

Adult Social Care Committee

Item No

Report title:	Adult Social Care Finance Monitoring Report Period 10 (January) 2016-17
Date of meeting:	6 March 2017
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 January 2017. It provides an analysis of variations from the budget and the actions being taken by the service to reduce the overspend.

Executive summary

As at the end of January 2017 (Period 10), Adult Social Services is forecasting an overspend of £9.629m, with the application of previously identified use of the Corporate Business Risk Reserve. The overspend equates to a 3.8% variance on the revised budget and represents a decrease of £2.353m on the position reported at the end of Period 8. This is following review of risks and recommendations for application of funding, which is set out below. The paper also highlights the recovery actions being taken by the service.

Expenditure Area	Budget 2016/17 £m	Forecast Outturn £m	Variance £m
Total Net Expenditure	247.273	267.057	19.784
Agreed use of Corporate Business Risk Reserve	0.000	(10.155)	(10.155)
Revised Net Expenditure	247.369	256.902	9.629

The headline information and considerations include:

- a) The outturn position for 2015-16 was a £3.168m overspend and this underlying pressure continues into 2016-17
- b) Norfolk County Council (the Council) in setting the budget recognised the additional business risks affecting the service, specifically in relation to the cost of care exercise that concluded in April, the additional cost in 2016-17 for the introduction of the national living wage and the uncertainty of health funding to maintain social care as part of the Better Care Fund. A corporate business risk reserve was set up as part of the 2016-17 budget to help manage this risk. The use of £5.155m has previously been agreed for cost of care and national living wage pressures and £5m towards protecting social care following the reduction in health funding towards social care in 2016-17 within the Better Care Fund
- c) The forecast recognises the increase in commitments between when the budget was set at the end of January 2016 and the actual commitments at April 2016
- d) The service is continuing to improve its information and accuracy of forecasting. Inclusion of improved information about how our home care and day contracts are being used, information about waiting lists and service level agreements has improved the accuracy of forecasting, but resulted in the need to recognise a higher budget pressure for the service
- e) The forecast at Period 10 includes a reduction in commitments for Older People and People with Learning Disabilities

- f) Following work with iMPower consultants the forecast includes a revised savings estimates, reflecting re-profiling of some savings
- g) Previous agreement of £0.651m of reserves and further agreement to utilise £0.948m of uncommitted reserves to help reduce the 2016/17 forecast overspend

Adult Social Services reserves at 1 April 2016 stood at £2.848m. At the point that the budget was set in February 2016, the Council agreed to £1.073m use of Adult Social Services reserves in 2016/17. The year end position on reserves was £0.838m higher than at budget. Following agreement of the Policy and Resources committee the Period 10 forecast includes both the originally agreed £1.073m and additional use of £1.599m.

The 2016-17 forecast outturn position for reserves is £1.374m. Provisions totalled £3.127m at 1 April 2016, mainly for the provision for bad debts.

Recommendations:

Members are invited to discuss the contents of this report and in particular to note:

- a) **The forecast outturn position at Period 10 for the 2016-17 Revenue Budget of an overspend of £9.629m**
- b) **The planned actions being taken by the service to reduce the overspend**
- c) **The planned use of reserves**
- d) **The forecast outturn position at Period 10 for the 2016-17 Capital Programme**

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 10 (January 2017) forecast including assumptions about the implementation and achievement of savings before the end of the financial year.
- 1.3 The County Council in setting the budget for 2016/17, recognised the significant business risks facing the service, including the review of cost of care and the implications of national living wage and the continuation of funding from Clinical Commissioning Groups (CCGs) to maintain social care within the Better Care Fund scheme. As part of the 2016-17 budget setting, the Council put in a place a Corporate Business Risk Reserve. The forecast includes the approved use of £10.155m to manage the actual costs that have now arisen for the service.

2. Detailed Information

- 2.1 The table below summarises the forecast outturn position as at the end of January (Period 10).

Actual 2015/16 £m	Over/ Underspend at Outturn £m	Expenditure Area	Budget 2016/17 £m	Forecast Outturn £m	Variance @ P10 £m
8.325	(0.312)	Business Development	7.544	7.221	(0.323)
70.665	0.804	Commissioned Services	69.540	71.293	1.753
5.442	0.142	Early Help & Prevention	6.220	5.516	(0.704)
164.760	9.653	Services to Users (net)	155.485	171.447	15.962
(6.710)	(7.119)	Management, Finance & HR	8.485	1.402	(7.083)
242.482	3.168	Total Net Expenditure	247.273	256.902	9.629

2.2 As at the end of Period 10 (January 2017) the revenue outturn position for 2016-17 is £9.629m, the forecast includes the release of (£6.079m) of Care Act funding that was not allocated to specific budgets at the beginning of the year.

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

2.4 The overspend is primarily due to the net cost of Services to Users (purchase of care and hired transport), and risks associated with the delivery of recurrent savings, resulting in a forecast overspend of £15.962m.

2.5 There has been in-year movement in the budget between services to properly reflect the agreed areas supported by the Better Care Fund income. Key changes include reducing the income budget for both Management and Finance, and Services to users with corresponding increase in income budget for Care and Assessment, and Reablement services – which results in a reduction in net budget for these services.

2.6 **Additional pressures for 2016/17**

2.6.1 As previously reported the forecast includes the additional costs arising from the cost of care review and the implications of the national living wage within the 2016/17 uplift to prices.

2.7 **Services to Users**

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

Actual 2015/16 £m	Over/ Underspend at Outturn £m	Expenditure Area	Budget 2016/17 £m	Forecast Outturn £m	Variance £m
111.417	3.579	Older People	103.677	112.302	8.625
24.750	0.412	Physical Disabilities	22.039	23.305	1.266
90.218	9.863	Learning Disabilities	83.408	92.746	9.338
13.519	1.839	Mental Health	12.907	13.469	0.562
6.909	2.328	Hired Transport	3.672	7.105	3.433
14.436	(1.150)	Care & Assessment & Other staff costs	10.338	9.443	(0.894)
261.249	16.871	Total Expenditure	236.041	258.370	22.329
(96.490)	(7.218)	Service User Income	(80.556)	(86.923)	(6.368)
164.760	9.653	Revised Net Expenditure	155.485	171.447	15.962

2.7.2 Key points:

- a) Permanent admissions to residential care – so those without a planned end date – have been consistently reducing for the last three years in both 18-64 and 65+ age groups, and reductions had accelerated in the last year in response to the provisions put in place in response to Promoting Independence. Over quarter three, there had been some increase in permanent residential placements – the key reasons were improved timeliness of recording, but teams also reported increased pressure from hospital discharge and a number of previous self-funders that had dropped below the threshold for self-funding. At April 2015 the rolling 12 months admissions for people aged 65+ was 688 per 100,000 population. This had reduced to 613 by August 2016, but then increased in each of the following periods, to 637 by November 2016. For people aged 18-64 there is a more marked reduction, with 33 people per 100,000 population admitted into permanent residential care in April 2015, reducing in most periods to 17 per 100,000 population by November 2016. However, whilst total numbers have reduced, those that do go into residential care tend to be people with higher levels of need that require longer lengths of stay and more expensive care packages, meaning that spend has not reduced proportionally
- b) The forecast expenditure for purchase of care, excluding care and assessment is £2.9m less than the 2015/16 outturn. The 2015/16 expenditure included £1.1m one-off expenditure, which was offset by income. However, the 2016/17 expenditure includes the increase in spend due to the cost of care exercise and implementation of the national living wage
- c) Reducing the number of working age adults in residential placements in line with savings targets is challenging. Transition plans for individuals are continuing to be developed and implemented, but transition for most individuals will take time with increased resources often needed initially to support the transition process into more independent care settings
- d) The Learning Disability and Physical Disability savings for 2016-17 are not expected to be fully delivered. This is reflected in the savings forecast and actions identified within the recovery action plan

- e) Overall there is a reduction of £16m in budgeted income in 2016/17 compared to 2015/16 outturn, however service user income has remained the same. This primarily relates to one-off income items accounted for against purchase of care income in 2015/16 including £4.6m from reserves for 2015/16 cost of care pressures and approved use of reserves when setting the 2015/16 budget; £0.415m transfer from Public Health; £3.6m to adjust for Continuing Health Care agreements and £1.1m in relation to additional invoices raised, but which were offset by additional costs. It also reflects reallocation of Better Care Fund (BCF) income to the areas of agreed budget spend, particularly Care and Assessment and Reablement. The forecast includes the additional income from the Corporate Risk Reserve of £5.155m in relation to cost of care and national living wage
- f) The purchase of care forecast includes a reduction in overall commitments, including long term residential care and home support, but with a notable increase in spending on residential respite for older people. This reflects continuing pressure from hospital discharges leading to temporary care packages that may not best support the Promoting Independence strategy and lead to increase spend. The forecasts are built on the accuracy and timeliness of the recorded information on each service user and therefore can be subject to operational pressures

2.8 Commissioned Services

2.8.1

Actual 2015/16 £m	Variance at outturn £m	Expenditure Area	Budget 2016/17 £m	Forecast Outturn £m	Variance £m
1.219	(0.182)	Commissioning Team	1.474	1.211	(0.263)
10.925	(0.219)	Service Level Agreements	11.157	10.268	(0.889)
2.620	0.021	Integrated Community Equipment Service	2.678	2.359	(0.318)
32.496	1.645	NorseCare	30.024	33.487	3.464
9.141	(0.141)	Supporting People	9.494	9.494	(0.001)
12.930	(0.265)	Independence Matters	13.345	13.218	(0.127)
1.334	(0.055)	Other Commissioning	1.369	1.256	(0.113)
70.665	0.804	Total Expenditure	69.540	71.293	1.753

2.8.2 Key points:

- a) A joint and medium term plan is being developed with Norse Care for delivery of current and future savings however, this is not expected to reduce the shortfall in 2016/17

2.9 Savings Forecast and risks affecting 2017/18 budget planning

- 2.9.1 The department's budget for 2016/17 includes savings of £10.926m. A revised forecast was previously reported to Committee, following a review undertaken with iMPower consultants of the Promoting Independence programme of work. The review concluded that the Council is pursuing the right strategy, that there are other interventions that can be

used to enhance delivery of the strategy and that the timeline for the strategy is challenging with the consultants questioning whether the savings can realistically be delivered in three years.

2.9.2 The risks within the programme were reported to Committee in November and following recommendations from this committee, Policy and Resources Committee approved the revised profile of savings to be included within the Council's budget planning for 2017-20. Following the latest assessment of the programme, and re-profiling of 2017-18 targets, the table below reflects the revised position. This creates higher risk in 2018-19. More detail regarding the implications for forward planning are included in the Strategic and Financial Planning paper elsewhere on this agenda.

2.9.3 Risks totalling £4.510m have been reflected in the forecast position and alternative savings are being identified.

Savings	Saving 2016/17 £m	Forecast £m	Variance £m
Savings off target (explanation below)	4.510		4.510
Savings on target	6.416	6.416	0.000
Total Savings	10.926	6.416	4.165

For those savings that are off target a brief explanation is provided below of the reasons why they are off target and any planned recovery action that is in place.

2.9.4 **Integrated Community Equipment Service (target £0.500m, forecast £0.043m, variance £0.457m)**

The savings were planned focusing on a mix of preventative and efficiency savings. The service is aiming to increase the access to equipment to reduce or delay the need for formal packages of care and review the way that equipment is recalled. Feasibility plans have identified that these savings will need to be re-profiled due to the time needed to set up new teams and processes. The focus will be on increasing the review and recall of equipment and reviewing where improved access to equipment can reduce the need for some service users to require two care workers (known as double-ups). Posts have now been recruited to.

2.9.5 **Changing how we provide care for people with learning disabilities or physical disabilities (target £1.500m, forecast £0.600m, variance £0.900m)**

The saving involves re-assessing the needs of existing service users and where appropriate providing alternative and more cost effective accommodation, or means of supporting them in their current accommodation. As previously reported while it is considered that savings can be achieved over time, the lead in times for the work have been longer than originally planned. In addition actions have been needed to review the implementation of the changes. The future direction for this work is part of the refresh of the promoting independence programme.

2.9.6 **Promoting Independence - Reablement - expand Reablement Service to deal with 100% of demand and develop service for working age adults (target £3.158m, forecast £1.200m, variance £1.958m)**

Recruitment to posts is completed and the service is managing an increased number of referrals. The savings are expected to be delivered, but have required re-profiling in year one, which will reduce the levels of savings that can be achieved in 2016/17.

2.9.7 Transport Savings (target £1.050m, forecast £0.200m, variance £0.850m)

A full report was presented to committee in July and September 2016 and an update in November. An update report with more detail is also included on this agenda. Various strands of work have and are being carried out including the reduction in the allocation for funding for transport in peoples' Personal Budgets; discussing with people at their annual review how they can meet their transport needs in a more cost effective way; and charging self-funders. However the savings from transport are taking longer to deliver than originally anticipated due to; the information available from travel systems; being able to make changes to travel arrangements for all individuals on a route to enable transport to be stopped and savings realised; and cultural change. It does appear that in the current framework it is not possible to achieve the budgeted savings. (Please see separate report for more detail).

2.9.8 NorseCare Savings (target £0.750m, forecast £0.405m, variance £0.345m)

The proposed savings with the NorseCare contract will not be achieved in full in 2016/17. The forecast reflects the expected rebate, which includes some recurrent savings from the reduction in the number of beds that will be purchased through the block contract from Ellacombe. This saving will continue to increase over the next few years as beds are decommissioned within the contract. In addition NorseCare has made changes to the terms and conditions for new staff that join the company, which will start to reduce costs in 2017/18.

2.9.9 The below table provides an overview of the full programme of savings and current position for 2016-17. Proposals for the 2017-21 programme are included in the strategic and financial planning report elsewhere on this agenda.

Saving	Action	2016/17		
		Budget £m	Forecast £m	Variance £m
Promoting Independence – Customer Pathway (ASC006)	Strengths based approach rolled out; community hub piloted; preventative assessment piloted and being rolled out. Additional interventions identified including information advice and guidance	1.258	1.258	0.000
Promoting Independence – Move service mix to average of comparator family group (ASC011)	As above	0.120	0.120	0.000
Promoting Independence – expanding reablement service (ASC007)	Additional staff in place and increased referrals. This should achieve the estimated full year savings in 2017-18.	3.158	1.200	(1.958)
Changing how we provide care for people with learning disabilities or physical disabilities (COM034)	Just Checking work piloted and being embedded; contract reviews; void management. Increased focus on re-assessments.	1.500	0.600	(0.900)
Transport – reduce the number of service users we provide transport for and payment of transport out of personal budgets (COM040 and ASC003)	Policy confirmed and new transport review agreed. See separate report for full update.	1.050	0.200	(0.850)
Reducing the cost of business travel (GET016)	Complete	0.090	0.090	0.000

Reduce funding within personal budgets to focus on eligible unmet needs (COM033)	Impact from reassessments and strength based approach	2.500	2.500	0.000
Promoting Independence – expand use of Integrated Community Equipment Service (ASC009)	Service redesign and new practice agreed	0.500	0.043	(0.457)
Review of NorseCare agreement for the provision of residential care (COM042)	Joint action plan – Savings planned as Ellacombe placements reduce; external income from placements and NorseCare rebate.	0.750	0.405	(0.345)
	Totals	10.926	6.416	(4.510)

2.10 Overspend Action Plan and 2017-19 Savings programme

2.10.1 The department is taking recovery action to manage and reduce in year spending as far as possible. All localities have prepared recovery plans which include ongoing actions and new areas. These have been reviewed by Finance and Performance Board and Senior Management Team and key areas to stabilise and reduce the in-year budget position have been identified. The actions are incorporated in the operational priorities of the department and the revised Promoting Independence programme of work. A high level view of the revised programme of work is shown at Appendix C. The actions and performance are incorporated into the work of the Finance and Performance Board and the Promoting Independence Programme Board to provide a framework for regular monitoring and assurance.

2.11 Reserves

2.11.1 The department's reserves and provisions at 1 April 2016 were £5.975m. Reserves totalled £2.848m.

2.11.2 At the point that the budget was set in February 2016, the Council agreed to £1.073m use of Adult Social Services reserves in 2016/17. The year end position on reserves was £0.838m higher than at budget. Following agreement of the Policy and Resources committee, the Period 10 forecast includes both the originally agreed £1.073m and use of £0.651m. Both these amounts did not assume use of reserves to offset general overspend. The forecast also includes the subsequent agreement from Policy and Resources committee to utilise an additional £0.948m. This was following the recommendation from this Committee, which in light of the current overspend, utilises reserves previously earmarked for transformation in adult social care, to offset the overspend position. The 2016-17 forecast outturn position for reserves is currently £1.374m, which includes some carry forward of Learning and Development funding for committed projects. Provisions totalled £3.127m at 1 April 2016, mainly for the provision for bad debts. The projected use of reserves and provisions is shown at **Appendix D**.

2.12 Capital Programme

2.12.1 The department's three year capital programme is £23.387m. The programme includes £8.368m 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 has been undertaken with district councils as part of the BCF programme of work, to monitor progress, use and benefits from this funding. The capital programme also includes £6.931m for the social care and finance replacement system. The priority for use of capital is development of alternative housing models for young adults. There has been some reprofiling of the capital programme to reflect revised spending plans. Details of the current capital programme are shown in **Appendix E**.

3. Financial Implications

- 3.1 The forecast outturn for Adult Social Services is set out within the paper and appendices.
- 3.2 As part of the 2017/18 budget planning process, the committee proposed a robust budget plan for the service, which has now been agreed by County Council. This included the reprofiling of savings across the following four years and additional investment to enable effective management of the current overspend. Within this investment £4.197m is from one-off funding. This means that the service will need to deliver savings in 2017-18 above the 2017/18 headline amount in order to reduce spending to a level that will ensure that this is addressed before April 2018. These savings will continue to be pursued from areas previously agreed and wherever possible, further efficiencies. Any eventual movement in the outturn position for 2016/17 compared to the previous forecasts, will impact directly on the additional savings required in 2017-18.
- 3.3 The Council has a high level of outstanding debt with health organisations. The level of debt (above 30 days) outstanding at 31st January with NHS bodies totalled some £7.165m, of which £3.561m is over 181 days. This predominately relates to purchase of care spending, which has been commissioned by the Council on behalf of health or where the Council is seeking full or part contribution towards costs. Discussions are in place with health, but non-recovery would increase cost pressures for the service.

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 a number of risks that impact on the ability of Adult Social Services to deliver services within the budget available. These risks include the following:
- a) Pressure on services from a need led service where number of service users continues to increase. In particular 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, in addition to continuing to need to implement some recurrent savings from previous years to help reduce the overspend
 - c) The cost of transition cases, those service users moving into adulthood, might increase due to additional cases that have not previously been identified
 - d) The impact of pressures within the health system, through both increased levels of demand from acute hospitals and the impact of decisions due to current financial deficits in health provider and commissioning organisations
 - e) The Council is incurring increased levels of outstanding debt in relation to health organisations, which could lead to increased pressures if debt is not recovered.
 - f) Increasing waiting lists and delays in recording 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 as a result of the reduced risk 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
- 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

5. Background

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

[Finance Monitoring Report – Adult Social Care Committee January 2017 – p142](#)

[2017/18 Budget and Medium Term Financial Planning 2017-18 to 2019-20 – Adult Social Care Committee January 2017 – p17](#)

[Norfolk County Council Revenue Budget and Capital Budget 2017-20 - County Council February 2017 – p22](#)

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:

Officer Name:	Tel No:	Email address:
Susanne Baldwin	01603 228843	<u>susanne.baldwin@norfolk.gov.uk</u>



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.

Adult Social Care 2016-17: Budget Monitoring Period 10 (January 2017)

Please see table 2.1 in the main report for the departmental summary.

Summary	Budget	Forecast Outturn	Variance to Budget		Variance at Period 8
	£m	£m	£m	%	£m
Services to users					
Purchase of Care					
Older People	103.677	112.302	8.625	8.32%	9.352
People with Physical Disabilities	22.039	23.305	1.266	5.74%	1.154
People with Learning Disabilities	83.408	92.746	9.338	11.20%	9.053
Mental Health, Drugs & Alcohol	12.907	13.469	0.562	4.35%	0.368
Total Purchase of Care	222.032	241.822	19.790	8.91%	19.926
Hired Transport	3.672	7.105	3.433	93.50%	3.433
Staffing and support costs	10.338	9.443	(0.894)	-8.65%	(0.728)
Total Cost of Services to Users	236.041	258.370	22.329	9.46%	22.632
Service User Income	(80.556)	(86.923)	(6.368)	7.90%	(5.209)
Net Expenditure	155.485	171.447	15.962	10.27%	17.423
Commissioned Services					
Commissioning	1.474	1.211	(0.263)	-17.86%	(0.204)
Service Level Agreements	11.157	10.268	(0.889)	-7.97%	(0.602)
ICES	2.678	2.359	(0.318)	-11.89%	(0.198)
NorseCare	30.024	33.487	3.464	11.54%	3.119
Supporting People	9.494	9.494	(0.001)	-0.01%	(0.011)
Independence Matters	13.345	13.218	(0.127)	-0.95%	(0.127)
Other	1.369	1.256	(0.113)	-8.22%	(0.006)
Commissioning Total	69.540	71.293	1.753	2.52%	1.970
Early Help & Prevention					
Housing With Care Tenant Meals	0.698	0.626	(0.073)	-10.44%	(0.112)
Norfolk Reablement First Support	1.213	0.943	(0.270)	-22.28%	(0.241)
Service Development	1.076	1.028	(0.048)	-4.43%	(0.071)
Other	3.232	2.919	(0.313)	-9.69%	(0.195)
Prevention Total	6.220	5.516	(0.704)	-11.32%	(0.619)

Adult Social Care 2016-17 Budget Monitoring Forecast Outturn Period 10 Explanation of variances

1. Business Development, forecast underspend (£0.323m)

Business Support vacancies, especially in the Central and West teams.

2. Commissioned Services forecast overspend £1.753m

The main variances are:

NorseCare, forecast overspend of £3.464m. This relates to the previous year shortfall on the budgeted reduction in contract value and previously reported contractual requirements that meant that 2015-16 savings could not be achieved. The reasons for the additional variance in Period 10 is set out at para 2.9.8 of this report. NorseCare and NCC are developing a joint savings plan that will enable a medium term plan for delivering opportunities for further savings but it is not expected that additional savings can be delivered in this financial year.

Service Level Agreements, forecast underspend of £0.889m. Further review of budgets has identified reductions in planned costs and additional Continuing Health Care income.

3. Services to Users, forecast overspend £15.962m

The main variances are:

Purchase of Care (PoC), forecast overspend £19.790m.

The key reasons for the differences between the forecast and the 2016-17 budget are:

- The impact of the budget gap – the service is managing underlying unfunded pressures (reflected in the overspend at the end of 2015/16). The budget was set reflecting commitments (cost of placements) at January 2016, but the pressures from commitments at April compared to actual budget shows a £3.5m underlying pressure
- Since setting the budget, improved information gained at year-end on the use of home care packages and waiting lists, has enabled estimates to be improved. However, this has meant that forecast expenditure should be increased by £2.9m to reflect that home care commitments are being used more fully than previously and inclusion of expected commitments arising from people that are on waiting lists
- A revision in the level of 2016/17 savings that can be delivered has increased the forecast outturn. This relates to reablement and review of packages of care, which is set out in section 2.8 of this report
- The 2016/17 financial cost of both the cost of care exercise and the impact to care providers from the national living wage was not included in the adult social care budget when it was set in February. Costs totalling £5.155m are included in the 2016/17 forecast. This is offset by the use of the corporate business risk reserve which is included within the income forecast for services to users. This reduces the actual underlying overspend for purchase of care, most significantly £4m for older people purchase of care and £0.500m for learning disabilities
- The purchase of care forecast includes a reduction in overall commitments, including long term residential care and home support, but with a notable increase in spending on residential respite for older people. This reflects continuing pressure from hospital discharges leading to temporary care packages that may not best support the Promoting

Independence strategy and lead to increase spend. The forecasts are built on the accuracy and timeliness of the recorded information on each service user and therefore can be subject to operational pressures

Service User Income, forecast over-recovery (£6.368m). The forecast includes the additional income from the Corporate Risk Reserve of £5.155m in relation to cost of care and national living wage. There is also increase against budget for income from service users of mental health, physical disabilities and learning disability services, reflecting more people being eligible for charging than previously forecast.

Hired Transport, forecast overspend £3.433m. The savings from transport have not been realised. The forecast includes expected delay in 2016/17 savings. Reports providing an update on the Transport savings and project were reported to Committee in July 2016 and September 2016 and following review a further update is included elsewhere on this agenda.

4. Early Help and Prevention, forecast underspend (£0.704m)

The main variances are:

Housing with Care tenant meals, forecast underspend (£0.073m). This reflects a change in the arrangement where service users now pay the new provider directly for meals. The respective income forecast (under Service User Income) also reflects a reduction in income. However, overall there is a small net cost to the service's budget as costs per meal increased (in excess of income) whilst the previous service was wound up.

Reablement, forecast underspend (£0.270m). Includes reduced spending on standby payments and travel and temporary long-term sickness cover that is no longer required.

5. Management, Finance and HR, forecast underspend (£7.083m)

The main variances are:

Management and Finance, forecast underspend (£7.073m). As part of the budget setting, funding relating to the Care Act was held with the Management and Finance budget, in order to focus on the savings delivery and to enable this money to be allocated longer term once spending is at a sustainable level. The forecast includes the release of (£6.079m) of Care Act funding that was not allocated to specific budgets at the beginning of the year and reserve usage of (£0.948m) from unspent grants and contributions earmarked for transformation. It is offset by £0.301m to support the proportion of in-year savings that will not be delivered in this financial year, arising from the reduction in Better Care Fund allocation.

The forecast at Period 4 overstated the use of the Business Risk Reserve by £0.500m. A part of the corporate reserve has been used to reprofile the saving COM033 - Reduction in funding within personal budgets to focus on eligible unmet needs within the budget setting process. The service will continue to benefit from the use of the Business Risk Reserve of £10.157m in 2016/17, however this pressure will need to be met within the service. This had previously been reflected within the Management and Finance budget, but is now shown within the Purchase of Care budget, in order to more accurately reflect the area of spend.

2016/17 Revised Action Plan

The revised plan sets out the priority actions for the service, in addition to business as usual focus on targets for placements, contract management and continued reinforcement of policy and practice. The below is predominately management actions and new projects. The plan has been updated to reflect the progress at Period 10 and the management and governance framework for taking forward actions into 2017-18.

	Action	Progress Impact planned and benefits achieved	Management and governance 2017-18
1	Full rollout of preventative assessments	The rollout is completed and localities are reporting a reduction in number of Care Act assessments required	Business as usual – continued to be monitored via Finance and Performance Board
2	Full rollout of occupational Therapist/Assistant Practitioner approach	The rollout is completed and localities have reported savings from the approach. It is currently not possible to quantify the reduction in spend, as the service is seeing a mix of reduced spend and cost avoidance through use of preventative approaches.	Business as usual – continued to be monitored via Finance and Performance Board
3	First point of contact to improve triage of referrals and consistency of practice. Business case setting out use and impact and recommended interventions	The scoping and principles are agreed together with analysis of all entry points to the service. Aim is for reduction in number of Care Act assessments required, leading to reduction in need for formal packages of care through improved signposting, information and advice	Promoting Independence - Entry points workstream
4	Implement enhanced service around transitions from Children’s Services. Initial action to widen scope of initial business case	Aim is for improved outcomes through development of plans to work towards greater independence and less high cost packages of care. Savings not expected until 2017/18.	Promoting Independence – Younger adults workstream

	Action	Progress Impact planned and benefits achieved	Management and governance 2017-18
5	Improved offer for carer support – focusing on signposting and early help. Detailed and costed business case required.	A more effective pathway for carers will be implemented in September 17 which will improve the overall service provided to carers and ensure better join up of the wide ranging services provided. Focus will be on ensuring people can access the right support at the right time minimising the risk of carer breakdown. Carer breakdown is cited as one of the main reasons for people requiring new and increased packages of care. Action is needed to help reduce demand. Savings not expected until 2017/18.	Promoting Independence – cross cutting
6	Compulsory use of the Care Arranging Service for brokerage of all packages of care. Ensure capacity and knowledge to meet all service requirements within CAS	Directive in place and support identified, in order to help reduce prices for care and reduce the number of top-up arrangements require. Aim to support front line staff manage workloads. Further opportunities for improvement to ways of working through use of IT.	Monitoring through Finance and Performance Board and improvements to be implemented through Promoting Independence programme
7	Review of policy for hospital discharge and assessment to ensure the right long term care package is in place	Improved consistency and improved timetabling for assessment to avoid the risk of adverse longer term packages based on someone's need too soon after discharge. Avoidance of purchase of care spend. Protocols for each hospital for continuing health care being developed. Further opportunities through further development of integrated care models through STP	Business as usual – continue to be monitored through Finance and Performance Board
8	Capacity planning, prioritisation and reallocation of social work resources to support the area of current highest needs in the service – this will focus mainly on services for people with learning disabilities but include other high cost packages of care and low level packages of care	Plans are in place and a full review of capacity is completed, which will support workforce planning. To provide increased support to manage any tasks that can be undertaken by non- social work teams. To increase the number of reassessment of packages of care undertaken in order to increase impact of strength based approach to social care.	Business as usual – continue to be monitored through Finance and Performance Board

	Action	Progress Impact planned and benefits achieved	Management and governance 2017-18
9	Implement Learning Disability service programme.	To ensure that the Promoting Independence strategy can be delivered within the service in line with Older People and Mental Health – helping to reduce the demand for services and provide solutions to meet eligible needs in line with national best practice.	Promoting Independence – Younger adults workstream
10	Audit review of financial controls	Assurance report on financial controls within Care and Assessment Teams. Field work commenced in January.	Business as usual – monitored through Finance and Performance Board

Adult Social Services Reserves and Provisions 2016/17

	Balance	Period 10	
		Planned Usage post P&R decisions	Balance
	01-Apr-16	2016/17	31-Mar-17
	£m	£m	£m
Doubtful Debts provision	3.121	0	3.121
Redundancy provision	0.006	-0.006	0
Total Adult Social Care Provisions	3.127	-0.006	3.121
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. £0.131m was brought-forward on 1 st April 16, and it 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. £0.122m was brought-forward on 1 st April 16, all of which has been allocated to external projects and will be paid upon achievement of milestones.	0.253	-0.146	0.107
Repairs and renewals	0.043	0	0.043
Adult Social Care Workforce Grant	0.07	0.079	0.107
Unspent Grants and Contributions	2.482	-1.407	1.075
Total Adult Social Care Reserves	2.848	-1.475	1.374
Corporate Business Risk Reserve	10.157	-10.157	0.000
Total Reserves & Provisions	16.132	-11.638	4.495

Adult Social Services Capital Programme 2016/17

Summary	2016/17		2017/18	2018/19
Scheme Name	Current Capital Budget	Forecast outturn at Year end	Draft Capital Budget	Draft Capital Budget
	£m	£m	£m	£m
Failure of kitchen appliances	0.031	0.031	0.000	0.000
Supported Living for people with Learning Difficulties	0.003	0.003	0.014	0.000
Adult Social Care IT Infrastructure	0.000	0.000	0.141	0.000
Progress Housing - formerly Honey Pot Farm	0.318	0.318	0.000	0.000
Adult Care - Unallocated Capital Grant	0.266	0.266	3.904	0.000
Strong and Well Partnership - Contribution to Capital Programme	0.124	0.124	0.000	0.000
Bishops Court - King's Lynn	0.085	0.085	0.000	0.000
Cromer Road Sheringham (Independence Matters	0.197	0.197	0.000	0.000
Winterbourne Project	0.000	0.000	0.050	0.000
Great Yarmouth Dementia Day Care	0.030	0.030	0.000	0.000
Care Act Implementation	0.000	0.000	0.871	0.000
Social Care and Finance Information System	1.897	1.897	5.034	0.000
Elm Road Community Hub	0.082	0.082	1.209	0.109
Better Care Fund Disabled Facilities Grant and Social Care Capital Grant – passported to District Councils	6.368	6.368	2.000	0.000
Netherwood Green	0.005	0.005	0.650	0.000
TOTAL	9.406	9.406	13.873	0.109