

FINANCE AND PERFORMANCE REPORT – JANUARY 2017

To: Adults Committee

Meeting Date: 9 March 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 January 2017 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 January 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 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 planned to save £38,294k in 2016/17, and is on course to achieve close to this with a Council-wide overspend forecast of £1.7m at the end of January.

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 JANUARY 2017 CFA FINANCE & PERFORMANCE REPORT

- 2.1 The January 2017 Finance and Performance report is attached at Appendix 3. At the end of January, CFA forecast an overspend of £3,273k. This is a significant deterioration from the previous month when the forecast overspend was £2,341k.
- 2.2 **Revenue changes since December**

Although a substantial underspend continues to be forecast in sum across the budgets overseen by this Committee (-£2.6m), that estimate is £540k lower than in December. Due to this adverse change, the following sections contain additional detail to more fully brief the Committee.
- 2.3 The forecast for care spending across Older People's Services worsened by £606k this month. Of this £386k was a result of actual changes in income and expenditure for current care packages, with the remainder due to reducing the estimate for savings achievable in the rest of this year given that upturn in actual activity:
 - the pressures on Older People's care expenditure is from care home bed spending, especially for nursing care, with month-to-month reductions still apparent for community based services. This reflects the risk, continually signalled by the service since the Summer, of a trend towards a growing number of higher cost people needing more complex support.
 - placements made by hospital discharge planning teams are a significant factor.
 - given the market conditions, we are also seeing a pressure on price as well as volume. This month the new nursing beds commissioned in Fenland cost on average £110 more per week than equivalent beds that were ending, for example.
- 2.4 While progress is being made in reducing waiting lists for people to receive the most appropriate care, the adverse change in the forecast, at this point, partly also reflects that the administrative loading of new placements into the commitment system is currently slower than the loading of ended placements. This will be improved to aid timeliness of reporting.

- 2.5 Looking ahead, the remaining “savings to achieve” forecast for the rest of 2016-17 has been revised down to £60k given this context of system-wide demand is unlikely to abate before March. The full year impact of recent increases in spending will be greater than the part-year effect seen so far. This means Older People’s Services is likely to start the new year behind its business planned baseline for the first time in a number of years, and will need to overachieve on savings targets later in 2017 to recover the current position. The Committee will recognise that the interplay with hospital discharges, in particular, will always mean there is a degree of volatility in week-to-week demand facing this budget.
- 2.6 The County Council’s forecast overspend on the Learning Disability Partnership increased by £229k this month, reducing some of the progress made in the previous quarter. In contrast to the system wide situation in Older People’s services, this largely reflected specific circumstances occurring in January and December in a small number of cases. £119k of the adverse change is in the Young Adults team, the result of responding to two carer breakdowns and the legal settlement of an ordinary residence case with another local authority. East Cambs made a high cost inpatient placement in a private hospital in January. Fenland saw two significant carer breakdowns, although these date further back.
- 2.7 Offsetting these adverse changes, across both directorates, are further savings forecast from vacant staff posts.. There is continuous strategic recruitment activity progressing each month, however appointments made from this point are unlikely to impact before April.
- 2.8 **Overall revenue position**
The table below identifies the key areas of over and underspends within Adults services alongside future risks or issues.

<p>Learning Disability Services (LD)</p> <p>Forecast year-end variance: +£1,574k, +2.7%</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 • targeting recall of unused direct payment amounts <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 (savings agreed by Full Council for 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 has agreed extra capacity in 2017/18 for social work, commissioning and procurement expertise, which is now in place.
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Disability Services (PD/Autism) Forecast year-end variance: -£544k, -3.8%	<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.
Older People's Services Forecast year-end variance: -£407k, -0.8%	<p>The key reason for the underspend in this area is:</p> <ul style="list-style-type: none"> • Supporting fewer people overall especially in their own homes. <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 • New block bed contract are close to fully utilised with a further risk around pricing once this is exhausted • Some people are waiting for their ongoing homecare to begin or social work assessment • 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: -£1,415k, -7.2%	<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 part-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>

2.9 Performance

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

Three of the red performance indicators are within the Adults domain these are:

- average number of all bed-day delays

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

2.10 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 REPORTING

3.1 At the last meeting, Members requested additional clarity on the performance indicator “admissions to residential and nursing homes (aged 65+) per 100,000 population”. It can be clarified that:

- this indicator forms part of a national target collected through the annual statistical return
- ‘good’ performance on this measure is not breaching the “ceiling target” for the year (i.e. the fewer admissions the better)
- further explanation of direction of travel arrow is now provided with this indicator on page 46 of appendix 3.

3.2 In 2017-18, it is anticipated that on a quarterly basis the “**tracker**” report – a tool for summarising delivery of savings – will be made available for Members. As this methodology for monitoring is particularly central for Adults services, the tracker will also be included as an appendix at the appropriate meeting each quarter. Full forecasting of 2017-18 delivery (including RAG rating) has not yet begun at the time of writing, but the outline tracker format is included as Appendix 4 to this report.

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 Equality and Diversity Implications

5.3.1 There are no significant implications within this category.

5.4 Engagement and Consultation Implications

5.4.1 There are no significant implications within this category.

5.5 Localism and Local Member Involvement

5.5.1 There are no significant implications within this category.

5.6 Public Health Implications

5.6.1 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.