

FINANCE AND PERFORMANCE REPORT – OUTTURN 2016-17

To: Adults Committee

Meeting Date: 11 July 2017

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 2016-17 Outturn 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 the 2016-17 financial year.

Recommendation: The Committee should review and comment on the finance and performance report and:

- a) Note the finance and performance position as at the end of 2016-17
- b) Recommend the earmarked reserves listed in Appendix 4, which are continuing in 2017-18, to the General Purposes Committee for their re-approval

<i>Officer contact:</i>	
Name:	Martin Wade
Post:	Strategic Finance Business Partner
Email:	martin.wade@cambridgeshire.gov.uk
Tel:	01223 699733

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 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 had overall planned savings of £38,294k in 2016-17, and at year end the overall revenue budget position was an overspend of £499k (0.1%).

Following agreement of the Business Plan at Full Council in February, the major savings agenda continues with £99.2m of savings required across the Council between 2017 and 2022.

2.0 MAIN ISSUES IN THE 2016-17 OUTTURN CFA FINANCE & PERFORMANCE REPORT

- 2.1 The Outturn 2016-17 Finance and Performance report (F&PR) is attached at Appendix 3 and shows the final outturn is an overspend of £5,043k. This is a worsening position since the last report to Adults Committee in March which showed the forecast overspend at the end of January as £3,273k. However, it must be noted that between the end of March and the final outturn the position across CFA improved by £153k.
- 2.2 Despite underspends on areas such as the Physical Disability Service, Older People and Mental Health, Schools Partnership Service and Home to Schools Transport the increasing levels of demand and complexity of need, most notably in respect of the Learning Disability Service and Children's Social Care, have resulted in the overall overspend position at year-end. Significant work was undertaken during the budget setting process, alongside a number of ongoing workstreams to deliver reductions in costs and required savings in 2017-18. This ongoing work includes additional scrutiny on the highest risk budgets and savings via a weekly delivery board.

2.3 Revenue changes since January

The main changes to the revenue outturn position overseen by this Committee since the previous report are as follows:

- In Adult Social Care, the Learning Disability Partnership ended the year with an overspend of £2,735k. The County Council's share of the pooled budget is 79%, and so the overspend for the Council from the LDP is £2,155k, an increase of £581k since January.
- In Adult Social Care, the final underspend on Strategy & Transformation is -£254k, an increase of -£129k since January. This is mainly due to an underspend on contracts, particularly those relating to Housing Related Support, as a result of efficiencies being made by rationalising contracts throughout 2016-17.

- In Adult Social Care, the underspend in the Physical Disabilities service has increased to -£458k, a change of £141k since January. This is due to changes in care costs, mainly as a result of identifying vacancies in block contracts that existing service-users can be moved into and so removing the need to separately pay for care, as well as securing additional funding from the NHS for joint-funded care packages towards the end of the year.
- In Adult Social Care, the underspend on Carers Services has decreased by £332k since January to a final outturn of -£122k. Additional support has been provided where there has been a lower uptake of personal budgets. Care packages have been increased to maintain caring arrangements, and so preventing the need to put in more intensive support over the longer-term.
- In Older People and Mental Health, the Adult Mental Health Localities reported a final year end underspend of -£724k, an increase of -£49k since January. The underlying underspend on cost of care was £502k. Savings were made on residential, nursing and domiciliary care, although this had an offsetting effect on income from client contributions reflecting the reduction in overall service user numbers.
- In Older People and Mental Health, Older People Mental Health reported a final year end underspend of -£245k, a decrease of £274k since January. This is due to increases in residential and nursing care since January, which have been disguised by system changes made by CPFT to realign costs to the teams that are case responsible.
- In Older People and Mental Health, the strategic management policy line underspend has increased by £369k since January. This reflects difficulties in recruiting to posts across the directorate.
- In Older People and Mental Health, the Fenland Locality overspend has increased by £166k to £237k since January due to increases in residential and nursing care resulting from a number of new placements made prior to year-end and pressures resulting from renegotiation of a care home contract.

2.4 Performance

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

Of those that relate to Adults Committee, three are green, two are amber and three are red. The three red performance indicators are:

- 1 average number of all bed-day delays
- 2 average number of ASC attributable bed-day delays
- 3 the proportion of adults with learning disabilities in paid employment

2.5 CFA Portfolio

The major change programmes and projects underway across CFA are detailed in Appendix 8 of the report – none of these was assessed as red at the end of January.

3.0 CARRYFORWARD PROPOSALS: CFA EARMARKED RESERVES IN 2017-18

- 3.1 The Scheme of Financial Management sets out a process for agreement of one-off funds in addition to the agreed budget to support particular schemes and projects, including enabling pilots and continuing savings plans. These are known as service earmarked reserves and were permitted where Services underspent in previous years and secured political agreement to earmark part of those surpluses to future activity. Going forward, the Council is moving away from reserves held at Service level, with deficits and surpluses instead handled from across the Council together in a corporate general reserve. Additionally, the transformation fund has been established as the usual route for funding schemes which lead to new ways of working and financial and non-financial benefits. There is an established business case process to bid into the transformation fund.
- 3.2 Although no new service earmarked reserves are being created at this time, there are a number of previously agreed schemes which continue over multiple years. For these, spending is in progress and continuing on the basis of the original approval. The Scheme of Financial Management sets out that Service Committees will be asked to recommend annual re-approval to the General Purpose Committee.
- 3.3 The table at Appendix 4 of this report sets out the earmarked reserves in the Committee's domain which require continuing approval. Once re-approved the earmarked reserves are report on each month in Appendix 5 of the F&PR each month.

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 CFA Service.

5.2 Statutory, Risk and Legal Implications

- 5.2.1 There are no significant implications within this category.

5.3 Procurement/Contractual/Council Contract Procedure Rules 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.

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.	https://www.cambridgeshire.gov.uk/council/finance-and-budget/finance-&-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 £'000 %		Forecast Variance Outturn (May) £'000 %	
0	1	Adult Social Care Directorate							
0	1	Strategic Management – ASC	4,742	731	294	-437	-60%	-1,200	-25%
0		Procurement	577	103	298	195	189%	0	0%
0		ASC Strategy & Transformation	1,710	367	352	-15	-4%	0	0%
0		ASC Practice & Safeguarding	2,158	158	21	-138	-87%	0	0%
0		Local Assistance Scheme	386	67	79	13	19%	0	0%
0	2	Learning Disability Services							
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%

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.

Appendix 4

Adults Committee - Earmarked Reserves for recommendation to GPC for re-approval for use during 2017/18				
Proposal Title	Opening Balance 2016/17 £'000	Amount Required in 2017/18 £'000	Type	Notes / Changes
Adult Social Care				
Capacity in ASC procurement & contracts	£225	£143	Continuation of funds agreed for use in 2016/17	Funding for staff employed in the Procurement and Contracts Team to be used for contract rationalisation and review. Amount required going forward into 2017/18.
Older People & Mental Health				
Homecare Development	£62	£22	Continuation of funds agreed for use in 2016/17	Roleholder in post and continuing into 2017/18, taking forward proposals that emerged from the home care summit.
Falls prevention	£44	£44	Continuation of funds agreed for use in 2016/17	Funding required to meet contract costs as contract with provider continues into 2017/18
Dementia Co-ordinator	£35	£13	Continuation of funds agreed for use in 2016/17	Dementia co-ordinator post recruited to, but delayed implementation so post continuing into 2017/18.
Mindful / Resilient Together	£321	£188	Continuation of funds agreed for use in 2016/17	Programme of community mental health resilience work (spend has begun and is continuing over 3 financial years through a contract).
Brokerage function - extending to domiciliary care	£50	£35	Continuation of funds agreed for use in 2016/17	Additional resource for co-ordinating purchasing of domiciliary care. Project continuing into 2017/18.
Specialist Capacity: home care transformation / and extending affordable care home capacity	£70	£25	Continuation of funds agreed for use in 2016/17	Additional resource to support expansion of the availability of homecare. Project continuing into 2017/18.
Cross-CFA schemes				
Improve the recruitment and retention of Social Workers (these bids are cross-cutting for adults, older people and children and young people)	£188	£78	Continuation of funds agreed for use in 2016/17	Management of staff in item D (above) via LGSS People. Fixed Term and linked to our strategy to reduce agency spend in social work
TOTAL	£995	£548		