

Adult Social Care Committee

Item No

Report title:	Adult Social Care Finance Monitoring Report Period 6 (September) 2016-17
Date of meeting:	7 November 2016
Responsible Chief Officer:	Catherine Underwood, Acting Executive Director of Adult Social Services

Strategic impact

This report provides the Committee with financial monitoring information, based on information to the end of September 2016. 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 September 2016 (Period 6), Adult Social Services is forecasting an overspend of £8.953m, with the application of previously identified use of the Corporate Business Risk Reserve. The overspend equates to a 3.6% variance on the revised budget and represents an increase of £0.039m on the position reported at the end of Period 5. 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	247.369	265.826	18.457
Agreed use of Corporate Business Risk Reserve	0.000	(10.155)	(10.155)
Reversal of unplanned use of reserves	0.000	0.651	0.651
Revised net expenditure	247.369	256.322	8.953

The headline information and considerations include:

- The outturn position for 2015-16 was a £3.168m overspend and this underlying pressure continues into 2016-17
- 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
- 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
- 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 6 includes an increase in commitments for Older People and People with Learning Disabilities, which offsets some of the reduction reported for Period 5; the impact of the 2016/17 residential uplift agreed at October Adult Social Care Committee; revised projection of reclaim of direct payments and transition.
 - f) Following work with iMPower consultants the forecast includes a revised savings estimates, reflecting re-profiling of some savings
 - g) The reversal for unplanned use of reserves reflects that use of reserves, included in previous forecasts, is yet to be formally approved.

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. As reported previously to Committee, the Period 4 finance monitoring report included planned use of £1.198m of reserves within the forecast. However, as this had not been formally approved, Policy and Resources committee asked for subsequent forecasts to only reflect the use of reserves approved at budget. The Period 6 forecast therefore includes a net use of reserves in 2016-17 of £1.073m to meet commitments. However, to enable the use of additional reserves available to the service, the Committee is asked to propose to Policy and Resource Committee the additional use of £0.651m. This does not assume use of reserves to offset general overspend. The 2016-17 forecast outturn position for reserves is therefore £1.775m. Provisions totalled £3.127m at 1 April 2016, mainly for the provision for bad debts.

As part of the budget planning for 2017-18 and following the refresh of the Promoting Independence programme of work, to deliver £49.8m of savings within the service between 2016-17 and 2018-19, this report sets out the identified risks and asks Committee to consider the proposed reprofile of savings and recommendation to Policy and Resources committee to delay £10m of savings from 2017-18 to 2019-20, which will support the development of robust budget plans.

Recommendations:

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

- a) **The forecast outturn position at Period 6 for the 2016-17 Revenue Budget of an overspend of £8.953m**
- b) **The planned actions being taken by the service to reduce the overspend**
- c) **The planned use of reserves and to propose to Policy and Resources Committee that County Council approve the use of additional reserves of £0.651m in 2016-17 as set out in Section 2.11.**
- d) **The forecast outturn position at Period 6 for the 2016-17 Capital Programme**

Members are also asked to:

- e) **Note the revised risk assessment of savings for 2017/18 and to recommend to Policy and Resources Committee the proposed re-profiling of £10m of savings within 2017/18 to 2019/20 to remove the savings identified as high risk.**

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 2016) 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 September 2016 (Period 6).

Actual 2015/16 £m	Over/ Underspend at Outturn £m	Expenditure Area	Budget 2016/17 £m	Forecast Outturn £m	Variance @ P6 £m
8.325	(0.312)	Business Development	7.621	7.465	(0.157)
70.665	0.804	Commissioned Services	69.540	71.920	2.381
5.442	0.142	Early Help & Prevention	6.238	5.713	(0.525)
164.760	9.653	Services to Users (net)	155.401	167.842	12.441
(6.710)	(7.119)	Management, Finance & HR	8.570	2.731	(5.839)
		Reversal of unplanned use of reserves	0.000	0.651	0.651
242.482	3.168	Total Net Expenditure	247.369	256.322	8.953

2.2 As at the end of Period 6 (September 2016) the revenue outturn position for 2016-17 is £8.953m, 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 £12.441m.

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	110.626	6.949
24.750	0.412	Physical Disabilities	22.039	23.111	1.072
90.218	9.863	Learning Disabilities	83.408	91.240	7.832
13.519	1.839	Mental Health	12.907	13.091	0.184
6.909	2.328	Hired Transport	3.672	6.709	3.037
14.436	(1.150)	Care & Assessment & Other staff costs	10.254	9.716	(0.538)
261.249	16.871	Total Expenditure	235.957	254.493	18.536
(96.490)	(7.218)	Service User Income	(80.556)	(86.651)	(6.095)
164.760	9.653	Revised Net Expenditure	155.401	167.842	12.441

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 have accelerated in the last year in response to the provisions put in place in response to Promoting Independence. In the twelve months preceding March 2013 Norfolk permanently admitted 823 people aged 65+ per 100,000 population, whereas in the twelve months before March 2016 it permanently admitted 623 older people. In the 18-64 age group this rate reduced from 53 people permanently admitted per 100,000 population in the twelve months preceding March 2013, to 21.7 at March 2016. In real terms, and looking just at the last year (comparing the totals in March '15 and March '16) this means around 114 fewer permanent admissions of people aged 65+, and around 55 fewer permanent admissions of people aged 18-64
- b) The forecast expenditure for purchase of care, excluding care and assessment is (£2m) 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 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 an increase in commitments, which offsets some of the reduction in the recorded commitments for residential, nursing and home care spot commitments reported for Period 5. 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	1.265	(0.209)
10.925	(0.219)	Service Level Agreements	11.157	10.847	(0.310)
2.620	0.021	Integrated Community Equipment Service	2.678	2.552	(0.126)
32.496	1.645	NorseCare	30.024	33.142	3.119
9.141	(0.141)	Supporting People	9.494	9.493	(0.001)
12.930	(0.265)	Independence Matters	13.345	13.245	(0.100)
1.334	(0.055)	Other Commissioning	1.369	1.376	0.008
70.665	0.804	Total Expenditure	69.540	71.920	2.381

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. The Period 4 forecast previously reported to committee included a revised forecast for delivery of the savings, following a review undertaken with iMPower consultants of the Promoting Independence programme of work.

As previously reported to Committee, 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.

Following this work, the programme has been refreshed and a paper setting out the next stage delivery plan is reported elsewhere on this agenda. The target demand model has been completed and the projected demand benchmarked. The assessment is that the projected levels of demand are achievable and whilst targeting below average demand, the targets are still in the range of comparative councils. However, risks have been identified with the scale and pace of change required and the need to adequately embed the transformation, in order to accelerate the level of savings during 2017-18 and 2018-19. The current programme is shown within the table at 2.9.7 below. Following the latest assessment of the programme, the risk assessment of each saving has been reviewed and is reflected. High risk savings in 2017-18 total £10m. This will impact on the budget plans for 2017-18 and proposed action is set out in financial implications are Section 3 of this report.

2.9.2 Risks totalling £3.976m 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)	3.976		3.976
Savings on target	6.950	6.950	0.000
Total Savings	10.926	6.950	3.976

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.

2.9.3 **Integrated Community Equipment Service (target £0.500m, forecast £0.232m, variance £0.268m)**

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). There has been delay with recruitment to these posts and alternative staffing options are being considered.

2.9.4 **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. A full review of the work areas is being completed and alternative options for 2016-17 are being explored.

2.9.5 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 increased 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.

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

A full report was presented to committee in July 2016. 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 lack of capacity in the locality teams; 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, cultural change and a reluctance to take up travel training. A review of transport is in train.

2.9.7 The below table provides an overview of the full programme of savings and current position.

Saving	Action	2016/17			2017/18	2018/19
		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	11.983	13.628
Promoting Independence – Move service mix to average of comparator family group (ASC011)	As above	0.120	0.120	0.000	0.962	1.444
Promoting Independence – Move service mix to lowest of comparator family group (ASC015)	As above	0.000	0.000	0.000	0.200	2.190
Promoting Independence – expanding reablement service (ASC007)	Additional staff in place and increased referrals	3.158	1.200	(1.958)	1.500	0.500
Promoting Independence – Housing with Care – development of non-residential community based care (ASC008)	Awaiting feasibility study and additional developments being pursued	0.000	0.000	0.000	0.500	0.500

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)	0.000	0.000
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	1.050	0.200	(0.850)	0.800	0.000
Reducing the cost of business travel (GET016)	Complete	0.090	0.090	0.000	0.000	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	0.500	0.000
Promoting Independence – expand use of Integrated Community Equipment Service (ASC009)	Service redesign and new practice agreed	0.500	0.232	(0.268)	0.250	0.250
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	0.750	0.000	0.000	0.000
Radical review of daycare services (ASC013)	Proposal in place and project being set up	0.000	0.000	0.000	1.000	2.500
Reduce Training and Development spend following implementation (ASC010)		0.000	0.000	0.000	0.200	
	Totals	10.926	6.950	(3.976)	17.895	21.012

2.10 Overspend Action Plan

2.10.1 The department is taking recovery action to reduce in year spending as far as possible. There is continued focus on many of the action areas identified within 2015-16 and inclusion of new actions. 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 for immediate attention within the service to

support the in-year budget position have been identified. The action plan detailed at Appendix C highlights the main areas of focus for the service. These are predominately management actions, rather than new savings, which include a combination of both alternative interventions to help deliver savings that have been identified in the forecast as not achievable this year and changes in practice to support improved day to day budget management. The actions and performance are incorporated into the work of the Finance and Performance 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.

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. The Period 4 finance monitoring report asked Committee to note the planned use of £1.198m of reserves, which was included in the forecast. However, this is yet to be formally approved and Policy and Resources committee has asked for subsequent forecasts to only reflect the use of reserves approved at budget. The Period 6 forecast therefore includes a net use of reserves in 2016-17 of £1.073m to meet commitments. The increase in reserves at the end of March 2016, was reported to Committee in May 2016 and in-year plans required a net use of £0.651m as set out in Appendix D. The key changes reflects the use of £0.520m from the Corporate Business Risk reserve, relating to funding towards the Better Care Fund within the Norwich locality and the use of £0.112m to offset the pressure from overstatement of the use of the business risk reserve, as previously reported. Committee is asked to recommend to Policy and Resource Committee, the use of £0.651m as set out in Appendix D. This does not assume use of reserves to offset general overspend. The 2016-17 forecast outturn position for reserves is therefore £1.775m. 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) and Social Care Capital Grant, which is passported to District Councils within the BCF. Agreements are being put in place 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 feasibility study for Elm Road, has identified the need to increase the capital expenditure by £0.500m. This is within the range to deliver the net revenue benefits within the business case and this is reflected in the forecast reported at Appendix E. The priority for use of capital is Housing with Care and the development of alternative housing models for young adults. Unallocated capital grant has been re-profiled to move expenditure to 2017/18. There are no adverse variances to be reported at this stage. 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. The actions at Appendix C set out plans that aim to mitigate and address the overspend.

3.2 As part of the 2017/18 budget planning process, the committee will need to propose a robust budget plan for the service. The service is facing significant financial risks, including the current forecast overspend within 2016/17. The budget and medium term financial planning report to this Committee in October set out the key planning assumptions within the Council's current budget model. These included expected delivery of the in-year

remedial actions to reduce the overspend, but recognition of £3m pressure from the delay of transport savings and costs pressures with the service. It also assumed that all previously agreed savings for 2017/18 are deliverable for Adult Social Care Committee. The refresh of the savings programme has confirmed that the targeted savings for the service are achievable, but has highlighted key risks with delivery of the savings in the original timescale. In order to support the Council in setting a robust budget plan for 2017-18, it is proposed that the high risks savings in 2017/18, totalling £10m are reprofiled to 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 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, and 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
 - 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, have not been fully 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) 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
 - f) The ability to be able to commission appropriate home support packages due to market provision, resulting in additional costs
 - g) The continuing pressure from the provider market to review prices and risk of challenge
 - h) 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 October 2016

2017/18 Budget and Medium Term Financial Planning 2017-18 to 2019-20 – Adult Social Care Committee October 2016

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: Susanne Baldwin
Tel No: 01603 228843

Email address: 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.

Adult Social Care 2016-17: Budget Monitoring Period 6 (September 2016)

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

Summary	Budget	Forecast Outturn	Variance to Budget		Variance at Period 5
	£m	£m	£m	%	£m
Services to users					
Purchase of Care					
Older People	103.677	110.626	6.949	6.70%	5.379
People with Physical Disabilities	22.039	23.111	1.072	4.86%	1.434
People with Learning Disabilities	83.408	91.240	7.832	9.39%	7.767
Mental Health, Drugs & Alcohol	12.907	13.091	0.184	1.42%	0.071
Total Purchase of Care	222.032	238.068	16.036	7.22%	14.651
Hired Transport	3.672	6.709	3.037	82.72%	3.037
Staffing and support costs	10.254	9.716	(0.538)	-5.24%	(0.449)
Total Cost of Services to Users	235.957	254.493	18.536	7.86%	17.240
Service User Income	(80.556)	(86.651)	(6.095)	7.57%	(5.397)
Net Expenditure	155.401	167.842	12.441	8.01%	11.843
Commissioned Services					
Commissioning	1.474	1.265	(0.209)	-14.21%	(0.154)
Service Level Agreements	11.157	10.847	(0.310)	-2.77%	(0.427)
ICES	2.678	2.552	(0.126)	-4.69%	(0.048)
NorseCare	30.024	33.142	3.119	10.39%	3.118
Supporting People	9.494	9.493	(0.001)	-0.01%	(0.001)
Independence Matters	13.345	13.245	(0.100)	-0.75%	0.000
Other	1.369	1.376	0.008	0.57%	0.017
Commissioning Total	69.540	71.920	2.381	3.42%	2.505
Early Help & Prevention					
Housing With Care Tenant Meals	0.716	0.538	(0.178)	-24.90%	(0.178)
Norfolk Reablement First Support	1.213	0.986	(0.227)	-18.74%	(0.135)
Service Development	1.076	1.180	0.104	9.69%	0.095
Other	3.232	3.009	(0.223)	-6.91%	(0.153)
Prevention Total	6.238	5.713	(0.525)	-8.41%	(0.372)

Adult Social Care 2016-17 Budget Monitoring Forecast Outturn Period 6 Explanation of variances

1. Business Development, forecast underspend (£0.157m)

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

2. Commissioned Services forecast overspend £2.381m

The main variances are:

NorseCare, forecast overspend of £3.119m. This relate 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. 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 savings above the 2016/17 can be delivered in this financial year.

Service Level Agreements, forecast underspend of £0.310m. Further review of budgets has identified reductions in planned costs and additional income.

3. Services to Users, forecast overspend £12.441m

The main variances are:

Purchase of Care (PoC), forecast overspend £16.036m.

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 an increase in commitments, which offsets some of the reduction in the recorded commitments for residential, nursing and home care spot commitments reported for Period 5. 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.

- The forecast direct payment reclaims has increased by £0.491m, this reflects current trends in expenditure, but also relates to reclaim of funds provided in previous financial years.

Hired Transport, forecast overspend £3.037m. The savings from transport are taking longer to deliver than originally anticipated. 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.

4. Early Help and Prevention, forecast underspend (£0.525m)

The main variances are:

Housing with Care tenant meals, forecast underspend (£0.178m). This reflects a planned change in contract where service users will pay the provider directly for meals. Therefore the forecast also reflects the same reduction in income and has a nil net impact on the service's budget.

Reablement, forecast underspend (£0.227m). 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 (£5.839m)

The main variances are:

Management and Finance, forecast underspend (£5.825m). 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.

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 is reflected in the Management and Finance budget and has decreased the forecast underspend on this budget.

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, which include a combination of alternative interventions to help deliver savings that have been identified in the forecast as not achievable this year and changes in practice to support improved day to day budget management.

	Action	Progress for November	Impact expected	Target
1	Full rollout of preventative assessments	Final additional briefing sessions early November. All practitioners to be using preventative assessments where appropriate.	Reduction in number of Care Act assessments required.	Targeting £1.3m through less care assessment, more divert at front door.
2	Full rollout of occupational Therapist/Assistant Practitioner approach	Being delivered in Norwich and North – remaining roll outs completing in November and December.	Pilots have identified prevention of spend in the region of £100k per quarter.	
3	First point of contact to improve triage of referrals and consistency of practice. Business case setting out use and impact and recommended interventions	Scoping and principles agreed. Analysis of all entry points to the service.	Reduction in number of Care Act assessments required, leading to reduction in need for formal packages of care through improved signposting, information and advice	Targeting £0.750m through 70% resolution at first point of contact
4	Implement enhanced service around transitions from Children's Services. Initial action to widen scope of initial business case	Work to be incorporated into revised transformation plan	Improved outcomes through development of plans to work towards greater independence and less high cost packages of care. Savings not expected until 2017/18.	September – March 2017

	Action	Progress for November	Impact expected	Target
5	Improved offer for carer support – focusing on signposting and early help. Detailed and costed business case required.	Work to be incorporated into revised transformation plan	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	September – March 2017
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.	Identify and secure training/additional support in the service Directive for use of CAS for all teams	Reduction in prices for care and reduction in the number of top-up arrangements required. Monitoring through Finance and Performance Board. Reduction in new spend for purchase of care.	Targeting £0.400m through reduction in 1:1 and additional contracts
7	Review of policy for hospital discharge and assessment to ensure the right long term care package is in place	Already policy to require no permanent placements and to ensure that discharge plans are in place on admission to planning beds, respite and re-ablement placements.	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	Support delivery of current savings plan
8	Capacity planning, prioritisation and reallocation of social work resources to support the area of current highest needs in the service – this will	Plans now produced by all localities. Monitoring progress and impact in November.	To provide increased support to manage any tasks that can be undertaken by non-social work teams. To increase the number of reassessment of	Targeting £0.750m through increased assessments achieved

	Action	Progress for November	Impact expected	Target
	focus mainly on services for people with learning disabilities but include other high cost packages of care and low level packages of care		packages of care undertaken in order to increase impact of strength based approach to social care	
9	<p>Implement Learning Disability service programme.</p> <ul style="list-style-type: none"> - Complete review of packages of care - Individual plans for all services users that could have increased independence - Clear vision for Norfolk on best practice to meet eligible needs - Organisational development plan - LD Conference for all staff and additional training - Commissioning and provider links including provider summit 	Please see detailed plan reported to Committee.	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.	Targeting £0.800m

Adult Social Services Reserves and Provisions 2016/17

	Balance	Period 4		Period 6		To recommend to P&R
		Planned Usage	Balance	Full Council approved usage	Balance	
	01-April-16	2016/17	31-Mar-17	2016/17	31-Mar-17	2016/17
	£m	£m	£m	£m	£m	£m
Doubtful Debts provision	3.121	0.000	3.121	0.000	3.121	0.000
Redundancy provision	0.006	-0.006	0.000	0.000	0.006	0.006
Total Adult Social Care Provisions	3.127	-0.006	3.121	0.000	3.127	0.006
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 remains of the funding, 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 remains of the funding, all of which has been allocated to external projects and will be paid upon achievement of milestones.	0.253	-0.146	0.107	-0.160	0.093	0.015
Repairs and renewals	0.043	0.000	0.043	-0.043	0.000	-0.043
Adult Social Care Workforce Grant	0.070	-0.070	0.000	0.000	0.070	0.070
Unspent Grants and Contributions - Mainly the Social Care Reform Grant which is being used to fund Transformation in Adult Social Care	2.482	-0.982	1.500	-0.870	1.612	0.112
Total Adult Social Care Reserves	2.848	-1.198	1.650	-1.073	1.775	0.125
Corporate Business Risk Reserve	10.677	-10.677	0.000	-10.157	0.520	0.520
Total Reserves & Provisions	16.652	-11.881	4.771	-11.230	5.422	0.651

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	0
Supported Living for people with Learning Difficulties	0.017	0.017	0	0
Adult Social Care IT Infrastructure	0.141	0.141	0	0
Progress Housing - formerly Honey Pot Farm	0.318	0.318	0	0
Adult Care - Unallocated Capital Grant	1.000	1.000	3.904	0
Strong and Well Partnership - Contribution to Capital Programme	0.161	0.161	0	0
Bishops Court - King's Lynn	0.085	0.085	0	0
Cromer Road Sheringham (Independence Matters)	0.181	0.181	0	0
Winterbourne Project	0.050	0.050	0	0
Great Yarmouth Dementia Day Care	0.030	0.030	0	0
Care Act Implementation	0.871	0.871	0	0
Social Care and Finance Information System	1.897	1.897	5.034	0
Elm Road Community Hub	1.300	1.300	0	0
Better Care Fund Disabled Facilities Grant and Social Care Capital Grant – passported to District Councils	6.368	6.368	2.000	0
TOTAL	12.450	12.450	10.938	0