

FINANCE AND PERFORMANCE REPORT – JANUARY 2018

To: Adults Committee

Meeting Date:

**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 January 2018 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 January 2018.

Recommendation: The Committee is asked to review and comment on the report

Officer contact:		Member contacts:	
Name:	Stephen Howarth	Names:	Cllr Bailey/Cllr Howell
Post:	Strategic Finance Business Partner	Post:	Chair/Vice-Chair
Email:	stephen.howarth@cambridgeshire.gov.uk	Email:	annabailey@hotmail.co.uk/ mark.howell@cambridgeshire.gov.uk
Tel:	01223 714770	Tel:	01223 706398

1.0 BACKGROUND

- 1.1 A Finance & Performance Report for People and Communities (P&C) 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 A, whilst the table below provides a summary of the budget totals relating to Adults Committee:

Forecast Variance Outturn (Nov) £000	Directorate	Current Budget £000	Current Variance £000	Forecast Variance Outturn (Jan) £000
3,744	Adults & Safeguarding	146,310	633	444
-55	Adults Commissioning (including Local Assistance Scheme)	18,415	-107	146
0	Communities & Safety – Safer Communities Partnership	1,589	23	0
3,689	Total Expenditure	166,314	549	590
0	Grant Funding (including Better Care Fund, Social Care in Prisons Grant etc.)	-22,022	0	0
3,689	Total	144,292	549	590

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 JANUARY 2018 P&C FINANCE & PERFORMANCE REPORT

- 2.1 The January 2018 Finance and Performance Report is attached at Appendix 2. At the end of November, P&C forecast a pressure of £6,774k. This is a worsening position from the previous position reported to the committee in November when the forecast was £6,259k. The position within Adults Services noted above has improved, but this is a technical adjustment to the reporting of a re-prioritisation of grant funded activity which was previously reported against the Executive Director line. Without this, the underlying position has worsened by around £500k.

Within Adults Services, as well as making significant savings through transformation, the Council faces significant demand pressures within both Learning Disability, as a result of increasing needs, and Older People services, particularly as a result of increased demand in the NHS and improved performance in reducing delayed transfers of care.

In many cases, planned transformation and demand management strategies are in progress and will deliver the significant savings required although to a delayed timescale. Financial mitigations continue to be identified each month across the directorate, with a major one off grant deployment now reported within Adults and Safeguarding.

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 year-end forecast on the Learning Disability Partnership has increased by £528k. Overall this is due to higher than expected demand pressures throughout the year and lower levels of savings than required. A detailed review of expected saving delivery in the last quarter has resulted in a reduction in the projected savings for the year. This reduction is due to capacity being needed to negotiate with providers around fee uplifts (reducing potential costs), the speed of reassessment work not being as high as anticipated, and delays caused by providers and the NHS in other regions not engaging sufficiently with savings work.
- In Adults and Safeguarding, the forecast position in Older People's Services has improved by £427k, reflecting a reduced number of service-users receiving care over several months compared to the trend of the first half of the year. This will be kept under review in light of any pressures during the winter period.
- In Commissioning, a £200k pressure is reported as a result of lower income from the NHS from Funded Nursing Care than budgeted. This reflects a lower number of in-county nursing placements than budgeted for, and so less overall contribution from the NHS to nursing care (out of county nursing care is funded separately). This is partially offset by the reduction in the forecast in Older People's Services noted above.
- A technical adjustment has been made to the reporting of an underspend relating to the assumed re-prioritisation of grant funded activity in response to Adults Services pressures as they emerge. This was previously reported against the Executive Director line, and is now reported under Strategic Management – Adults, reflecting the reducing of pressures in that area. In addition, this underspend has increased by £326k.

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: -£4,067</p>	<p>The key reasons for the underspend in this area are:</p> <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 efficiencies in the adults Central Transport team • Substantial, one-off additional funding from the re-prioritisation of grant funding
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Autism and Adult Support Forecast year-end variance: -£130k	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. • This has reduced slightly since the last report as a result of several new service-users with higher than expected costs
Learning Disability Services (LD) Forecast year-end variance: +£2,917k	The key reasons for the pressure in this area are: <ul style="list-style-type: none"> • Demand pressures are higher than expected, despite positive work that has reduced the overall number of people in high-cost out-of-area in-patient placements. 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 2017/18 due to increased needs being identified at reassessment that we have a statutory duty to meet. • Under-delivery of business plan savings as a result of slippage on planned work. This reflects both further slippage on planned work and a lower level of delivery per case than anticipated. This is partially due to the need to devote energy to fee uplift negotiations with providers, which is expected to deliver reduced costs, offsetting the lower savings, as well as staff retention, and out of area CCGs not engaging as we would expect contributing to delays in reaching savings. 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. Overall, £3.1m of savings have been delivered so far this year. • In House Provider services have a pressure resulting mainly from the level of slippage of staff costs as a result of vacancies not being as high as expected. Staffing is used efficiently, but a minimum level of staffing is required to comply with regulations. <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. • Using this expertise to share learning with existing social work teams in a different way of working to deliver efficiencies as part of business as usual work, and bringing forward the recruitment of additional brokerage capacity. • Bringing forward work to look at high-cost out-of-county placements and review whether cheaper, more effective, and in-county placements can be found. • Requests from providers regarding National Living Wage pressures and other uplifts are being actively managed and scrutinised – it is expected that the budget for uplifts will underspend by around £100k as a result. • Reviewing the utilisation of staff to reduce reliance on agency staff and overtime working in the in-house provider services. • Reviewing the level of direct payments clawed-back due to under-use and factoring in some over-recovery against the predicted level.
Older People's Services Forecast year-end variance: +£1,431k	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, notably in relation to high cost packages (residential and nursing care). • Increasing package prices as a result of market pressures.

	<ul style="list-style-type: none"> Recently improved performance in DTOC, resulting in increased expenditure. <p>The forecast in Older People's services has improved since the last report as a result of a reducing number of service-users receiving care from the Council, and an increasing number of placements ending due to death and hospital admission.</p> <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
Physical Disabilities (PD) Forecast year-end variance: -£139k	<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.
Mental Health Central Forecast year-end variance: -£105k	<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.
Mental Health Services Forecast year-end variance: +545k	<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
Central Commissioning – Adults Forecast year-end variance: +145k	<p>The key reasons for the pressure in this area are:</p> <ul style="list-style-type: none"> Lower than expected income from the NHS for Funded Nursing Care. This is a flat daily rate paid to the Council by the NHS for in-county nursing placements. While the overall number of nursing placements has increased in year, they are proportionately more out-of-county, resulting in lower than expected FNC <p>Mitigating actions include:</p> <ul style="list-style-type: none"> Other contracts funded within Central Commissioning are being reviewed to ensure they are value for money Agreed use of earmarked reserves to support specific work on a one-off basis.

2.4 Capital

The Capital Programme Board recommended that services include a variation budget to account for likely slippage in the capital programme, as it is sometimes difficult to allocate this to individual schemes in advance. As forecast underspends start to be reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up until the point where slippage exceeds this budget. The allocation for P&C's negative budget adjustments has been calculated as follows, shown against the slippage forecast to date:

2017/18				
Service	Capital Programme Variations Budget £000	Forecast Variance - Outturn (Jan) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %
P&C	-10,305	-8,239	2,066	20.0%
Total Spending	-10,305	-8,239	2,066	20.0%

2.5 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, 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+)

2.6 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/

Appendix 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*