

FINANCE AND PERFORMANCE REPORT – OUTTURN 2017-18

To: **Adults Committee**

Meeting Date: **24 May 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 2017-18 Outturn 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 the 2017-18 financial year.

Recommendations: **1. The Committee is asked to review and comment on the report**

2. The Committee is asked to recommend to General Purposes Committee that the remaining earmarked reserve within Adults Services is re-approved for 2018/19 (section 3 of 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 for which this Committee is responsible, which are detailed in Appendix A, whilst the table below provides a summary of the budget totals relating to Adults Committee:

Forecast Variance Outturn (January) £000	Directorate	Budget 2017/18 £000	Actual £000	Outturn Variance £000
444	Adults & Safeguarding	133,087	133,161	73
146	Adults Commissioning (including Local Assistance Scheme)	31,666	31,920	254
0	Communities & Safety - Safer Communities & Partnership	1,561	1,560	-1
590	Total Expenditure	166,314	166,641	326
0	Grant Funding (including Better Care Fund, Social Care in Prisons Grant etc.)	-23,051	-23,051	0
590	Total	143,264	143,590	326

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

The Council had overall planned savings of £33.4m in 2017-18, and at year end the overall revenue budget position was an overspend of +£3.8m (1.1%).

2.0 MAIN ISSUES IN THE 2017-18 OUTTURN P&C FINANCE & PERFORMANCE REPORT

- 2.1 The 2017-18 Outturn Finance and Performance report is attached at Appendix B. At the end of the year, the overall P&C position is an overspend of £6,953k. This is a slightly worse position from the previous forecast reported to Adults Committee in January when the predicted outturn was £6,774k.

Within P&C, despite underspends on a number of areas and delivery of significant savings through transformation the continuing demand pressures, particularly in children's services relating to the rising number of looked after children, have resulted in the overall overspend position at year-end.

Within Adults Services specifically, the position improved by £264k since January with an overall overspend of £326k for the year. The Council has faced significant demand pressures within both Learning Disability and Older People services, partially as a result of increased demand in the NHS and improved performance in reducing delayed transfers of care. Grant funding has been deployed to mitigate these pressures in-year, which have been addressed on a permanent basis through business planning.

Significant work was undertaken during the budget setting process, alongside a number of ongoing workstreams to deliver reductions in costs and required savings in 2018-19. This work includes additional scrutiny on the highest risk budgets and savings via a weekly delivery board.

2.2 Revenue

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

- In Adults and Safeguarding, the outturn for the Learning Disability Partnership has increased by £488k since January's forecast. Overall this is due to higher than expected demand pressures throughout the year and lower levels of savings than required. A number of packages with large costs were agreed late in the financial year as a result of breakdown in care arrangements and urgently changing need. Where these are permanent packages there will be an impact on spend in the LDP in 2018/19 which has been built into budgets. Overall, over £3.5m of savings were delivered in-year.
- In Adults and Safeguarding, the outturn in the Physical Disability Service was worse than previously forecast. While care costs remained consistent through the year, the level of income secured from the NHS for service-users with health needs has been lower than expected. Work is ongoing to ensure appropriate funding is received.
- In Adults and Safeguarding, the outturn for Adult Mental Health is £228k lower than that reported in January as a result of lower than expected costs, and higher than expected savings delivery, over the last two months of the year
- In Adults and Safeguarding, the outturn on the Strategic Management – Adults line is lower than the previous forecast as a result of further application of one-off grant funding to mitigate pressures elsewhere in the service, as well as an increase in the level of vacancy savings within Adults Services.

2.3 Full detail of the final outturn for all policy lines can be viewed in Appendix B.

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. The allocation for P&C's negative budget adjustments has been calculated as follows, shown against the slippage position for 2017/18:

2017/18					
Service	Capital Programme Variations Budget £000	Outturn Variance (Close) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Outturn Variance (Close) £000
P&C	-10,305	0	0	0%	10,305
Total Spending	-10,305	0	0	0%	10,305

At the end of the 2017/18 financial year the Capital Variation budget has not been utilised. This will be offset with additional borrowing of £10,305k.

2.5 Performance

Appendix 7 of the Outturn F&PR contains Performance information.

Of the thirty-eight P&C service performance indicators six are shown as green, two as amber and four are red. Twenty-six have no target and are therefore not RAG-rated.

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 CARRYFORWARD PROPOSALS: P&C EARMARKED RESERVES IN 2018-19

- 3.1 The Scheme of Financial Management sets out a process for agreement of one-off funds in addition to the agreed budget to support particular schemes and projects, including enabling pilots and savings plans. These are known as service earmarked reserves and were permitted where Services underspent in previous years and secured political agreement to earmark part of those surpluses to future activity. The Council has moved away from reserves held at Service level, with deficits and surpluses instead handled from across the Council together in a corporate general reserve. Additionally, the transformation fund has been established as the usual route for funding schemes which lead to new ways of working and financial and non-financial benefits. There is an established business case process to bid into the transformation fund. .
- 3.2 The Scheme of Financial Management sets out that Service Committees will be asked to recommend annual re-approval to the General Purpose Committee
- 3.3 Although no new service earmarked reserves are being created at this time, there is one previously agreed scheme linked to mental health preventive and community resilience work, where the reserve was intended to fund a three-year contract which comes to an end in 2018/19. £55k of this reserve remains and is intended to be used for the last portion of this contract. Adults Committee is asked to recommend re-approval of this earmarked reserve to GPC.

4.0 2017-18 SAVINGS TRACKER

- 4.1 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 the end of 2017-18 is included as Appendix C to this report.
- 4.2 Within the tracker the outturn is shown against the original saving approved as part of the 2017-18 Business Planning process. At the end of 2017-18 total savings of £16,824k were delivered within P&C against the original target of £20,538k. For several proposals the delivery of savings has slipped into 2018/19.

5.0 ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

- 5.1.1 There are no significant implications for this priority.

5.2 Helping people live healthy and independent lives

- 5.2.1 There are no significant implications for this priority

5.3 Supporting and protecting vulnerable people

- 5.3.1 There are no significant implications for this priority

6.0 SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

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

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

6.2.1 There are no significant implications within this category.

6.3 Statutory, Risk and Legal Implications

6.3.1 There are no significant implications within this category.

6.4 Equality and Diversity Implications

5.4.1 There are no significant implications within this category.

6.5 Engagement and Consultation Implications

6.5.1 There are no significant implications within this category.

6.6 Localism and Local Member Involvement

6.6.1 There are no significant implications within this category.

6.7 Public Health Implications

6.7.1 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 Baselined Grants - *covers all of P&C*