

FINANCE AND PERFORMANCE REPORT – SEPTEMBER 2017

To: **Adults Committee**

Meeting Date: **9 November 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 September 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 September 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 Appendix 1, whilst the table below provides a summary of the budget totals relating to Adults Committee:

Forecast Variance Outturn (Aug) £000	Directorate	Current Budget 2017/18 £000	Actual to end of Sept £000	Current Variance £000	Forecast Variance Outturn (Sept) £000
462	Adults & Safeguarding	146,157	75,692	247	448
-111	Adults Commissioning (including Local Assistance Scheme)	10,538	6,873	-88	-55
0	Communities & Safety – Safer Communities Partnership	1,589	640	-13	0
351	Total Expenditure	158,285	83,205	146	393
0	Grant Funding (including Better Care Fund, Social Care in Prisons Grant etc.)	-15,025	-4,408	0	0
351	Total	143,260	78,797	146	393

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 SEPTEMBER 2017 P&C FINANCE & PERFORMANCE REPORT

- 2.1 The September 2017 Finance and Performance report is attached at Appendix 2. At the end of September, P&C forecast an overspend of £4,388k. This is a worsening position from the previous month when the forecast overspend was £3,739k.

2.2 Revenue

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

- Strategic Management – Adults – due to challenges recruiting to some posts, the forecast underspend has increased by £150k.
- In Adults and Safeguarding, the forecast pressure on the Learning Disability Partnership (LDP) increased by £317k. This is mainly due to reduced slippage on staffing costs following transformation of the service that has seen vacant posts deleted and the management structure streamlined. Staffing cover for vacancies and other absences are being reviewed to ensure efficiency in line with Care Quality Commission (CQC) standards. The LDP is expected to deliver a further £2.8m of savings for the remainder of the year.

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.

<p>Strategic Management - Adults</p> <p>Forecast year-end variance: -£200k</p>	<p>The key reasons for the underspend in this area are:</p> <ul style="list-style-type: none"> • £150k on vacancy savings as a result of difficulties in recruiting to posts across the Directorate. • £50k of efficiencies from the provision of services relating to social care needs for prisoners.
<p>Learning Disability Services (LD)</p> <p>Forecast year-end variance: +£945k</p>	<p>The key reasons for the pressure in this area are:</p> <ul style="list-style-type: none"> • 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 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. • 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. <p>Mitigating actions include:</p> <ul style="list-style-type: none"> • 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. • Restrictions on price uplifts for providers are being targeted. • 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. • Reviewing the utilisation of staff to reduce reliance on agency staff and overtime working in the in-house provider services. • Ongoing work with colleagues in Children's services to ensure that packages are cost effective leading up to each person's 18th birthday. • The Young Adults Team are working to try to mitigate the potential of increased costs if individual circumstances are not sustainable.

Older People's Services Forecast year-end variance: +£50k	The key reasons for the pressure in this area are: <ul style="list-style-type: none"> • Higher demand for placements than anticipated at the start of the year. • Increasing package prices. Mitigating actions include: <ul style="list-style-type: none"> • Increasing the utilisation rate of existing block contracts; • Working closely with the Brokerage team to minimise new placement costs; • Introducing a new process for Continuing Health Care to help reduce the time between initial checklist and case completion.
Physical Disabilities (PD) Forecast year-end variance: -£314k	The key reason for the underspend in this area is: <ul style="list-style-type: none"> • 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.
Autism and Adult Support Forecast year-end variance: -£119k	The key reason for the underspend in this area is: <ul style="list-style-type: none"> • 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.
Mental Health Central Forecast year-end variance: -£127k	The key reason for the underspend in this area is: <ul style="list-style-type: none"> • 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.
Mental Health Services Forecast year-end variance: +194k	The key reasons for the pressure in this area is: <ul style="list-style-type: none"> • 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. Mitigating actions include: <ul style="list-style-type: none"> • Identification of underspends elsewhere across Mental Health Services, notably efficiencies achieved on the Section 75 contract, as reported under Mental Health Central. • Stepping up strategies for move on; • 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 • Securing appropriate funding for service users with health needs.

2.4 Performance

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

Of the Adults Performance Indicators, four are green, one is 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. The tracker as at mid-October is included as Appendix 3 to this report.

3.2 Within the tracker the forecast is shown against the original saving approved as part of the 2017-18 Business Planning process. Based on current forecasts the overall position for CFA is a £3,882k shortfall against plan. However, the stretched targets for existing savings and additional savings identified within the funnel are supporting delivery of a further £2,348k towards the overall £20,658k CFA savings target. For several proposals, due to delays or difficulties in recruiting, the delivery of savings may slip into the latter part of the year and in some cases into 2018/19.

Where a shortfall is currently forecast this is being reflected in the overall bottom line, but it is also important to note the relationship with the reported pressures within the detailed F&PR.

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.

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 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*