

FINANCE AND PERFORMANCE REPORT – OUTTURN 2018/19

To: Adults Committee

Meeting Date:

From: Chief Finance Officer

Executive Director: People and Communities

Electoral division(s): All

Forward Plan ref: Not applicable Key decision: No

Purpose: To provide the Committee with the 2018/19 outturn Finance and Performance report for People And Communities Services (P&C).

The report is presented to provide the Committee with the opportunity to comment on the financial and performance position at the end of the 2018/19 financial year.

Recommendations: 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) is produced monthly and the most recent available report is presented to the Committee when it meets – the latest is provided in Appendix B.
- 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 for which this Committee is responsible, which are detailed in Appendix A, and the table below provides a summary of the budget totals relating to Adults Committee:

Forecast Variance Outturn (Previous) £000	Directorate	Budget 2018/19 £000	Actual Close (P13) 2019 £000	Forecast Outturn Variance £000
148	Adults & Safeguarding	155,652	156,339	686
352	Adults Commissioning (including Local Assistance Scheme)	11,345	11,811	466
500	Total Expenditure	166,998	168,150	1,152
0	Grant Funding (including Better Care Fund, Social Care in Prisons Grant etc.)	-28,836	-28,836	0
500	Total	138,161	139,313	1,152

Please note: Strategic Management – Commissioning covers all of P&C and is therefore not included in the table above. The Executive Director and Central Financing budgets are reported to CYP Committee as they contain items material to services under the oversight of that committee.

1.4 Financial Context

- 1.4.1 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 total savings achieved for P&C in 2018/19 were £21.4m.
- 1.4.2 Although significant savings have been made in 2018/19 across the directorate, Adults services have faced, and continue to face, demand and price pressures, particularly:
- In Older People's services where prices have risen well above inflation for residential and nursing care
 - Through increased demand in the NHS and improved performance in reducing delays in transfers of care
 - In Learning Disability services, where the needs of a relatively static number of service-users has continued to increase
- 1.4.3 Central government has recognised pressures in the social care system through a number of temporary ring-fenced grants given to local authorities and these are able to be used to offset pressures, make investments into social work to bolster the social care market or reduce

demand on health and social care services. The Council was able to use some of this funding directly to offset pressures, and spent the remainder on a programme of work intended to aid the health and social care system by providing additional care capacity and more targeted work with people in hospitals. But this funding is not certain or confirmed beyond 2019/20.

2.0 MAIN ISSUES IN THE OUTTURN 2018/9 P&C FINANCE & PERFORMANCE REPORT

2.1 Revenue

- 2.1.1 At the end of the year, People & Communities overspent by £4.8m, which is around 2% of budget, and £180k less than the latest forecast.
- 2.1.2 Within that, services relating to Adults Committee are forecasting overall in January an overspend of £1.15m for the year – around 0.8% of budget. This is an increase of around £690k from the previous forecast position. The main causes of this shift are detailed below in 2.1.5.
- 2.1.3 Budgets relating to care provision overspent by around £3.1m (3%), offset by mitigations including use of grant funding and over-delivery of some savings lines. In particular, elements of the Improved Better Care fund and 2018/19 Social Care Support Grant have been used to mitigate pressures in year, in line with their intended purposes. This has, however, built up some reliance on one-off funding into 2019/20 which will need to be managed through utilisation of additional in-year grants announced by central government (including the 2019/20 Social Care Support Grant).
- 2.1.4 The causes of the overall overspend position on care budgets have been present for much of the year and detailed in previous reports to committee. These are principally pressures on care spend within the Learning Disability Partnership (LDP) and Older People's and Physical Disability Services (OP/PD) as well as slower than anticipated delivery of certain savings programmes with an expectation that work will continue into 2019/20 and deliver over a revised timescale. Additional savings were identified in-year as part of the 'funnel' process.
- 2.1.5 The LDP ended the year approximately in line with its latest forecast position with a £2.48m overspend, but OP/PD ended around £600k higher than forecast at £2m. Within OP/PD pressures caused by increases in unit costs for residential and nursing placements were a concern throughout 2018/19, caused by a combination of legislative pressures (mainly the increasing minimum wage) and market pressures from the high demand compared to capacity within the sector locally. In March there was a particular spike in the average weekly cost of residential and nursing placements, as well as the numbers of people in these expensive types of care. This reflects a general upward trend in both through the financial year. The activity data in section 2.5.5 of the main report shows more detail about this. In addition, some expected mitigations from increased recharges from the NHS where people have health needs ended the year lower than expected, reflecting the length of time processes around this can take.
- 2.1.6 The two main areas of pressure identified in 2.1.4 will continue to be a risk into 2019/20. The price pressures within OP/PD are of particular concern, as budgets were set based on projections of costs made much earlier in the financial year as part of the business planning process. These therefore omit part of the impact of 2018/19's overspend on the new year, and did not assume ongoing monthly increases in unit costs would be so high.
- 2.1.7 Plans are in place, and continue to be developed, to try to manage this increase in care costs. Further block capacity for residential and nursing placements is in the pipeline, though this will likely be affected by price increases as well. Significant investment is also being made into Reablement and Technology Assisted Care to try to ensure people remain out of the most

expensive types of care for longer, and targeted work in hospital discharge is aiming to return people increasingly to their own homes with support. These approaches together are aiming to mitigate price increases where possible, but recognise that the best approach to managing cost is ensuring a greater proportion of people retain their independence, which is a key part of the Adults Positive Challenge Programme.

- 2.1.8 Additional government funding in 2018/19, mainly through the Improved Better care Fund, Social Care Support Grant and Winter Pressures Grant, provided some mitigation of care pressures as well as enabling investment into increased capacity in Reablement and domiciliary care, and helping the wider system with investments around hospital discharge. The use of part of this funding to directly mitigate pressures has been a key part of reducing the overspend in-year, but it is recognised that much of this funding has only been confirmed for one year. Reliance on one-off funding will be avoided where possible in 2019/20, but the government has already announced a continuation of many of the funding streams.

2.2 Savings Tracker

- 2.2.1 The savings tracker at the end of the year is included as Appendix C. It shows that, of £21.3m planned savings in P&C included in 2018/19's business plan, £18.6m was delivered. This was £2.7m less than the target.

- 2.2.2 But, in addition to the delivery of those savings there was a further £2.8m of savings delivered within the 'funnel' – a pipeline of additional savings plans drawn up in year to mitigate the risk of non- or delayed-delivery of planned savings. These savings include:

- a programme to scrutinise requests for annual uplifts for care packages,
- a piece of work to further roll-out assistive technology within the Learning Disability Partnership,
- the retendering of some care contracts that have over-delivered on planned savings
- the recruitment of up to four occupational therapists to work in Reablement and Adult Early Help to better help people maintain independence for longer

- 2.2.3 The savings tracker is colour-rated to show the level of variance against target. Along with the standard RAG ratings, a black rating highlights where a saving has not been made in its entirety, and a blue rating highlights where the savings is expected to over-deliver.

2.3 Performance

- 2.3.1 There are four red indicators in the performance information relating to Adults Committee:
1. Average monthly number of bed day delays (social care attributable) per 100,000 18+ population
 2. Proportion of requests for support where the outcome was signposting, information or advice only
 3. Proportion of Adults with Learning Disabilities in paid employment
 4. Proportion of adults receiving Direct Payments

3.0 ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

3.1.1 There are no significant implications for this priority.

3.2 Thriving place for people to live

3.2.1 There are no significant implications for this priority

3.3 The best start for Cambridgeshire's Children

3.3.1 There are no significant implications for this priority

4.0 SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

4.1.1 This report sets out details of the overall financial position of the P&C Service.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

4.2.1 There are no significant implications within this category.

4.3 Statutory, Risk and Legal Implications

4.3.1 There are no significant implications within this category.

4.4 Equality and Diversity Implications

4.4.1 There are no significant implications within this category.

4.5 Engagement and Consultation Implications

4.5.1 There are no significant implications within this category.

4.6 Localism and Local Member Involvement

4.6.1 There are no significant implications within this category.

4.7 Public Health Implications

4.7.1 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 and Physical Disability Services

OP - City & South Locality
OP - East Cambs Locality
OP - Fenland Locality
OP - Hunts Locality
Neighbourhood Cares
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

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*