

Adult Social Care Committee

Item No

Report title:	Adult Social Care Finance Monitoring Report Period 6 (September) 2018-19
Date of meeting:	5th November 2018
Responsible Chief Officer:	James Bullion, Executive Director of Adult Social Services

Strategic impact

This report provides Adult Social Care Committee (the Committee) with financial monitoring information, based on information to the end of September 2018. The report sets out variations from the budget, progress against planned savings and provides a summary of the use of the improved better care fund.

Executive summary

As at the end of September 2018 (Period 6), Adult Social Services is forecasting an overspend position of £1.108m at the end of the financial year, which is a 0.44% variance on the total net budget. This is after considering known financial risks and expected achievement of savings.

Expenditure Area	Budget 2018/19 £m	Forecast Outturn £m	Variance £m
Total Net Expenditure	252.747	253.854	1.108

The key points for Committee to consider about the financial position for Adult Social Care are:

- There is no underlying additional pressure affecting the 2018-19 budget. The outturn position for 2017-18 was a £3.696m underspend and commitments between setting the budget in January 2018 and the start of the financial year remained largely stable and therefore did not place additional pressures on the budget from the outset
- As part of the 2017-18 financial position the Committee set up a business risk reserve of £4.500m. This was in addition to the business risk reserve agreed by Policy and Resource Committee of £2.600m using the Adult Social Services Grant announced in January 2018. This can be used to enable invest to save proposals or support the budget if additional savings cannot be delivered in full or the financial risks (set out in Section 4) not included in the budget materialise
- Plans for the use of the additional one-off social care grant, known as the improved better care fund grant (iBCF) were agreed with health partners in July 2017. As the funding was announced following the budget setting process and plans were agreed part year, not all the grant was spent in 2017-18 and a reserve was set up to enable the plans to still be implemented, with spending in both 2018-19 and 2019-20. New services such as accommodation based reablement, trusted assessors, enhanced home support and social prescribing have been implemented and projects will be closely tracked to establish the benefits to the health and social care system and whether these are financially sustainable longer term. This year the iBCF is supporting the cost of care and national living wage increases faced by care providers, as well as protection of social care budgets. Progress was reported to the October Adult Social Care Committee

- d) This year, Adult Social Services needs to deliver £27m savings to deliver a balanced budget. The savings programme is not without risk and this paper provides detail of specific projects, where there could be variance to the budgeted savings able to be delivered by 31st March 2019. The forecast is based on delivery of £21.753m of the 2018-19 savings target (see Section 2.7). The service is working to manage variances through alternative measures, but the forecast outturn position is based on the reduced delivery. Due to the scale of the programme this year, one of the purposes of the business risk reserve is to support shortfall due to slippage that cannot be mitigated during the year through alternative savings, but use of the reserve for this purpose is not currently planned
- e) In October, the Secretary of State for Health and Social Care announced that councils will receive additional one-off funding for social care for winter. Norfolk will receive £4.179m. Norfolk County Council (the Council) is awaiting more detail about the funding conditions, but the aim is to support winter resilience and activities to help discharge people from hospital. Further information regarding the use of this funding is set out within the Winter Resilience planning paper elsewhere on this agenda.

Adult Social Services reserves at 1 April 2018 stood at £27.221m. The reserves at the beginning of the year included committed expenditure, which was carried forward from 2017/18. The reserves position is set out in Section 2.10 and Appendix D. In total the forecast includes an expected net use of £6.184m of reserves in this financial year, compared to £6.841m which was planned and agreed as part of the budget setting process.

The 2018-19 forecast outturn position for reserves is £21.037m. Provisions totalled £6.454m at 1 April 2018, mainly for the provision for bad debts. This is expected to have reduced to £5.959m by 31 March 2019, reflecting the recovery of some bad debts.

Recommendations:

Members are asked to agree:

- a) **The forecast outturn position at Period 6 for the 2018-19 Revenue Budget of a £1.108m overspend**
- b) **The planned use of reserves totalling £6.184m, which is below the original level agreed**

Appendix A – Table setting out the monitoring position at Period 6 for key budgets for the service (Page 43)

Appendix B – Explanation of key variances for each budget (Page 45)

Appendix C – 2018-21 Savings Programme (Page 48)

Appendix D – Reserves and Provisions (Page 50)

Appendix E – Capital Programme 2018-19 (Page 52)

1. Introduction

- 1.1 The Adult Social Care Committee has a key role in overseeing the financial position of the department including reviewing the revenue budget, reserves and capital programme.
- 1.2 This monitoring report is based on the Period 6 (September 2018) forecast including assumptions about the implementation and achievement of savings before the end of the financial year.

2. Detailed Information

2.1 Winter funding for social care 2018-19

- 2.1.1 Last month the Secretary of State for Health and Social Care announced £240m of additional one-off funding for councils nationally, to spend on adult social care services to help councils alleviate winter pressures on the NHS. Allocations were based on the relative needs formula for adult social care, resulting in an allocation of £4.179m for

Norfolk. Detailed funding criteria is awaited but it is anticipated that the funding will build upon the key areas identified for the improved better care fund grant, to protect, sustain and improve social care. Further information about how the funding could support adult social care services in Norfolk this winter is set out the Winter Resilience paper elsewhere on this agenda. The forecast at Period 6 does not take into account the use of one-off winter funding of £4.179m, however, it is anticipated that priorities for the system will include supporting financial pressures within adult social care.

2.1.2 The table below summarises the forecast outturn position as at the end of September (Period 6).

2017/18			2018/19			
Actual net spend 2017/18 £m	Over/ Underspend compared to budget £m	Expenditure Area	Budget £m	Forecast Outturn £m	Variance to Budget	Variance @ P5 £m
11.659	(0.313)	Business Development	10.961	10.728	(0.234)	(0.163)
72.203	0.092	Commissioned Services	58.955	60.157	1.202	1.148
7.845	(0.093)	Early Help & Prevention	6.398	6.582	0.184	0.173
181.698	(7.573)	Services to Users (net)	197.550	198.236	0.685	1.985
(7.822)	4.190	Management, Finance & HR	(21.118)	(21.848)	(0.730)	(1.152)
265.585	(3.696)	Total Net Expenditure	252.747	253.854	1.108	1.990

2.1.3 As at the end of Period 6 (September 2018) the forecast revenue outturn position for 2018-19 is £253.854m, which is an overspend of £1.108m.

2.1.4 The detailed position for each service area is shown at **Appendix A**, with further explanation of over and underspends at **Appendix B**.

2.1.5 The forecast position does not consider all the potential budget risks and opportunities for the service during 2018-19. These are set out in more detail at Section 4 of this paper.

2.2 Services to Users

2.2.1 The table below provides more detail on services to users, which is the largest budget within Adult Social Services:

2017/18	Purchase of Care (POC)	2018/19
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Actual net spend £m	Over/Under spend £m	Expenditure Area	Budget 2018/19 £m	Forecast Outturn at 31 st March 2019 £m	Variance £m
114.65	3.481	Older People	120.678	124.833	4.156
24.095	0.866	Physical Disabilities	25.055	27.231	2.176
100.865	1.663	Learning Disabilities	101.295	105.370	4.075
14.616	0.500	Mental Health	17.608	18.118	0.510
254.226	6.510	Total POC Expenditure	264.636	275.552	10.915
-84.002	-9.148	Service User, NHS and other local authority income	-85.861	-94.646	-8.785
-4.566	-2.550	Other Income	-1.561	-2.191	-0.630
-88.568	-11.698	Total POC Income	-87.422	-96.837	-9.415
165.658	-5.188	Total Net POC	177.214	178.715	1.500
5.859	-0.813	Hired Transport	6.105	5.977	-0.128
10.181	-1.571	Care & Assessment & Other staff costs	14.231	13.544	-0.687
181.698	-7.573	Total Service for users	197.550	198.236	0.685

2.2.2 Key points:

- The number of people being supported with ongoing purchased care packages has plateaued in the last quarter. This means that although demand is being managed this is not sufficient to meet the savings applied for 2018/19. Whilst work is ongoing to mitigate this, the service is currently showing an overspend
- The department's Promoting Independence strategy continues to seek to support people to maintain their independence; where possible within their own homes and communities. This is integral to the demand management requirements embedded within the service budget. Permanent admissions to residential care – those without a planned end date – are therefore a vital area of focus for the service. As such, both the 18-64 and 65+ age ranges form two of the six key metrics reported to this Committee as part of the Performance Management report. **Appendix B** provides more details on the progress and actions for this area of budget
- The generation of income is an important aspect of managing the budget for Adult Social Care. In addition to changes to charging agreed as part of the budget, the Council continues to ensure it offers robust financial assessments for service users and works closely with Health partners to agree shared packages of care or funding relating to people on the Transforming Care Programme pathway

2.3 Commissioned Services

2.3.1

2017/18		Expenditure Area	2018/19		
Actual net spend 2017/18 £m	Over/Underspend compared to budget £m		Budget 2018/19 £m	Forecast Outturn at 31 st March 2019 £m	Variance £m
4.193	(0.105)	Commissioning Team	3.187	3.023	(0.164)
12.444	(0.315)	Service Level Agreements	9.031	9.143	0.113

2.102	(0.294)	Integrated Community Equipment Service	0.145	0.140	(0.005)
33.266	0.672	NorseCare	33.134	33.579	0.445
5.817	0.000	Housing related support	2.564	2.181	(0.383)
13.077	0.220	Independence Matters	9.550	10.677	1.127
1.304	(0.087)	Other Commissioning	1.345	1.414	0.069
72.203	0.092	Total Expenditure	58.955	60.157	1.202

2.3.2 Key points:

a) NorseCare

Despite on-going reductions in the real-terms contract costs there remains a variation between the approved budget and the contract price. This is predominately due to increased inflation above budget assumptions. Work is ongoing to reduce this gap

b) Independence Matters (IM)

The Council and IM have been working together to review services. The scope of this work has included benchmarking and unit prices, review of usage and occupancy levels and review of contract arrangements. Plans are progressing to jointly deliver these saving, with the aim to reduce the variance during 2018/19

2.4 Savings Forecast

2.4.1 The department's budget for 2018/19 includes savings of £27.290m. The savings are predominately planned through the delivery programme for the Promoting Independence strategy.

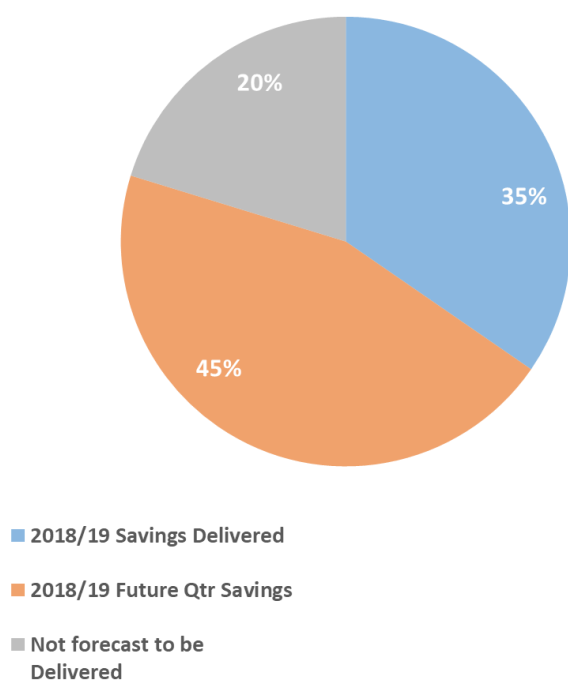
2.4.2 The savings include £17m of demand management savings, which will be delivered through various projects to help prevent, reduce and delay the need for formal social care. Some £9.2m of the savings are related to the strategy for younger adults, and £7.4m relates to projects aligned to people with learning disabilities. Some of these savings remain high risk, predominately because it requires significant changes to the social care offer, as well as helping people who currently receive services to, where appropriate, gain a higher level of independence. For some people it will enable them to live more independently and move from residential based care. Therefore, at Period 6 it is forecast that some savings will take longer to deliver and will not be achieved in full in this financial year. The programme of work will still seek to deliver these in full.

2.4.3 At period 6 the forecast is that £5.537m of savings will not be achieved by 31st March 2019. The budget position therefore reflects achievement of £21.753m in this financial year. **Appendix C** sets out the delivery status of the programme by workstream and project.

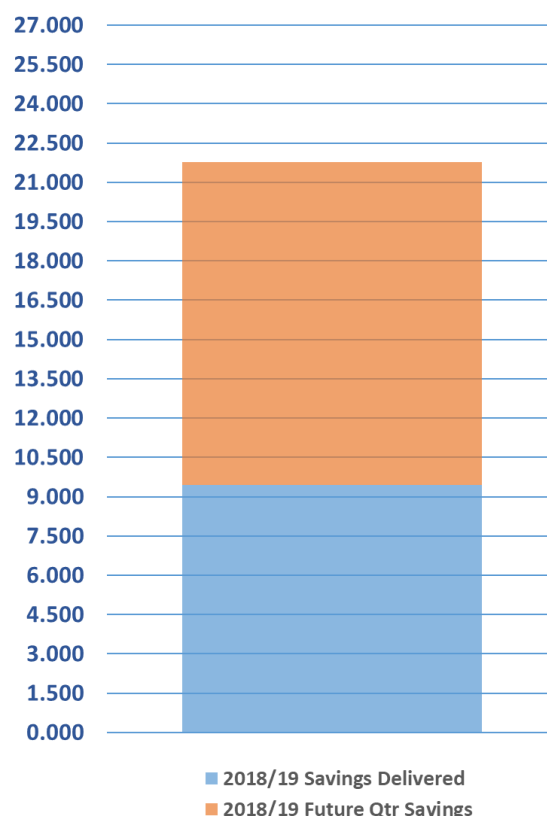
Savings	Saving 2018/19	Forecast	Variance		Previously Reported
	£m		£m	£m	
					£m

Savings off target (explanation below)	-15.145	-9.608	5.537	-37%	5.537
Savings on target	-12.145	-12.145	0.000	0%	0
Total Savings	-27.29	-21.753	5.537	-20%	5.537

**Chart 1:
ASC Savings as a % of the requirement**



**Chart 2:
ASC Savings 2018/19 – Period 6**



2.4.4 A brief explanation is provided below of the key variances and, where applicable, planned recovery actions.

Promoting Independence for younger adults (target £6.794m; forecast £4.076m; variance £2.727m). The department has a structured programme of work to focus on our service offer for people with a Learning Disability (LD), which is held to account by an LD Steering Group and LD Partnership Board. This underpins the work required to implement the LD Strategy. The variance in savings delivery is the direct result of the time it takes to support and promote a person's independence when they have previously been receiving a different type or level of care services. Many of the people who access our services, may well have been in receipt of these services for a significant period. With people who are currently not receiving adult services, but may be supported by Children's or Education services, we are working with our colleagues in Children's services to develop a new Preparing for Adult Life service.

Promoting independence for older adults (target £4.665m; forecast £4.099m; variance £0.566m). The department is reformulating its social work offer, starting with its Community Care teams, by implementing a roll-out of the Living Well: 3 Conversations model of social work. The initial Community Innovation sites have seen promising results

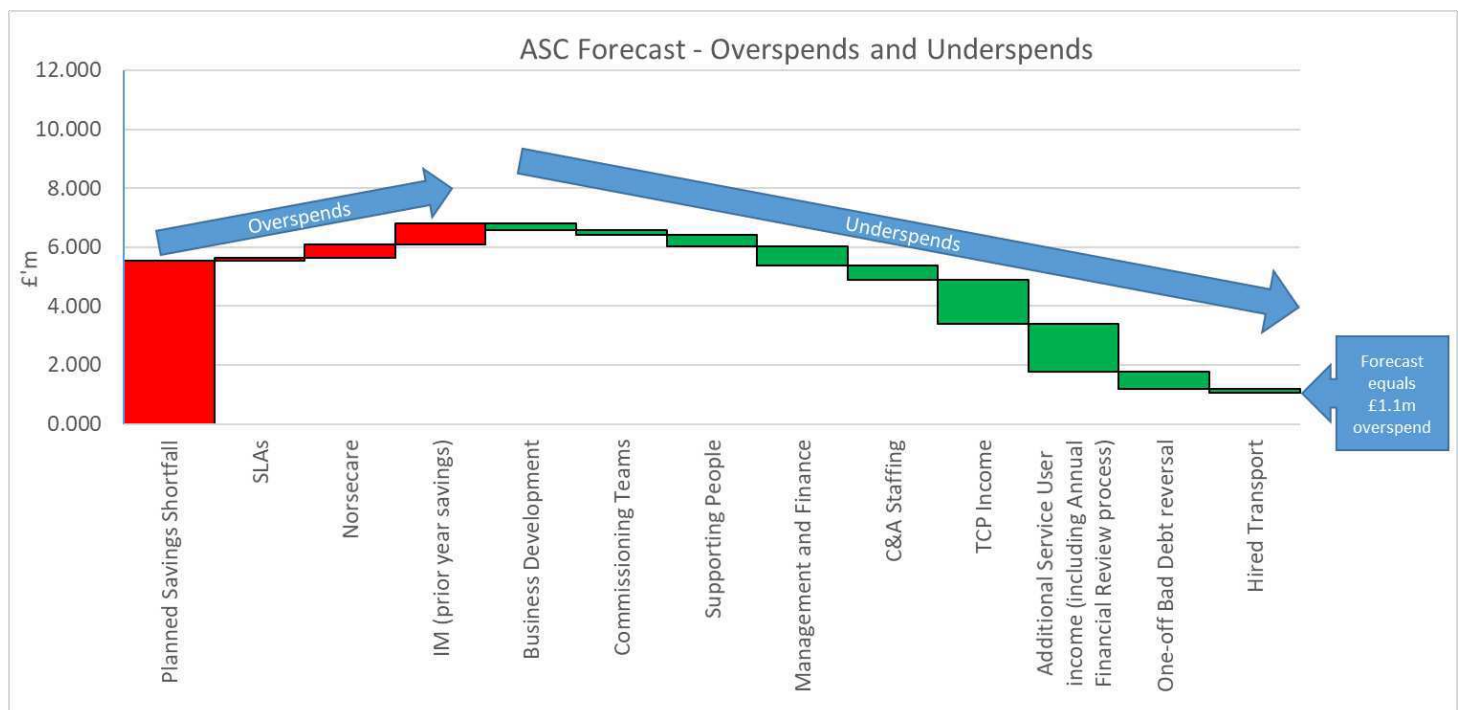
in terms of outcomes for people and delaying the need for formal care. The variance in savings delivery is the direct result of the time it takes to fully imbed this model and begin to realise the full benefits of the new ways of working.

Review of day services (target £2.500m; forecast £0.843m; variance £1.657m). As part of the LD strategy, the department is delivering transformation to support a sustainable range of day opportunities to meet the diverse needs of people and their families. The focus will be on community participation, targeted support (with a skills and employment focus) and locality hubs for those with complex needs. We are working with existing day opportunity and employment providers alongside people with a learning disability and their families to develop and pilot new models. The variance in savings delivery is the direct result of the time it takes to evolve these services and support and enable existing people accessing the services.

Promoting Independence - Housing with Care (target £0.500m; forecast £0.050m; variance £0.450m). The department has developed a business case and revenue model as part of the work of its newly formed Older People Housing Board. This paper was presented at the October Committee meeting. Through work between internal officers, consultants and external partners, such as the district and borough councils, we will develop new units within Norfolk. This will provide older people in Norfolk a more independent alternative to residential care. The variance in savings delivery is again the direct result of the time it takes to develop and build these new units.

2.4.5 Whilst the service has savings items that are not planned to deliver in full within this financial year, it does have several mitigating actions that will partially close the financial gap. These areas are displayed in Chart 3.

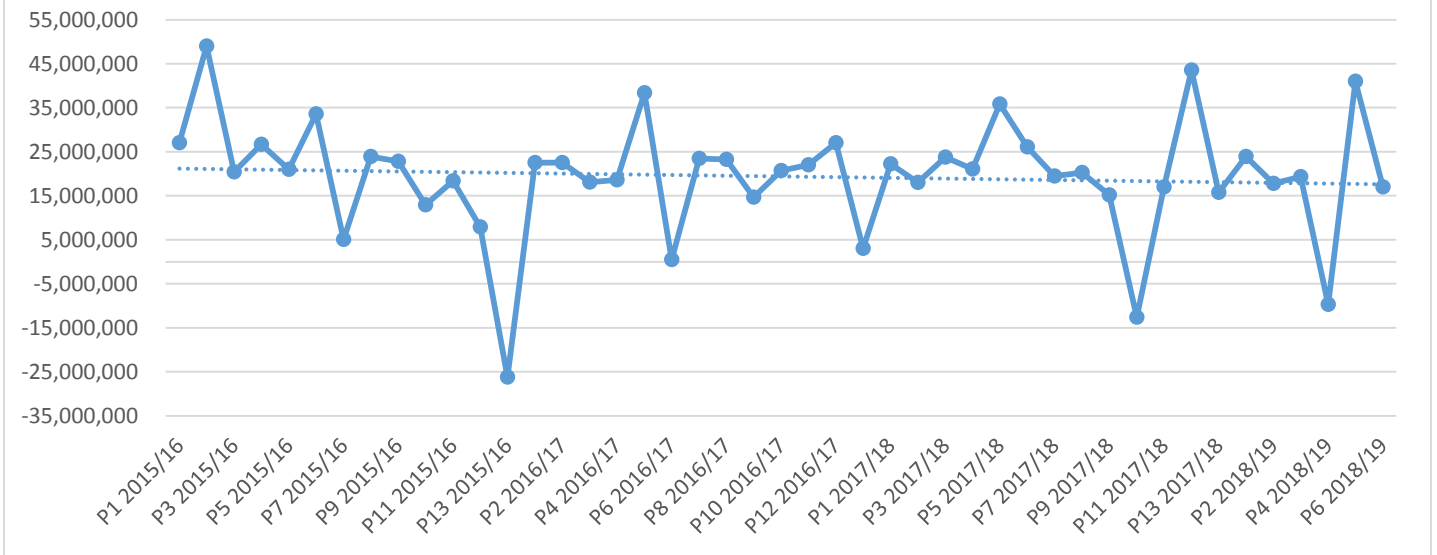
Chart 3:



2.4.6 The department's net expenditure each period is prone to fluctuations, as evidenced in chart 4, however, it continues to display a downward trajectory when compared to 2015/16.

Chart 4:

Net ASSD Expenditure per period 2015/16 to P6 2018/19



2.4.7 As we approach the middle of the financial year, our level of net spend is on a par with 2017/18 and 2016/17. Graphically, Chart 5 gives the appearance of net spend position at Period 6 more favourable to the previous financial years, however, this is due to the timing of the accounting entry relating to the BCF pooled funds. In 2017/18 this adjustment took place in period 10, whilst this financial year it has taken place in period 4. This BCF adjustment gives the department an appearance of an influx of income and significantly reduces the net spend for that period. The actual billing for the BCF is more evenly distributed and takes place within the BCF pooled accounts rather than that of the department.

2.4.8 When we initially compare spend to date to a considered profiled budget (chart 6), we are approximately in line with our forecast, displaying a small underspend at this point in the financial year.

Chart 5:

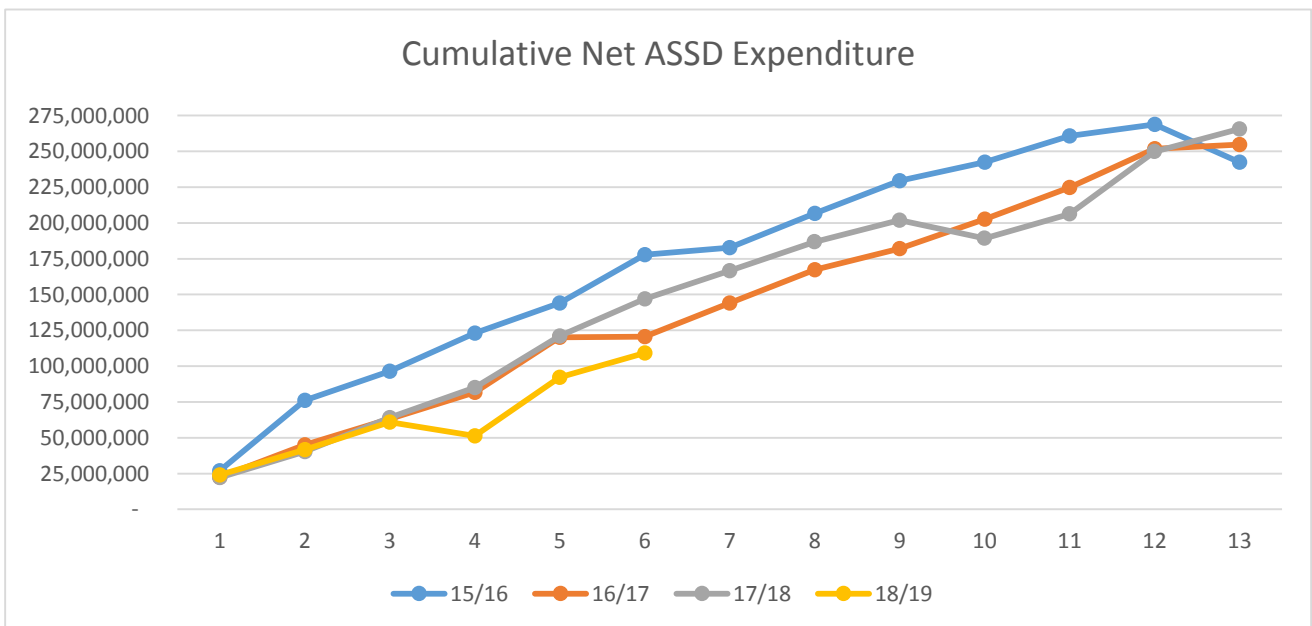
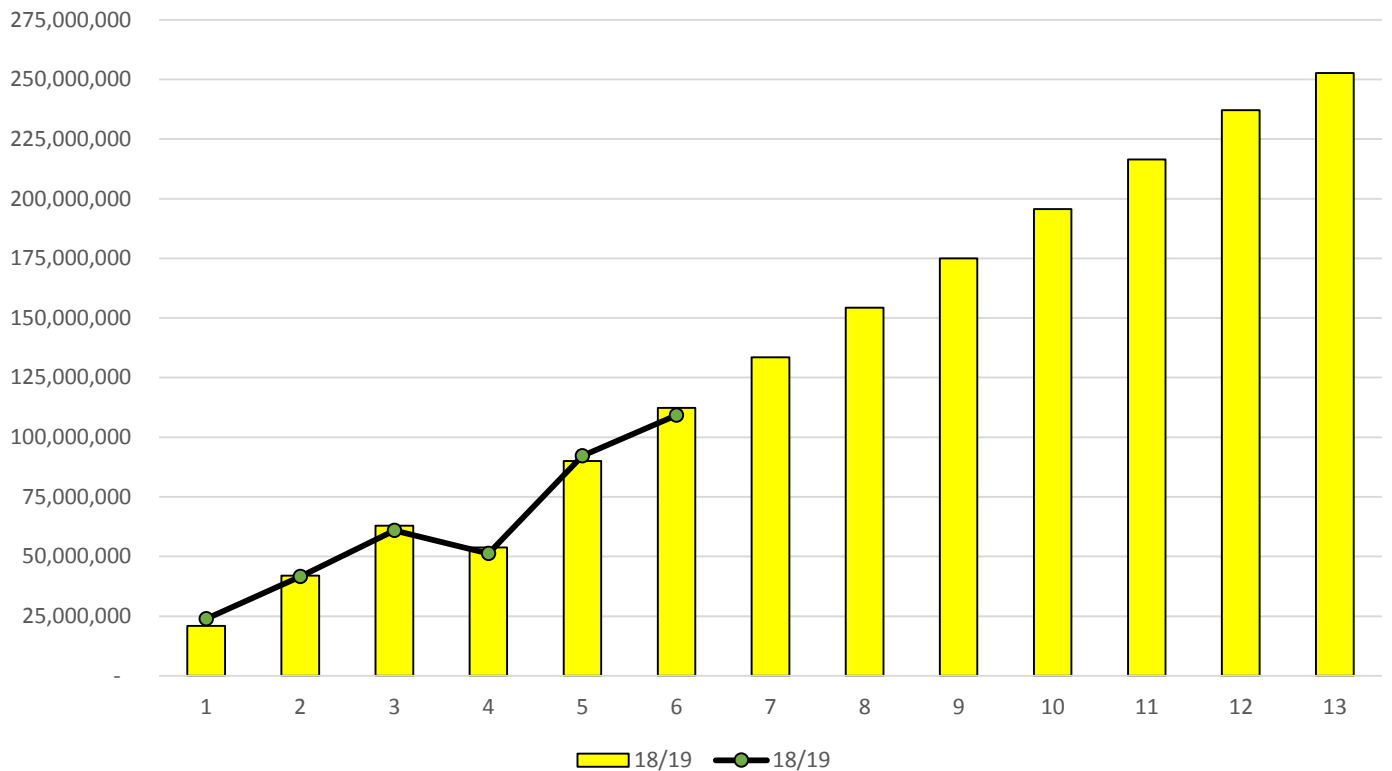


Chart 6:

2018/19 Cumulative Net ASSD expenditure v profiled budget



2.5 Finance and Performance monitoring and recovery actions

2.5.1 Monthly performance and finance data is reviewed by senior management team to highlight key areas of focus for monthly finance and performance board meetings. This is also a forum, which enables escalation by teams of blockages to progress and priority actions for the service. In addition, quarterly accountability meetings are held, enabling scrutiny of performance and financial issues at team level and are led by the Executive Director of Adult Social Services. Due to the current overspend position all teams responsible for purchase of care budgets are implementing in-year recovery plans. These focus on areas of variation, demand management and priority actions relevant to each team, which could improve the financial position during the year. These actions will be reviewed through the above monitoring process and through the Promoting Independence Programme Board.

2.6 Additional Social Care Funding (improved Better Care Fund)

- 2.6.1 As a reminder to the Committee, the Improved Better Care Fund money includes both ongoing grant and one-off grants (for the three year period 2017-20). This fund is governed by the Health and Wellbeing Board and monitored by NHS England and the Ministry of Housing, Communities and Local Government through national and local assurance and quarterly returns.
- 2.6.2 The Council, in setting the 2018/19 budget, reflected the delivery of these plans, including both usage of the 2018/19 grant of £27.728m and the carry forward of £15.670m of unspent grant from 2017-18. The usage of the new grant and prior year funds are reflected in the reserve forecast in this financial year.
- 2.6.3 Actions were undertaken during 2017-18 to implement the agreed plans, which in addition to funding to protect social care and support price uplifts for the care market, has led to the following projects. Detailed progress on the iBCF investment programme was reported to this Committee in October, but key actions included:

a) Increased social work capacity

- b) Implementation of social prescribing schemes
- c) Implementation of accommodation based reablement schemes, including beds in the East, West Norfolk and at Benjamin Court in Central Norfolk
- d) Enhanced home support service covering both an acute referral pathway and community referral pathway (including flexible dementia respite service and carer support)
- e) Establishment of trusted assessment facilitators
- f) Developing discharge to assess pathways to reduce delayed transfer of care from hospital
- g) Step down accommodation for people discharged from hospital with mental health needs and additional out of hours capacity for mental health act assessment

2.6.4 Sustainability of the actions arising from this additional investment is key. Where investment in social care is evidenced to provide wider system benefits the expectation is that financial support will be sought from across health and social care to enable new ways of working to continue beyond the project timescales. Where benefits cannot be evidenced or wider financial support from the health sector is not available, it is expected that the interventions will need to be stopped at the end of the projects. The plans have therefore been careful to ensure that actions providing support to the market through funding cost of care and price increases is ongoing.

2.7 Reserves

2.7.1 The department's reserves and provisions at 1 April 2018 were £33.675m. Reserves totalled £27.221m.

2.7.2 The reserves at the beginning of the year included committed expenditure, which was carried forward in 2017/18. At Period 6 the forecast includes the expected use of £6.184m of reserves in this financial year, compared to £6.841m which was planned and agreed as part of the budget setting process. This mainly relates to the Improved Better Care Fund (iBCF) and planned projects that will be delivered during the next two years. The variation is predominately due to the carry forward of some funding at year end relating to potential cost associated with payments for sleep-ins that are no longer needed for the original purpose.

2.7.3 The forecast reserve position at 31 March 2019 is £21.037m.

2.7.4 Provisions totalled £6.454m at 1 April 2018, mainly for the provision for bad debts. This is expected to have reduced to £5.959m by 31 March 2019, reflecting the recovery of some bad debts. The projected use of reserves and provisions is shown at **Appendix D**.

2.7.5 As set out in section 2.9 of this report, a planned reserve is approved to enable ring fenced additional social care funding to be carried forward. This will ensure that the plans agreed as part of the Better Care Fund can be used for the agreed purposes and invest to save projects can be managed across an agreed timeframe. Plans for the use of the additional social care funding were agreed at the end of July 2017.

2.7.6 The outturn position for Adult Social Services in 2017/18, combined with the £2.612m ASC Support Grant, enabled a business risk reserve to be set up totalling £7.112m. This was set up to enable opportunity for investment to support the savings target and to mitigate some of the expected budget risks facing the service in future years, as set out in Section 4. Investment to support the Living Well Homes for Norfolk programme will be funded from this reserve.

2.8 Capital Programme

2.8.1 The capital programme for 2018-19 agreed within the 2018-19 budget is £4.740m. This was made up of £2.334m for Capitalisation of Equipment and £2.406m for the Social Care and Finance Information system. Subsequently, there was slippage on the Social Care

and Finance Information system which meant that the amount brought forward into 2018-19 increased.

- 2.8.2 The remaining elements relate to slippage from the 2017-18 programme which are expected to be completed in the current financial year. Funding was brought forward for these and do not create an additional pressure.
- 2.8.3 The department's total capital programme for 2018-19 is £12.994m. The capital programme includes £2.276m for the social care and finance information system replacement. The priority for use of capital is development of alternative housing models for older people and younger adults. The programme includes £7.480m relating to Department of Health capital grant for Better Care Fund (BCF) Disabled Facilities Grant (DFG), which is passported to District Councils within the BCF. Work continues with district councils as part of the BCF programme of work, to monitor progress, use and benefits from this funding. Details of the current capital programme are shown in **Appendix E**. Where projects have been delayed and will slip into future, the budgets have been amended to reflect this.

3. Financial Implications

- 3.1 The forecast outturn for Adult Social Services is set out within this paper and appendices.
- 3.2 As part of the 2018/19 budget planning process, the Committee proposed a robust budget plan for the service, which was agreed by County Council. The 2017-18 outturn position for the service was an underspend of £3.696m after setting up a business risk reserve of £4.5m. This is in addition to the adult social care grant received by the Council, earmarked for adult social care business risk, totalling £2.6m.
- 3.3 The existing forecast does not assume use of the business risk reserve for general spend in 2018/19.
- 3.4 The planned use of the one-off funding through the improved Better Care Fund was agreed with health partners last year and reflected a three-year position.
- 3.5 The recurrent financial implications resulting from this paper will be fully considered and their impact assessed as part of the 2019-22 budget setting process. The budget planning assumptions for 2019-22 are based on a balanced budget position, therefore any recurrent overspend or non-delivery of recurrent savings during this financial year, will result in an additional unfunded pressure for 2019-20.

4. Issues, risks and innovation

- 4.1 This report provides financial performance information on a wide range of services monitored by the Adult Social Care Committee. Many of these services have a potential impact on residents or staff from one or more protected groups. The Council pays due regard to the need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations.
- 4.2 This report outlines several risks that impact on the ability of Adult Social Services to deliver services within the budget available. Financial estimates of the level of unfunded risk at Period 6 are £1.8m, this is based on risk assessment, including potential impact, likelihood and mitigating factors. These risks include the following:
- a) Pressure on services from a needs led service where number of service users continues to increase. The number of older people age 85+ is increasing at a greater rate compared to other age bands, with the same group becoming increasingly frail and suffering from multiple health conditions. A key part of transformation is about managing demand to reduce the impact of this risk through helping to meet people's needs in other ways where possible

- b) The ability to deliver the forecast savings, particularly in relation to the demand led element of savings, which will also be affected by wider health and social care system changes
- c) The cost of transition cases, those service users moving into adulthood, might vary due to additional cases that have not previously been identified, particularly where cases are out of county. Increased focus on transition will help mitigate this risk
- d) The impact of pressures within the health system, through both increased levels of demand from acute hospitals and the impact of increased savings and current financial deficits in health provider and commissioning organisations. This risk is recognised within the service's risk register and the Council's involvement in the change agenda of the system and operational groups such as Accident and Emergency Delivery Boards and Local Delivery Groups will support the joint and proactive management of these risks
- e) The Council has outstanding debt in relation to health organisations, which could lead to increased pressures if the debt is not recovered
- f) Any delays in recording and management authorisations could result in additional packages and placements incurring costs that have not been included in the forecast
- g) In any forecast there are assumptions made about the risk and future patterns of expenditure. These risks reduce, and the patterns of expenditure become more defined as the financial year progresses and the forecast becomes more accurate
- h) The ability to be able to commission appropriate home support packages due to market provision, resulting in additional costs through the need to purchase increased individual spot contracts rather than blocks
- i) The continuing pressure from the provider market to review prices and risk of challenge. In addition, the Council has seen some care home closures in the first part of the year, which can lead to increased costs especially during transition
- j) The impact of health and social care integration including Transforming Care Plans, which aims to move people with learning disabilities, who are currently inpatients within the health service, to community settings
- k) Impact of legislation, particularly in relation to national living wage

5 Recommendations

5.1 Members are asked to agree:

- a) The forecast outturn position at Period 6 for the 2018-19 Revenue Budget of a £1.108m overspend
- b) The planned use of reserves totalling £6.184m, which is below the original level agreed

6. Background

6.1 The following background papers are relevant to the preparation of this report.

[Finance Monitoring Report – Adult Social Care Committee October 2018](#) (p13)

[Norfolk County Council Revenue Budget and Capital Budget 2018-21 - County Council February 2018](#) (p49)

[Performance Management – Adult Social Care Committee September 2018](#) (p55)

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

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Susanne Baldwin	01603 228843	susanne.baldwin@norfolk.gov.uk



If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Key Budget Variances at Period 6

Summary	Budget	Forecast Outturn	Variance to Budget		Variance at Period 5
	£m	£m	£m	%	£m
Services to users					
Purchase of Care					
Older People	120.678	124.833	4.156	3.44%	3.167
People with Physical Disabilities	25.055	27.231	2.176	8.69%	2.447
People with Learning Disabilities	101.295	105.370	4.075	4.02%	4.414
Mental Health, Drugs & Alcohol	17.608	18.118	0.510	2.90%	1.124
Purchase of Care Expenditure	264.636	275.552	10.916	4.12%	11.151
Service User Income	-85.861	-94.646	-8.785	10.23%	-7.787
Other Income	-1.561	-2.191	-0.630	40.36%	-0.630
Purchase of Care Income	-87.422	-96.837	-9.415	10.77%	-8.417
Net Purchase of Care	177.214	178.715	1.501	0.85%	2.734
Hired Transport	6.105	5.977	-0.128	-2.10%	-0.128
Staffing and support costs	14.231	13.544	-0.687	-4.83%	-0.621
Services to users Total	197.550	198.236	0.685	0.35%	1.985
Commissioned Services					
Commissioning	3.187	3.023	-0.164	-5.15%	-0.142
Service Level Agreements	9.031	9.143	0.113	1.25%	0.119
ICES	0.145	0.140	-0.005	-3.12%	-0.010
NorseCare	33.134	33.579	0.445	1.34%	0.413
Housing Related Support	2.564	2.181	-0.383	-14.95%	-0.387
Independence Matters	9.550	10.677	1.127	11.81%	1.137
Other	1.345	1.414	0.069	5.14%	0.017
Commissioning Total	58.955	60.157	1.202	2.04%	1.148

Early Help & Prevention					
Norfolk Reablement First Support	2.177	2.220	0.043	1.97%	0.038
Service Development	1.153	1.172	0.019	1.64%	0.058
Other	3.068	3.190	0.122	3.98%	0.077
Prevention Total	6.398	6.582	0.184	2.88%	0.173

Net Purchase of Care at specialism level (Purchase of Care less Service User Income):

Summary	Budget	Forecast Outturn	Variance to Budget		Variance at Period 5
	£m	£m	£m	%	£m
Purchase of Care					
Older People – Expenditure	120.678	124.833	4.156	3.44%	3.166
Older People – Income	-66.158	-70.630	-4.472	-6.76%	-3.75
Older People – Net	54.520	54.203	-0.317	-0.58%	-0.584
People with Physical Disabilities - Expenditure	25.055	27.231	2.176	8.68%	2.447
People with Physical Disabilities – Income	-5.027	-5.185	-0.158	3.14%	-0.154
People with Physical Disabilities – Net	20.028	22.046	2.018	10.08%	2.293
People with Learning Disabilities - Expenditure	101.295	105.370	4.075	4.02%	4.414
People with Learning Disabilities – Income	-11.103	-14.812	-3.709	33.41%	-2.894
People with Learning Disabilities – Net	90.193	90.558	0.365	0.40%	1.52
Mental Health, Drugs & Alcohol – Expenditure	17.608	18.118	0.510	2.90%	1.124
Mental Health, Drugs & Alcohol – Income	-5.134	-6.210	-1.076	20.96%	-1.619
Mental Health, Drugs & Alcohol – Net	12.474	11.908	-0.566	-4.54%	-0.495
Total Net Purchase of Care	177.214	178.715	1.501	0.85%	2.734

Adult Social Care 2018-19 Budget Monitoring Forecast Outturn Period 6 Explanation of variances

1. Business Development, forecast underspend (£0.234m)

The forecast underspend is from vacancies and secondments in some teams, with roles currently being reviewed.

2. Commissioned Services forecast overspend £1.202m

The main variances are:

NorseCare, overspend of £0.445m. Despite on-going reductions in the real-terms contract costs there remains a variation between the approved budget and the contract price. This is largely due to inflationary pressure higher than the Council's original budget assumptions.

Commissioning team, underspend of (£0.164m). The underspend is due to staff vacancies.

Housing Related Support, underspend of (£0.383m). The underspend comes from contract review.

Independence Matters, overspend of £1.127m. The overspend is due to savings planned for the service that will not be delivered in 2018-19.

3. Services to Users, forecast overspend £0.685m

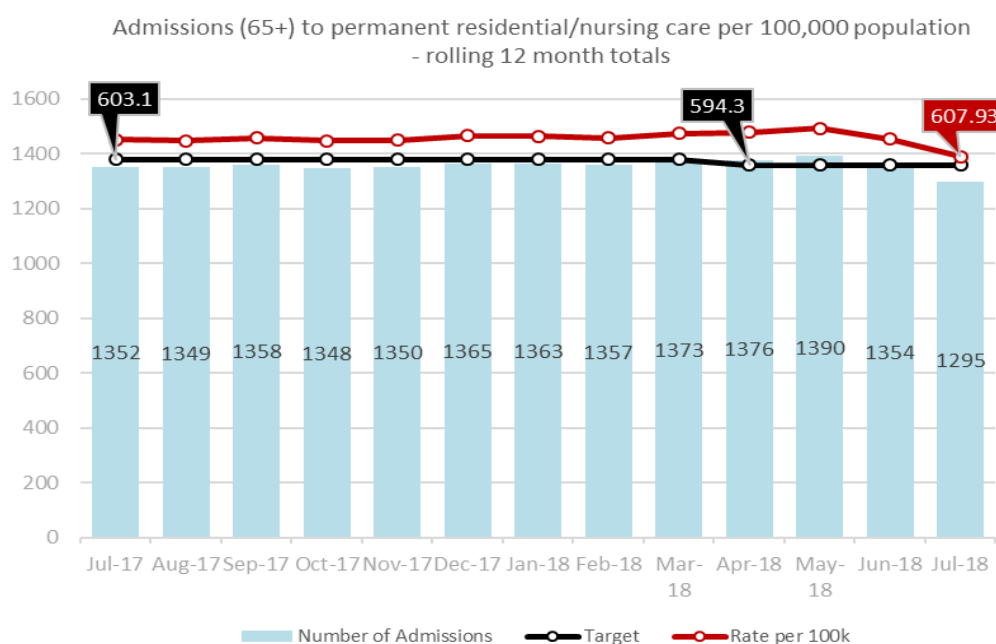
The main variances are:

Purchase of Care:

- Older People

The budget was based on a strategic aspiration to make a step change in the levels of support being provided in a residential/nursing care setting, with more provision being sourced to enable people to remain at home.

Progress has been made in this area over the past 3 years where we were a clear statistical outlier in our rate of permanent admissions per 100,000 of our population when compared to comparator local authorities. Over the last 12 months our rate has stayed consistent at this improved level but has not continued its downward trajectory as expected within the budget.



As stated in the September 2018 Performance Management Committee paper, a recent sample study undertaken by the intelligence and analytics team within the Council has reconfirmed our understanding of the drivers of this demand. Dementia, a fall or the breakdown of existing support arrangements are still amongst the main/primary life changes that may lead to a residential placement. As a result of this we are beginning to see a shift between standard residential care and enhanced (dementia) related care.

Another significant area driving permanent residential care, is in relation to discharge from hospital. The same performance management paper suggests that if a short term residential placement is made that over 50% of these placements will lead to a permanent admission, with 80% these being in the same residential home. In response, we are continuing to invest in alternative discharge pathways, including Accommodation Based Reablement.

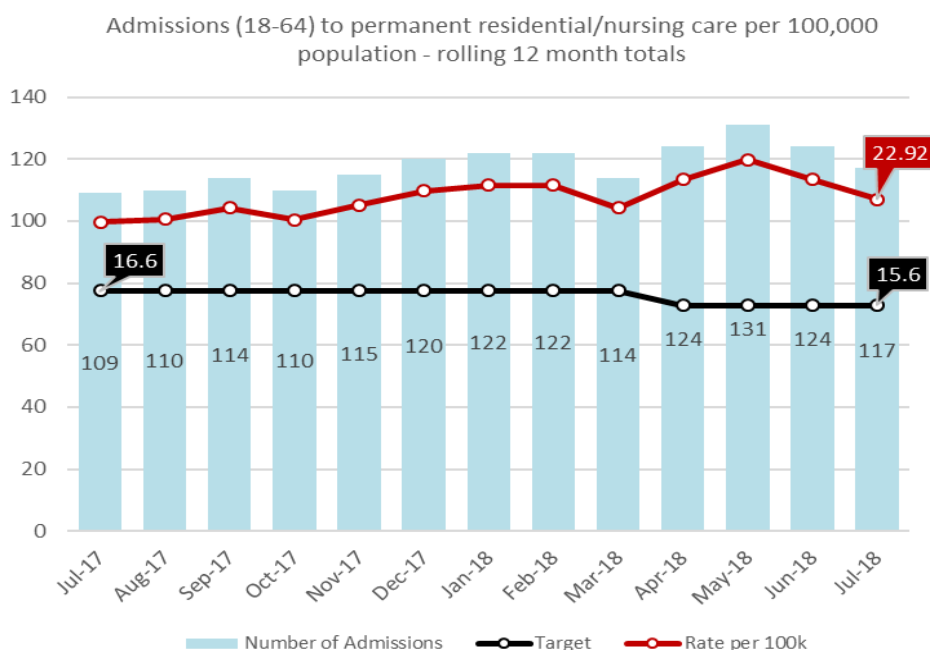
Furthermore, to enhance our response time to those supported in temporary placements, we are recruiting a dedicated social work team who will focus on supporting people home from their temporary accommodation.

Our level of spend relating to Home Support has not grown as much as anticipated despite our unit rates increasing as we implemented our new framework pricing model for the Central Norfolk belt. Whilst we seek to further understand and explain this trend in more detail, this movement in cost has come at a time when our preventative offer in reablement services has expanded.

The difference in the balance of our care mix for expenditure has also impacted our budgeted income levels. As residential and non-residential care operate under different charging policies, service users, on average, tend to be financially assessed as being required to make larger income contributions towards the cost of their care within a residential setting. This has led to us forecasting to exceed our income target for residential care. We have invested in our Finance Exchequer Services team to ensure every service user has their financial assessment reviewed annually, which is helping to ensuring the charging policy is consistently applied.

- Younger Adults (Physical and Learning Disabilities and Mental Health)

As with our support to Older Adults, Residential Care makes up a significant proportion of our expenditure for vulnerable younger adults. Again, benchmarking our rate of permanent admissions against other local authorities indicates we are a statistical outlier with higher levels of admissions. The recently published Learning Disabilities Strategy sets Norfolk's vision and aspirations over the next 5 years with our Promoting Independence programme set up to specifically look to support the change in our reliance on residential care with a more enabling range of commissioned services being sourced.



For those people with the most complex of conditions, including those within the Transforming Care Partnership, we continue to work closely with our NHS partners agreeing shared funding arrangements as Norfolk and Waveney's Sustainability and Transformation Plan pursues more community support arrangements.

Staffing and Support, underspend of (£0.621m). As we enhanced our establishment with 50 new practitioner roles and 15 team manager positions, we have seen a short-term spike in vacancies as internal applicants were successful in obtaining some of the new roles. Our NIPE cohort remains full and is our route to continue to ensure Norfolk secures talented social care staff.

4. Early Help and Prevention, forecast overspend £0.184m

A pressure within Housing with Care Tenant Meals of £0.045m in Other Services, together with pressures in N-Able for equipment costs and the Care Arranging Service for staffing costs to cover project requirements.

5. Management, Finance and HR, forecast underspend (£0.730m)

The main variances are:

Management and Finance, underspend of (£1.180m). Recovery of secondment costs combines with additional deputyship income, release of bad debt provision and review of previously committed costs to deliver an underspend.

2018-21 Savings Programme - Forecast Period 6

Saving reference	Saving	2018-19	2019-20	2020-21	2018-19 forecast	2018-19 forecast variance (shortfall) / over delivery	RAG status
		£m	£m		£m	£m	
	-						
COM040 /ASC003	Service users to pay for transport out of personal budgets, reducing any subsidy paid by the Council	-0.700	-1.000		-0.700	0.000	Green
YA ASC006 /ASC011 /ASC015	Promoting Independence for Younger Adults - Customer Pathway - where the focus will be on connecting people with ways to maintain their wellbeing and independence thereby reducing the numbers of service users receiving care in a residential setting	-6.794	-5.307	-5.000	-4.067	-2.727	Amber
OP ASC006 /ASC011 /ASC015	Promoting Independence for Older Adults - Customer Pathway - where the focus will be on connecting people with ways to maintain their wellbeing and independence thereby reducing the numbers of service users receiving care in a residential setting	-4.665	-3.393	-5.000	-4.099	-0.566	Amber
ASC007	Promoting Independence - Reablement - net reduction - expand Reablement Service to deal with 100% of demand and develop service for working age adults	-0.500			-0.500	0.000	Green
ASC008	Promoting Independence - Housing with Care - develop non-residential community based care solutions	-0.500	-0.500		-0.050	-0.450	Red
ASC009	Promoting Independence - Integrated Community Equipment Service - expand service so through increased availability and access to equipment care costs will be reduced	-0.250			-0.250	0.000	Green
ASC013	Radical review of day-care services	-2.500			-0.843	-1.657	Red
ASC016-019	Building resilient lives: reshaping our work with people of all ages requiring housing related support to keep them independent	-3.400			-3.400	0.000	Green
ASC020	Remodel contracts for support to mental health recovery	-0.275			-0.275	0.000	Green
ASC029	Align charging policy to more closely reflect actual disability related expenditure incurred by service users	-0.230			-0.630	0.000	Green

Appendix C

ASC032	Review charging policy to align to actual disability related expenses	-0.400						Green
ASC033	Accommodation based reablement	-0.550			-0.550	0.000		Green
ASC034	Prevent carer breakdown by better targeted respite	-0.686			-0.549	-0.137		Amber
ASC035	Investment and development of Assistive Technology approaches		-0.300	-0.500	0.000	0.000		
ASC036	Maximising potential through digital solutions	-0.049	-0.951	-2.000	-0.049	0.000		Green
ASC037	Strengthened contract management function	-0.300	-0.300	-0.200	-0.300	0.000		Green
ASC038	Procurement of current capacity through NorseCare at market value		-0.600	-1.000	0.000	0.000		
ASC039	Capitalisation of equipment spend	-2.300			-2.300	0.000		Green
ASC040	Reduction in funding for invest to save	-0.191			-0.191	0.000		Green
ASC041	One-off underspends in 2017-18 to be used to part fund 2018-19 growth pressures on a one-off basis	-3.000	3.000		-3.000	0.000		Green

Adult Social Care net total

-27.290

-9.351

-13.700

-21.753

-5.537

Adult Social Services - Reserves and Provisions

			2018/19 Period 6 (September)	
	Balance	Usage agreed by Feb County Council	Planned Usage	Balance
	01-Apr-18		2018/19	31-Mar- 19
	£m		£m	£m
Doubtful Debts provision	6.454	0.000	-0.495	5.959
Total Adult Social Care Provisions	6.454	0.000	-0.495	5.959
Prevention Fund – General - As part of the 2012-13 budget planning Members set up a Prevention Fund of £2.5m to mitigate the risks in delivering the prevention savings in 2012-13 and 2013-14, particularly around Reablement, Service Level Agreements, and the need to build capacity in the independent sector. £0.067m remains of the funding and is being used for prevention projects: Ageing Well and Making it Real. 2013-14 funding for Strong and Well was carried forward within this reserve as agreed by Members. £0.015m remains of the funding, all of which has been allocated to external projects and will be paid upon achievement of milestones.	0.082	0.000	-0.034	0.048
Repairs and renewals	0.043	0.000	0.000	0.043
Adult Social Care Workforce Grant – forecast to be used in full	0.269	0.000	-0.269	0.000
HR Recruitment Costs – earmarked at year end for specific need	0.020	0.000	-0.020	0.000
ICES Training post for 2 years – earmarked at year end for specific post	0.080	0.000	-0.040	0.040
Change Implementation - Commissioning Manager post – earmarked funding at year end for specific post	0.025	0.000	-0.025	0.000
Unspent Grants and Contributions - Mainly the Social Care Reform Grant which is being used to fund Transformation in Adult Social Care – projection based on transformation programme at Period 2	1.309	0.000	-0.837	0.472
Public Health grant to support the Social Prescribing project	0.400	-0.400	-0.400	0.000

Appendix D

Transformation	0.475	0.000	0.000	0.475
Supporting People (MEAM and Community Model)	0.251	0.000	-0.100	0.151
Information Technology - Additional funds to be placed into reserve required for project in 2019/20	0.734	0.000	0.189	0.923
Adults Business Risk Reserve	7.112	0.000	-0.150	6.962
Improved Better Care Fund - requirement to carry forward grant to 2019/20 for committed projects	15.670	-6.340	-4.512	11.158
Vulnerable People Resettlement Programme - £0.520m relates to the Controlling Migration Fund Domestic Abuse Support scheme and £0.029m required for repatriation support	0.433	-0.101	0.173	0.606
Mental Health Underspend to be used to recruit 5 Assistant Practitioners for mental health reviews – earmarked at year end for specific purpose	0.159	0.000	-0.159	0.000
Carry forward to be used for NIPE team increased cohort to 15 students – earmarked at year end for specific purpose	0.150	0.000	0.000	0.150
Care and Assessment Hospitals	0.000	0.000	0.009	0.009
AMPH Backfill Carry forward for use in 2018/19	0.009	0.000	-0.009	0.000
Total Adult Social Care Reserves	27.221	-6.841	-6.184	21.037
Total Reserves & Provisions	33.675	-6.841	-6.675	27.000

Adult Social Services Capital Programme 2018/19

Summary	2018/19		2019/20
Scheme Name	Current Capital Budget	Forecast outturn at Year end	Draft Capital Budget
	£m	£m	£m
Supported Living for people with Learning Difficulties	0.000	0.000	0.000
Adult Care - Unallocated Capital Grant	0.000	0.000	7.188
Strong and Well Partnership - Contribution to Capital Programme	0.047	0.047	0.000
Winterbourne Project	0.050	0.050	0.000
Care Act Implementation	0.000	0.000	0.871
Social Care and Finance Information System	2.276	1.827	1.600
Netherwood Green	0.681	0.681	0.000
Wifi Upgrade Integrated Sites	0.006	0.006	0.000
Oak Lodge Attleborough	0.120	0.120	0.000
Integrated Community Equipment (ICES)	2.334	2.196	2.380
TOTAL	5.514	4.927	12.039
<i>Better Care Fund Disabled Facilities Grant and Social Care Capital Grant – passported to District Councils</i>	<i>7.480</i>	<i>7.480</i>	<i>tbc</i>

The Capital programme for 2018-19 was agreed at £4.740m. This was made up of £2.334m for Capitalisation of Equipment and £2.406m for the Social Care and Finance Information system. Subsequent to this being agreed, there was slippage on the Social Care and Finance Information system which meant that the amount brought forward into 2018-19 increased.

The remaining elements relate to slippage from the 2017-18 programme which are expected to be completed in the current financial year. Funding was brought forward for these and do not create an additional pressure.

Projects continue to be reviewed and the forecast amended when appropriate.