

FINANCE MONITORING REPORT – SEPTEMBER 2019

To: **Adults Committee**

Meeting Date: **7 November 2019**

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 September 2019 Finance Monitoring Report for People and Communities (P&C).**

The report is presented to provide the Committee with the opportunity to comment on the financial position for services that are the Committee's responsibility (set out in section 3 of the covering report) as at the end of September 2019.

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

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1.0 BACKGROUND AND SIGNIFICANT ISSUES

- 1.1 The revised Finance Monitoring Report will be at all scheduled substantive Committee meetings (but not reserve dates) to provide the Committee with the opportunity to comment on the financial position of Adults Services.
- 1.2 The Finance Monitoring Report for September is appendix A. This report sets out the financial position of P&C and is the key thing to be reviewed as part of this item. The main report contains these sections:

Section	Item	Description	Page
1	Revenue Executive Summary	High level summary of information: <ul style="list-style-type: none"> By Directorate By Committee Significant issues in revenue financial position	2-6
2	Capital Executive Summary	Summary of the position of the Capital programme within P&C	7
3	Savings Tracker Summary	Summary of the latest position on delivery of savings	7
4	Technical Note	Explanation of technical items that are included in some reports	7
5	Key Activity Data	Performance information linking to financial position of main demand-led services	8-12
Appx 1	Service Level Financial Information	Detailed financial tables for P&C's main budget headings	13-15
Appx 2	Service Commentaries	Detailed notes on financial position of services that are predicting not to achieve their budget	16-21
Appx 3	Capital Appendix	This will contain more detailed information about P&C's Capital programme, including funding sources and variances from planned spend.	22-24
<i>The following appendices are not included each month as the information does not change as regularly:</i>			
Appx 4	Savings Tracker	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the business plan.	25-26
Appx 5	Technical Appendix	Twice yearly, this will contain technical financial information for P&C showing: <ul style="list-style-type: none"> Grant income received Budget virements into or out of P&C Service reserves 	27-29

- 1.3 In particular, in reviewing the financial position of Adults Services, members may wish to focus on these sections:
- Section 1 – providing a summary table for the services that are the responsibility of Adults Committee, and setting out the significant financial issues (replicated below)
 - Section 5 – the key activity data for Adults Services provides information around client numbers and unit costs, which are principle drivers of the financial position
 - Appendices 1 & 2 – these set out the detailed financial projection by service, and provide more detailed commentary for services projecting a significant variance from budget.

- 1.4 The summary position for Adults Services is below. This information is also contained in section 1 of the main FMR, with detailed information by service in appendix 1.

Forecast Variance Outturn (Previous)	Directorate	Net Budget 2019/20	Actual Sept 2019	Forecast Outturn Variance
£000		£000	£000	£000
5,834	Adults & Safeguarding	148,054	90,799	5,441
-1	Adults Commissioning (including Local Assistance Scheme)	16,114	192	-1
5,833	Total Expenditure	164,168	90,991	5,439
0	Grant Funding (including Improved Better Care Fund, Winter Pressures Grant etc.)	-15,138	-6,167	0
-4,739	Expected deployment of grant and other funding to meet pressures			-4,739
1,094	Total	149,030	84,824	700

- 1.5 The significant financial issues for Adults Committee are replicated below from section 1.4.1 of the main report:
- 1.5.1 Similar to councils nationally, cost pressures are faced by adult social care. At the end of September, Adults services are forecast to overspend by £700k, around 0.4% of budget. This is an improvement of £394k from August. Within that, budgets relating to care provision are forecasting a £5.4m overspend, mitigated by around £4.7m of additional funding.
- 1.5.2 There remains a risk of volatility in care cost projections due to the large volume of care being purchased each month, the continuing focus on reduced delayed discharges from the NHS, ongoing negotiations with providers around the rates paid for care, and the continuing implementation of Mosaic (the new social care recording and payments system).
- 1.5.3 **Older People's Services** are forecast to overspend by £4.3m, which is £1m improved from the previous report. The cause of the overspend is predominantly the higher than expected costs of residential and nursing care compared to when budgets were set, in part due to the ongoing focus on discharging people from hospital as quickly as is appropriate. A detailed explanation of the pressures due to prior-year activity was provided to Adults Committee and GPC in the first reports of the financial year, and much of the further in-year pressure is due to the trends in price increases continuing.
- 1.5.4 The improved position is due to a number of changes over the first half of the year, specifically the rising number of people in block placements (which are cheaper), a robust process for negotiating fee uplift requests with providers, and an expectation that contributions will be higher than budgeted in line with higher care costs. Further information can be found in appendix 2, note 3 [of the main FMR]. These trends are mirrored in the similar **Older People Mental Health** cohort.
- 1.5.5 **The Learning Disability Partnership** is forecast to overspend by £588k, with the NHS paying a further £175k as part of the pooled budget. This is a relatively static cohort of service users whose needs have been increasing year on year in line with experiences nationally. Based on changes over the first half of the year, we expect these increases to exceed the level built into budgets. In particular, the cost of young people transitioning into adults is high, linked to rising cost of services for children with high needs. Savings delivery within the LDP is on track to overachieve, which provides some mitigation.

- 1.5.6 **Strategic Management – Adults** contains grant and financing mitigations that are partially offsetting care pressures. Government has continued to recognise pressures on the social care system through the Adult Social Care Precept and a number of ringfenced grants. As well as using these grants to make investments into social care to bolster the social care market, reduce demand on health and social care services and mitigate delayed transfers of care, we are able to hold a portion as a contingency against in-year care pressures. As pressures emerged, this funding is deployed effectively as an underspend against this line.

2.0 BUDGET SUMMARY

- 2.1 The budget in 1.4 above is the net budget, including all sources of income directly received into Adults Services. The below is a high level summary of spend on Adults Services, and the key funding sources. A comparison with 2020/21 will be provided as part of the next business planning paper in December.

£000	2019/20	
Learning Disability Partnership	87,254	
Older People's Care	64,255	
Mental Health Care	18,149	
Strategic Management and Central Services	18,499	
Physical Disabilities Care	12,968	
Commissioning Staff and Key Contracts	11,095	
Prevention & Early Intervention	9,176	
Community Equipment Service	3,266	
Transfers of Care	1,836	
Principal Social Worker Services	1,404	
Autism Care	1,014	
Carers Direct Payments	416	
Local Assistance Scheme	300	
	228,282	
Funded by:		Source
Better Care Fund	-16,112	NHS Cambs. and Peterborough CCG
Improved Better Care Fund Grant	-12,401	Grant - MHCLG
Winter Pressures Grant	-2,324	Grant - MHCLG
Public Health Grant	-69	Department for Health
Other Grants	-345	Various
Social Care Support Grant	-2,656	Grant - MHCLG - allocated by GPC
Corporate funding to mitigate pressures	-1,350	General Purposes Committee - July
NHS pooled budget contributions	-21,704	NHS Cambs. and Peterborough CCG
Client contributions	-23,641	Social care service-users
Core Council funding	-149,030	Council tax, business rates etc.

3.0 ADULTS COMMITTEE – BUDGET LINES

- 3.1 The FMR 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. The budget lines within Appendix 1 of the main report relevant to Adults Committee are below.

Adults & Safeguarding Directorate	
Strategic Management – Adults	Cross-cutting services including transport. This line also includes expenditure relating to the Better Care Fund, and holds pressure funding allocated from social care grants.
Principal Social Worker, Practice and Safeguarding	Social work practice functions under the Principal Social Worker.
Transfers of Care	Hospital based social work teams
Prevention & Early Intervention	Preventative services, particularly Reablement, Adult Early Help and Technology Enabled Care teams
Autism and Adult Support	Services for people with Autism
Carers	Direct payments to carers
Learning Disability Partnership	
Head of Service	Services for people with learning disabilities. This is a pooled budget with the NHS – the NHS' contribution appears on the last budget line, so spend on other lines is gross.
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	
Physical Disabilities	Services for people requiring physical support, both working age adults and older people
OP - City & South Locality	
OP - East Cambs Locality	
OP - Fenland Locality	
OP - Hunts Locality	
Neighbourhood Cares	Staffing and care costs relating to the Neighbourhood Cares pilot areas.
Mental Health	
Mental Health Central	Services relating to people with mental health needs. Most of this service is delivered by CPFT.
Adult Mental Health Localities	
Older People Mental Health	
Commissioning Directorate	
Strategic Management – Commissioning (shared with other P&C committees)	Costs relating to the Commissioning Director
Local Assistance Scheme	Scheme providing information, advice and one-off practical support and assistance
Adults Commissioning	
Central Commissioning - Adults	A number of discrete contracts and grant that support adult social care, such as Carer Advice, Advocacy and grants to day centres.
Integrated Community Equipment Service	Community equipment contract
Mental Health Commissioning	Contracts relating to housing and community support for people with mental health needs.
Executive Director	
Executive Director (shared with other P&C committees)	Costs relating to the Executive Director for P&C

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 A good quality of life for everyone

4.1.1 There are no significant implications for this priority.

4.2 Thriving place for people to live

4.2.1 There are no significant implications for this priority

4.3 The best start for Cambridgeshire's Children

4.3.1 There are no significant implications for this priority

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

5.1.1 The appended Finance Monitoring 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 FMR to the Committee at substantive meetings, the report is made available online each month.	https://www.cambridgeshire.gov.uk/council/finance-and-budget/finance-&-performance-reports/