

FINANCE AND PERFORMANCE REPORT – NOVEMBER 2017

To: Adults Committee

Meeting Date: 11 January 2018

**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 November 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 November 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:

Forecast Variance Outturn (Oct) £000	Directorate	Current Budget 2017/18 £000	Actual to end of Nov £000	Current Variance £000	Forecast Variance Outturn (Nov) £000
3,273	Adults & Safeguarding	146,193	100,005	2,305	3,744
-55	Adults Commissioning (including Local Assistance Scheme)	10,448	5,124	-181	-55
0	Communities & Safety – Safer Communities Partnership	1,589	865	47	0
3,218	Total Expenditure	158,230	105,994	2,172	3,689
0	Grant Funding (including Better Care Fund, Social Care in Prisons Grant etc.)	-15,025	-8,947	0	0
3,218	Total	143,205	97,047	2,172	3,689

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 NOVEMBER 2017 P&C FINANCE & PERFORMANCE REPORT

- 2.1 The November 2017 Finance and Performance report is attached at Annex B. At the end of November, P&C forecast a pressure of £6,259k. This is a worsening position from the previous month when the forecast was £5,562k.

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 (DTC), 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 has increased by £216k. Overall the pressure is due to higher than expected demand pressures throughout the year and lower levels of savings than required. The rate of reassessment work required to delivery savings has slipped further this month, pushing additional savings opportunities back into 2018/19.
- In Adults and Safeguarding, Mental Health Services are forecasting a pressure of £598k across Adult Mental Health and Older People Mental Health, an increase of £268k from last month. This is due to continuing demand pressures for care home placements resulting in increased commitment levels. The impact of demand on savings delivery has been recognised in the forecast.

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.

Strategic Management - Adults Forecast year-end variance: -£341k	The key reasons for the underspend in this area are: <ul style="list-style-type: none"> • £193k on vacancy savings as a result of difficulties in recruiting to posts across the Directorate. • £100k of efficiencies from the provision of services relating to social care needs for prisoners. • £48k of efficiencies in respect of reduced costs for leased cars and hired vehicles.
Autism and Adult Support Forecast year-end variance: -£153k	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.
Learning Disability Services (LD) Forecast year-end variance: +£1,972k	The key reasons for the pressure in this area are: <ul style="list-style-type: none"> • 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 also results in

	<p>revised projections of demand pressures for the remainder of the year.</p> <ul style="list-style-type: none"> Under-delivery of business plan savings as a result of slippage on planned work. This is partially due to the need to devote energy to the fee uplift negotiations with providers, which is expected to deliver reduced costs. It is expected that the majority of the work not undertaken this year will be done in 2018/19 instead, delivering some of the planned savings in that 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. Reviewing the level of direct payments clawed-back due to under-use and factoring in some over-recovery against the predicted level.
<p>Older People's Services</p> <p>Forecast year-end variance: +£1,858k</p>	<p>The key reasons for the pressure in this area are:</p> <ul style="list-style-type: none"> Higher demand for placements than anticipated at the start of the year, notably in relation to high cost packages (residential and nursing care). Increasing package prices as a result of market pressures. Recently improved performance in DTOC, resulting in increased expenditure. <p>Mitigating actions include:</p> <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. Reviewing DTOC arrangements to ensure timely reviews following discharge
<p>Physical Disabilities (PD)</p> <p>Forecast year-end variance: -£150k</p>	<p>The key reason for the underspend in this area is:</p> <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.
<p>Mental Health Central</p> <p>Forecast year-end variance: -£157k</p>	<p>The key reason for the underspend in this area is:</p> <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.

<p>Mental Health Services</p> <p>Forecast year-end variance: +598k</p>	<p>The key reasons for the pressure in this area are:</p> <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. Continuing increases in demand since April has significantly impacted on savings delivery in-year. <p>Mitigating actions include:</p> <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. Securing appropriate funding for service users with health needs. 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
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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. Better Care Fund (BCF) Average number of bed-day delays, per 100,000 of population per month (aged 18+)
3. Average number of Adult Social Care (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.

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/

Annex A

Adults Committee Revenue Budgets within the Finance & Performance report

Adults & Safeguarding Directorate

Strategic Management – Adults
Principal Social Worker, Practice and Safeguarding
Autism and Adult Support
Carers

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
Physical Disabilities

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 Baseline Grants - *covers all of P&C*