterly basis.

## 4.0 ALIGNMENT WITH CORPORATE PRIORITIES

### 4.1 Developing the local economy for the benefit of all

- 4.1.1 There are no significant implications for this priority.

### 4.2 Helping people live healthy and independent lives

- 4.2.1 There are no significant implications for this priority

### **4.3 Supporting and protecting vulnerable people**

4.3.1 There are no significant implications for this priority

## **5.0 SIGNIFICANT IMPLICATIONS**

### **5.1 Resource Implications**

5.1.1 This report sets out details of the overall financial position of the P&C Service.

### **5.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

5.2.1 There are no significant implications within this category.

### **5.3 Statutory, Risk and Legal Implications**

5.3.1 There are no significant implications within this category.

### **5.4 Equality and Diversity Implications**

5.4.1 There are no significant implications within this category.

### **5.5 Engagement and Consultation Implications**

5.5.1 There are no significant implications within this category.

### **5.6 Localism and Local Member Involvement**

5.6.1 There are no significant implications within this category.

### **5.7 Public Health Implications**

5.7.1 There are no significant implications within this category.

<b>Source Documents</b>	<b>Location</b>
As well as presentation of the F&PR to the Committee when it meets, the report is made available online each month.	<a href="https://www.cambridgeshire.gov.uk/council/finance-and-budget/finance-&amp;-performance-reports/">https://www.cambridgeshire.gov.uk/council/finance-and-budget/finance-&amp;-performance-reports/</a>

**Adults Committee Revenue Budgets within the Finance & Performance report**

**Adults & Safeguarding Directorate**

Strategic Management – Adults

Principal Social Worker, Practice and Safeguarding

**Learning Disability Services**

LD Head of Services

LD - City, South and East Localities

LD - Hunts & Fenland Localities

LD – Young Adults

In House Provider Services

NHS Contribution to Pooled Budget

**Older People's Services**

OP - City & South Locality

OP - East Cambs Locality

OP - Fenland Locality

OP - Hunts Locality

Discharge Planning Teams

Shorter Term Support and Maximising Independence

**Adult Disability Services**

PD Head of Services

Physical Disabilities

Autism and Adult Support Carers

**Mental Health**

Mental Health Central

Adult Mental Health Localities

Older People Mental Health

**Commissioning Directorate**

Strategic Management – Commissioning – *covers all of P&C*

Local Assistance Scheme

**Adults Commissioning**

Central Commissioning - Adults

Integrated Community Equipment Service

Mental Health Voluntary Organisations

**Community & Safety Directorate**

Safer Communities Partnership

**Executive Director**

Executive Director - *covers all of P&C*

Central Financing - *covers all of P&C*

**Grant Funding**

Non Baselined Grants - *covers all of P&C*