

FINANCE AND PERFORMANCE REPORT – OCTOBER 2016

To: Adults Committee

Meeting Date: 8 December 2016

From: Executive Director: Children, Families and Adults Services
Chief Finance Officer

Electoral division(s): All

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

Purpose: To provide the Committee with the October 2016 Finance and Performance report for 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 2016.

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 the 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 CFA 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 for which this Committee is responsible, which are detailed in Appendix 1.

1.4 Financial context

The Council planned to save £38,294k in 2016/17, and is on course to achieve close to this with a Council-wide overspend forecast of £1.8m at the end of October.

The major savings agenda continues with £99.2m of savings required across the Council between 2017 and 2022. Business Planning proposals are considered separately in another item at this meeting.

2.0 MAIN ISSUES IN THE OCTOBER 2016 CFA FINANCE & PERFORMANCE REPORT

- 2.1 The October 2016 Finance and Performance report is attached at Appendix 3. At the end of October, CFA forecast an overspend of £2,012k. This is an improving position from the previous month when the forecast overspend was £2,338k. Chief Officers are instigating further mitigating actions where appropriate so that this forecast falls further as the year continues.

2.2 Revenue

Overall change in the forecasts within the Adults Committee areas of responsibility since the previous report are minor:

- The Learning Disability Partnership forecast is unchanged since last month: some increases in care spending forecasts have been offset by an increased underspend on staffing costs for health professionals
- In Older People's Services utilisation of block contract beds at care homes is occurring faster than anticipated. So far this is offset by a corresponding reduction in spot purchased placements, but there is a risk of increased costs if block and spot purchasing both rise in future.

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

<p>Learning Disability Services (LD)</p> <p>Forecast year-end variance: +£1,775k, +3.0%</p>	<p>The forecast overspend is primarily the result of:</p> <ul style="list-style-type: none"> • Non-delivery to date of planned saving. Average cost-reduction is lower than anticipated, reflecting constraints of meeting needs for this client group in line with the legislative framework and market conditions. • The need to place a number of service-users out of county in high-cost, inpatient placements due to restricted local capacity. <p>The total LDP savings target was £6.2m in 2016/17 and the mitigating actions taken to manage the overspend at the current level within the year include:</p> <ul style="list-style-type: none"> • exceeding targeted restrictions on annual price uplifts through provider negotiation • underspending on staff costs where vacancies cannot be filled • securing a favourable NHS contribution to the pooled budget <p>Looking further ahead to 2017/18:</p> <ul style="list-style-type: none"> • Savings have been re-planned and reduced within the Business Plan (proposed savings in 2017/18 are now £2.02m less than the number proposed in February 2016). • Investment and capacity dedicated to the savings plans (particularly re-assessment work) has been increased. GPC is considering the investment & transformation proposal (which has approximately doubled to £750k) at its December meeting. The extra capacity includes social work, commissioning and procurement expertise.
<p>Disability Services (PD/Autism)</p> <p>Forecast year-end variance: -£353k, -2.5%</p>	<p>The forecast underspend is due to:</p> <ul style="list-style-type: none"> • The reassessment programme began early and remains on schedule • There has been progress on securing Continuing Healthcare funding where this is due, with further potential in the pipeline • Negotiations at the start of the year constrained annual price uplifts • Clawback of unused direct payment amounts is higher than budgeted <p>There are risks in the future around:</p> <ul style="list-style-type: none"> • Continuing to secure the full level of expected additional NHS funding • If the potential for reductions has mostly been secured by progress through the reassessment programme so far.
<p>Older People's Services</p> <p>Forecast year-end variance: -£1,469k, -2.9%</p>	<p>The key reason for the underspend in this area is:</p> <ul style="list-style-type: none"> • Supporting fewer people both in residential (without nursing) care homes as well as in their own homes. Evidence suggests that the amount of care received at home (number of hours) is also decreasing, partly due to the double-up and reassessment projects <p>The key financial risks are:</p> <ul style="list-style-type: none"> • Numbers requiring support in a nursing homes have been rising this financial year • Early indications suggest that a new block bed contract may be fully utilised more quickly than expected

	<ul style="list-style-type: none"> • Some people are waiting for their ongoing homecare to begin or social work assessment; waiting lists have pressure points but are not worsening overall • Client contributions decrease as care delivered decreases • Hospital admissions are seeing very significant year-on-year growth with an associated demand impact on social care, suggesting a perpetual decrease in numbers supported is unlikely • NHS contributions to older people's social care need to be appropriate requiring co-ordination and negotiation
Mental Health Forecast year-end variance: -£1,313k, -6.6%	<p>The key reasons for the underspends in this area are:</p> <ul style="list-style-type: none"> • Additional financial control has been established within the placement agreement process by mental health social workers • It is anticipated that a cohort of clients currently funded fully by the Council will instead be funded by the NHS • Negotiations at the start of the year constrained annual price uplifts <p>The key financial risks are:</p> <ul style="list-style-type: none"> • Securing the due financial contribution from the NHS • Continuing the trend of reducing expenditure from the progress made this year.
Other areas within Adults Services	<p>There are unplanned underspends in Mental Capacity Act –Deprivation of Liberty Safeguards, Carers Support and Shorter Term Support.</p> <p>Particularly because spending to support Carers and through Reablement helps manage the larger demand budgets, we are addressing these areas.</p>

2.6 Performance

Of the twenty-one CFA service performance indicators, six are shown as green, seven as amber and eight are red.

Two of the red performance indicators are within the Adults domain these remain:

- average number of all bed-day delays
- the proportion of adults with learning disabilities in paid employment

2.7 CFA Portfolio

The major change programmes and projects underway across CFA are detailed in Appendix 8 of the report. All projects have an unchanged rating from last month – none of these is currently red.

3.0 ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

3.1.1 There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

3.2.1 There are no significant implications for this priority

3.3 Supporting and protecting vulnerable people

3.3.1 There are no significant implications for this priority

4.0 SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

4.1.1 This report sets out details of the overall financial position of the CFA Service.

4.2 Statutory, Risk and Legal Implications

4.2.1 There are no significant implications within this category.

4.3 Equality and Diversity Implications

4.3.1 There are no significant implications within this category.

4.4 Engagement and Consultation Implications

4.4.1 There are no significant implications within this category.

4.5 Localism and Local Member Involvement

4.5.1 There are no significant implications within this category.

4.6 Public Health Implications

4.6.1 There are no significant implications within this category.

Source Documents	Location
As well as presentation of the F&PR to the Committee when it meets, the report is made available online each month.	http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/147/finance_and_performance_reports

Appendix 1

Adults Committee Revenue Budgets within the Outturn Finance & Performance report

Adult's Social Care Directorate

Strategic Management - ASC

Procurement

ASC Strategy and Transformation

ASC Practice & Safeguarding

Learning Disability Services

LD Head of Services

LD Young Adults

City, South and East Localities

Hunts and Fenland Localities

In House Provider Services

Disability Services

PD Head of Services

Physical Disabilities

Autism and Adult Support

Carers Services

Older People and Mental Health Directorate

Strategic Management – OP&MH

Central Commissioning

OP - City & South Locality

OP - East Cambs Locality

OP - Fenland Locality

OP - Hunts Locality

Discharge Planning Teams

Sensory Services

Shorter Term Support and Maximising Independence

Integrated Community Equipment Service

Mental Health

Mental Health Central

Adult Mental Health Localities

Older People Mental Health

Voluntary Organisations

Enhanced and Preventative Directorate

Safer Communities Partnership

Strategy and Commissioning Directorate

Local Assistance Scheme

Appendix 2

A Guide to the FPR Finance Tables

This column shows the previous month's Forecast Variance Outturn. If you compare this column with Column 8 (which is the latest month's forecast variance outturn) –you can see how the forecast position has changed during the last month.

Budgets are grouped together into "Policy Lines", which is the level of detail at which budgets are reported within each CFA Directorate.

The "Current Budget" is the budget as agreed within the Business Plan with any virements (changes to budget). Virements to /from CFA as a whole are detailed in Appendix 4.

When a budget is uploaded to the financial system a "profile" is allocated, and this profile reflects the assumptions on the likely timing of expenditure / income. If it is a salary budget it will assume that one-twelfth of the budget will be required each month. This column shows what level of expenditure or income one would expect to have occurred by this time in the financial year. It is a helpful prompt but in many cases actual expenditure and income does not occur as profiles would suggest.

APPENDIX 1 – CFA Service Level Budgetary Control Report

Forecast Variance Outturn (Apr) £'000	Service	Current Budget for 2015/16 £'000	Expected to end of May £'000	Actual to end of May £'000	Current Variance		Forecast Variance Outturn (May)	
					£'000	%	£'000	%
Adult Social Care Directorate								
0 1	Strategic Management – ASC	4,742	731	294	-437	-60 %	-1,200	-25 %
0 0	Procurement	577	103	298	195	189 %	0	0 %
0 0	ASC Strategy & Transformation	1,710	367	352	-15	-4 %	0	0 %
0 0	ASC Practice & Safeguarding	2,158	158	21	-138	-87 %	0	0 %
0 0	Local Assistance Scheme	386	67	79	13	19 %	0	0 %
<u>Learning Disability Services</u>								
0 2	LD Head of Services	250	22	860	838	3840 %	11	4 %
0 2	LD Young Adults	660	231	40	-191	-83 %	29	4 %
0 2	City, South and East Localities	30,991	5,806	5,381	-425	-7 %	1,378	4 %
0 2	Hunts & Fenland Localities	21,640	4,001	5,037	1,036	26 %	962	4 %
0 2	Littleport, Fenland Localities	554	4,042	294	-434	-78 %	6	1 %

This refers to the commentary in Appendix 2.

This column shows actual expenditure and income to date.

This column is the difference between Column 4 and Column 5 (col 5 less col 4) – and highlights where expenditure is higher or lower than is planned / profiled.

It is expressed in hundreds of thousands and as a percentage difference.

This is the most important column of the table – it shows what the budget holder is forecasting as an over- or –underspend at year-end (the variance compared to budget). The budget holder may have detailed commitment records or local knowledge which suggests that the year-end position is similar or different to the current variance (Column 6). This column shows the Budget Holder's best estimate of what the overspend (+) or underspend (-) or balanced position (0) will be at year-end.

It is expressed in both hundreds of thousands and as a percentage of total budget.