

Adult Social Care Committee

Item No

Report title:	Adult Social Care Finance Monitoring Report Period 5 (August) 2017-18
Date of meeting:	9th October 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 August 2017. The report sets out variations from the budget, progress against planned savings and the actions being taken by the service to remain within budget.

Executive summary

As at the end of August 2017 (Period 5), Adult Social Services is forecasting an outturn position to budget. This is following review of risks and achievement of savings. The budget was set in February 2017, prior to the announcement by the Government of additional funding for adult social care.

Expenditure Area	Budget 2017/18 £m	Forecast Outturn £m	Variance £m
Total Net Expenditure	261.313	261.313	0.000

The headline information and considerations include:

- The outturn position for 2016-17 was a £4.399m overspend, which included some one-off funding. Investment was included in the 2017-18 budget to help manage the underlying pressure in this financial year. This includes £4.197m of one-off funding and the service's internal plans include saving targets to meet this pressure by April 2018
- Commitments between setting the budget in January 2017 and the start of the financial year remained largely stable and therefore has not placed additional pressures on the budget from the outset

Adult Social Services reserves at 1 April 2017 stood at £2.074m. The reserves at the beginning of the year included committed expenditure, which was carried forward in 2016/17. At period 5 the forecast includes the planned use of £0.909m of reserves in this financial year.

The 2017-18 forecast outturn position for reserves is £4.625m. Provisions totalled £4.157m at 1 April 2017, mainly for the provision for bad debts.

Plans for the use of the additional one-off social care grant, which totals £18.561m in 2017-18 has been agreed with health partners. Work has commenced to implement the interventions that will support the priorities, including supporting hospitals to reduce delayed transfers of care and care market stability. However, due to the timing of the grant and the requirement for plans to be agreed with health partners in advance of spending, the one-off grant is not expected to be spent in full during this financial year and a reserve will be used, to enable funds to support invest to save interventions, over the planned life of the projects.

Recommendations:

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

- a) The forecast outturn position at Period 5 for the 2017-18 Revenue Budget of £261.313m
- b) The planned use of reserves
- c) The forecast outturn position at Period 5 for the 2017-18 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 5 (August 2017) forecast including assumptions about the implementation and achievement of savings before the end of the financial year.

2. Detailed Information

- 2.1 The table below summarises the forecast outturn position as at the end of August (Period 5).

Actual 2016/17 £m	Over/ Underspend at Outturn £m	Expenditure Area	Budget 2017/18 £m	Forecast Outturn £m	Variance @ P5 £m
10.392	(0.471)	Business Development	4.012	3.635	(0.377)
69.600	0.123	Commissioned Services	68.490	69.476	0.986
5.492	(0.727)	Early Help & Prevention	8.600	8.337	(0.263)
168.243	12.971	Services to Users (net)	186.662	185.139	(1.524)
1.064	(7.497)	Management, Finance & HR	(6.451)	(5.273)	1.178
254.791	4.399	Total Net Expenditure	261.313	261.313	0.000

- 2.2 As at the end of Period 5 (August 2017) the forecast revenue outturn position for 2017-18 is £261.313m, which is a forecast outturn to budget.
- 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 areas of overspend are Commissioned Services, and Management, Finance and HR. These are offset by underspends elsewhere.
- 2.6 **Additional Social Care Funding**
 - 2.6.1 The Chancellor's Budget in March 2017 announced £2bn additional non-recurrent funding for social care, of which Norfolk will receive £18.561m in 17/18, followed by £11.901m in 2018/19 and £5.903m in 2019/20. The funding is paid as a direct grant to councils by the DCLG and as a condition of the grant, councils are required to pool the funding into their BCF. This fund is governed by the Health and Wellbeing Board and monitored by NHS England and the Department for Communities and Local Government (DCLG) through national and local assurance and quarterly returns.

- 2.6.2 The guidance received by DCLG requires that the funding is used by local authorities to provide stability and extra capacity in the local care system. Specifically, the grant conditions require that the funding is used for the purposes of:
- a) Meeting social care needs
 - b) Reducing pressure on the NHS supporting people to be discharged from hospital when they are ready
 - c) Ensuring that the local social care provider market is stabilised
- 2.6.3 Plans for the use of the funding were reported to Committee in July and have subsequently been agreed with Norfolk's Clinical Commissioning Groups.
- 2.6.4 The revised budget shows the increased budget position for the service. Due to the timing of the grant announcement and subsequent requirement for developing and agreeing plans across the health and social care system, work to implement interventions was not able to be implemented earlier in the financial year. Actions to implement the plan have now started and include:
- a) The launch of a recruitment campaign for additional social workers
 - b) Commissioning of accommodation based reablement
 - c) Implementing short stay accommodation for people with mental health needs following discharge from hospital
 - d) Developing social prescribing opportunities
 - e) Development of the high impact change model
- 2.6.5 However, the total grant for 2017-18 will not be spent fully in this financial year and Adult Social Care Committee and Policy and Resources committee have agreed that a reserve is put in place to enable funding to be used in line with the agreed plan over the planned three year period. This will ensure that invest to save projects can be developed and implemented appropriately and give adequate time to enable outcomes to be achieved and evaluated.
- 2.6.6 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.

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 2016/17 £m	Over/ Underspend at Outturn £m	Expenditure Area	Budget 2017/18 £m	Forecast Outturn £m	Variance @ Pd5 £m
111.914	8.238	Older People	111.076	114.908	3.832
23.246	1.207	Physical Disabilities	23.148	24.186	1.038
94.527	11.119	Learning Disabilities	96.391	98.575	2.184
13.174	0.267	Mental Health	13.545	13.965	0.420
6.746	3.074	Hired Transport	6.672	5.971	(0.701)
9.144	(1.194)	Care & Assessment & Other staff costs	16.901	16.230	(0.672)
258.751	22.710	Total Expenditure	267.733	273.835	6.101
(90.508)	(9.739)	Service User Income	(81.071)	(88.696)	(7.625)
168.243	12.971	Revised Net Expenditure	186.662	185.139	(1.524)

2.7.2 Key points:

- a) August (Period 5) has seen increases in purchase of care expenditure. This mainly relates to residential and nursing care for older people and particularly relates to people who leave hospital. Initiatives such as accommodation based reablement are being implemented, which will provide more options for care provision post hospital discharge and reduce the likelihood of people requiring long term residential care. However, there is a risk that pressures within the health service and the need to reduce delays in transfer of care, particularly from acute hospitals, will lead to additional costs within adult social care
- b) Permanent admissions to residential care – 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 first half of the last financial year in response to the provisions put in place through Promoting Independence. However, these reductions have slowed significantly over the last nine months. Last year the number of permanent admissions to residential and nursing care for people aged 65+ per 100,000 populations was 611.9. As at June 2017 the rolling 12 months admissions has remained fairly static at 611.4. For people aged 18-64, 21 people per 100,000 population were admitted into permanent residential care in 2015-16. The rate of admissions reduced to 18.3 in 2016-17, but as at June 2017 the rolling 12 months admissions has increased to 19.7. The target for this year is 16.6. However, whilst total numbers have reduced over the previous two years, 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
- c) The forecast expenditure for purchase of care, excluding care and assessment is £7.998m more than the 2016/17 outturn, this is mainly due to the higher cost of care. The forecast reflects some readjustment for savings that are high risk of non-delivery
- d) Overall there is a reduction of £1.812m in forecast income in 2017/18 compared to 2016/17 outturn. However, the 2016-17 included some one-off income items accounted for against purchase of care income, for example £5.155m in relation to Cost of Care and National Living Wage and £5m to protect social care following

reductions in the Better Care Fund. The actual service user income has therefore increased in 2017/18.

2.8 Commissioned Services

2.8.1

Actual 2016/17 £m	Variance at outturn £m	Expenditure Area	Budget 2017/18 £m	Forecast Outturn £m	Variance @Pd5 £m
1.185	(0.289)	Commissioning Team	1.662	1.619	(0.043)
10.361	(0.795)	Service Level Agreements	11.122	10.693	(0.429)
2.184	(0.418)	Integrated Community Equipment Service	2.501	2.316	(0.185)
33.280	3.257	NorseCare	32.385	33.788	1.403
8.323	(1.172)	Housing related support	6.478	6.478	0.000
13.114	(0.244)	Independence Matters	12.857	13.144	0.287
1.153	(0.216)	Other Commissioning	1.485	1.438	(0.047)
69.600	0.123	Total Expenditure	68.490	69.476	0.986

2.8.2 Key points: **NorseCare**

- The variance is unchanged from Period 2. As part of the management of the Council's overall 2016/17 underlying overspend for adult social services, one-off funding of £2m has been used in 2017/18 to temporarily manage part of the variance between the previous budget and the NorseCare contract price. Despite on-going reductions in the real-terms contract costs (including NorseCare forgoing the inflationary increase for this year that the contract entitles it to) there remains a variation between the approved budget and the contract price
- Savings targets set in the council's prior-year budgets were not able to be achieved within the 2017-18 contract price – this is mainly because of the 'legacy' costs that NorseCare carries in respect of staff terms and conditions and property maintenance
- Work continues to reduce NorseCare costs and increase its income from contracts with third parties. This should result in delivery of a contract that is more closely aligned to market prices

Independence Matters

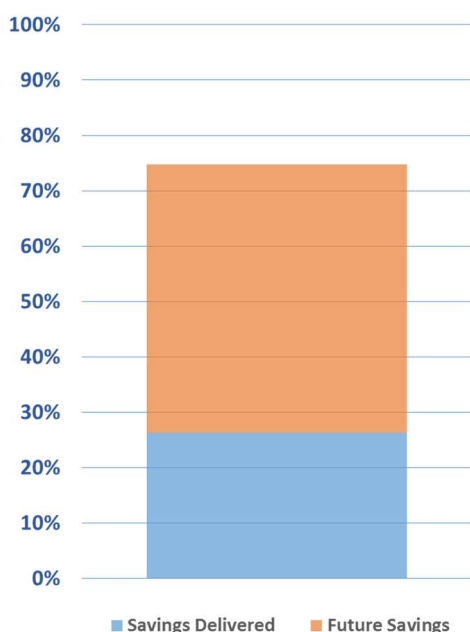
- The service is working closely with Independence Matters to reshape the contract and service model to enable long term savings to be delivered. Savings related to the review of day services will not be fully delivered in 2017-18 and other one-off efficiencies have been implemented to reduce the shortfall

2.9 Savings Forecast

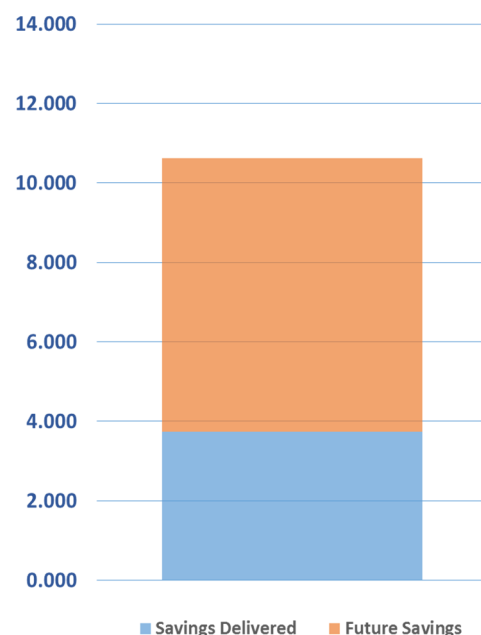
- 2.9.1 The department's budget for 2017/18 includes savings of £14.213m, the net savings reported for the service total £11.213m, which reflects the impact of reversing previous savings of £3m for transport, which are now targeted in 2018/19. In addition the service is planning to meet additional savings of £4.197m by April 2018 in order to manage the impact of the one-off adult social care support grant, which has been used to provide additional time to reduce the underlying overspend from 2016/17. The current forecast position for purchase of care suggests that this will not be achieved in full in 2017-18.
- 2.9.2 The service has refreshed the Promoting Independence strategy and savings programme. As a result, whilst the savings are in line with the proposals agreed by County Council in February, the detail about how savings will be delivered has been built up, with new projects. The report to this Committee in July 2017 detailed the revised programme of work and cross referenced these to the original savings descriptions.
- 2.9.3 Period 5 monitoring and savings analysis has shown that £3.591m of the planned savings are at risk of non-delivery and £10.622m is on track. There is no material change from the totality of savings forecast at Period 4. **Appendix C** sets out the delivery status of the programme by workstream and project.

Savings	Saving 2017/18 £m	Forecast £m	Variance £m	Previously Reported £m
Savings off target (explanation below)	-6.521	-2.930	3.591	3.587
Savings on target	-7.692	-7.692	0.000	0
Total Savings	-14.213	-10.622	3.591	3.587

ASC Savings as a % of the requirement



ASC Savings 2017/18



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

Younger adults and older people reviews (target £4.445m; forecast £2.466m; variance £1.979m) This initial forecast is based on evidence of the actual impact from reviews completed earlier in the year. However, this is a difficult saving to accurately evidence and savings could still be achieved through other demand management interventions that will enable savings to be achieved across the workstream. Recruitment for additional social workers is underway and the Living Well programme has been launched, which will support approaches that will deliver increased independence for individuals.

Home care commissioning (target £0.183m; forecast £0.000m; variance £0.183m) A new framework is in place for the Northern, Central and Southern areas and work is being finalised regarding fee structures. The framework is expected to improve stability in this market but is not forecast to achieve immediate savings. The new framework encourages provider collaboration to improve efficiency of home support rounds, which will improve the financial sustainability and support more cost effective commissioning of wider services.

Review of day services (target £1.000m; forecast £0.296m; variance £0.704m) The service is working closely with Independence Matters to reshape the contract and service model to enable long term savings to be delivered, however, part of the savings will require reduction in demand for day services and alternative approaches.

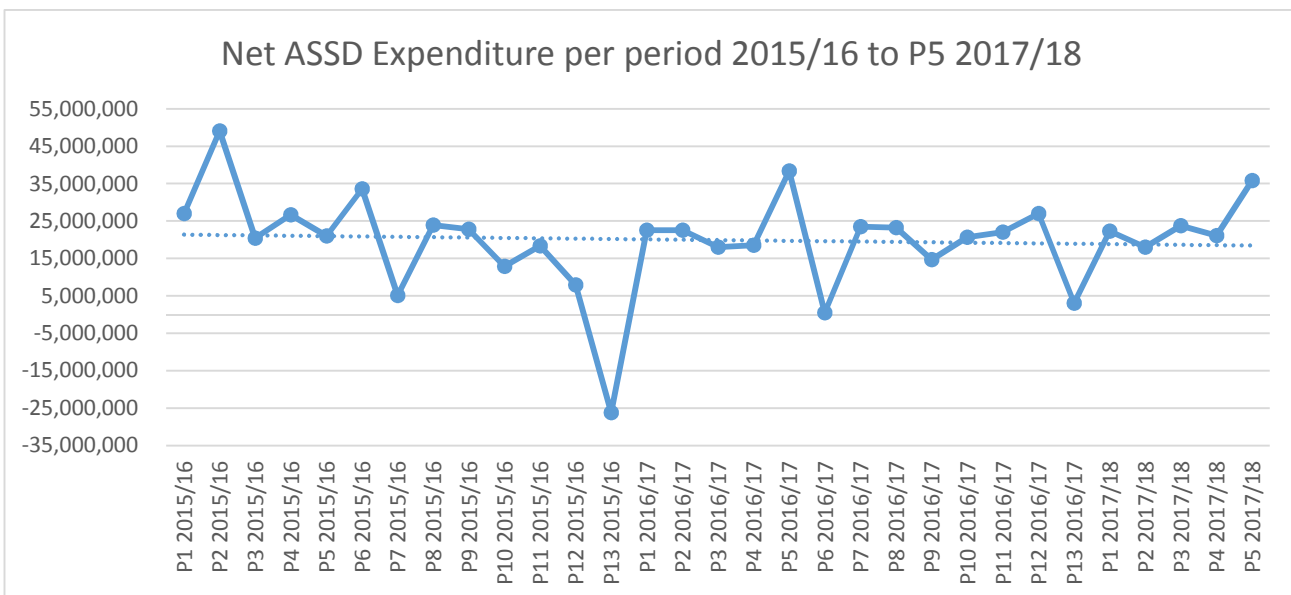
Review of the usage of short term planning beds (target £0.500m; forecast £0.130m; variance £0.370m) The service had targeted a reduction in its usage of planning beds but the decommissioning of these services has been delayed due to the requirement to source alternative capacity to ensure no detrimental impact on hospital discharge.

The following savings have no formal requirement for delivery in 2017/18, and are not part of the forecast savings above but are mitigating the non-delivery against the services reported forecast outturn.

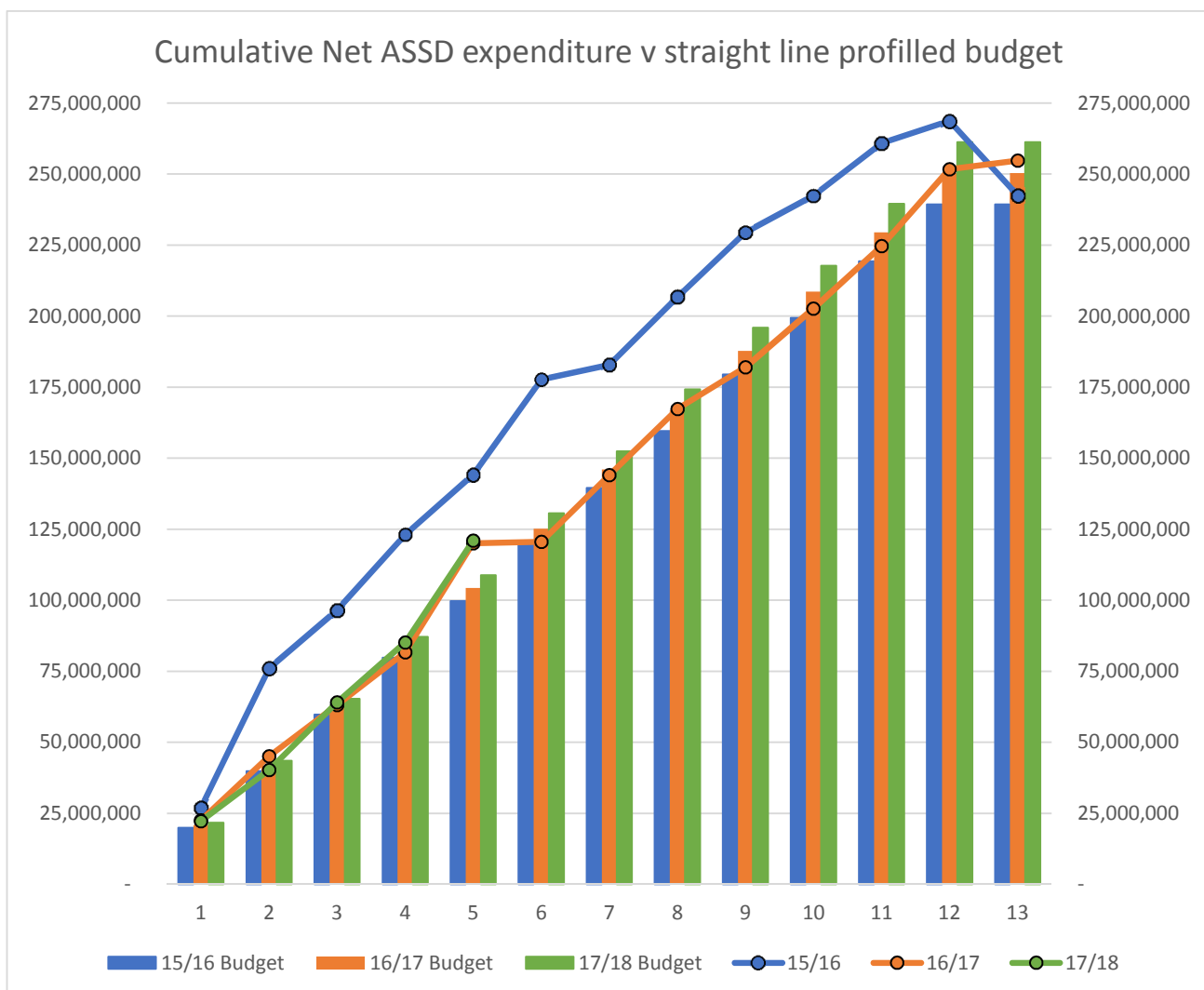
Transport (target £0.000m; forecast £0.500m) The service is seeing an impact of the transport policy coupled with the work being undertaken to continuously review routes and contracts. This will be an early achievement of the planned savings for 2018/19.

Service User income (target £0.000m; forecast £0.600m) The Finance Exchequer Service has increased work with service users who make a nil contribution towards their care with a view to ensuring the service user is maximising their income and supporting them to claim all the benefits they are entitled to.

2.9.5. The departments net expenditure each period is prone to fluctuations, as evidenced by the below graphic, however, it continues to display a downward trajectory when compared to 2015/16. The spike in the period 5 2017/18 net expenditure is due to this month having two main payment runs – this is comparable to the peaks seen in similar periods of 2016/17 and 2015/16.



2.9.6. The department's net expenditure, when compared to a profiled budget, currently appears to display a stronger position than it did in 2015/16 and similar to 2016/17. The net expenditure is now above the profiled budget at period 5, which is mainly due to the double payment period described above.



2.10 **Action plan and Finance and Performance monitoring**

- 2.10.1 Last year all locality and service teams developed financial recovery plans, which were used for focused actions to improve the financial position and to support both team management and reporting to finance and performance board. Monthly performance and finance data is reviewed by senior management team in order 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 have been introduced, enabling scrutiny at team level and are led by the Executive Director of Adult Social Services.
- 2.10.2 Looking ahead the service will be implementing the new social care replacement system, Liquid Logic, in November 2017. This will provide an improved management and reporting system for social care, but also includes implementing a new financial system for social care. It is expected that financial reporting will be limited during and immediately after implementation of the new system. This is both due to capacity and to enable full testing to be carried out following transition to the new system.

2.11 **Reserves**

- 2.11.1 The department's reserves and provisions at 1 April 2017 were £6.231m. Reserves totalled £2.074m.
- 2.11.2 The reserves at the beginning of the year included committed expenditure, which was carried forward in 2016/17. At period 5 the forecast includes the planned use of £0.909mm of reserves in this financial year.
- 2.11.3 The forecast reserve position at 31 March 2018 is £4.625m.
- 2.11.4 Provisions totalled £4.157m at 1 April 2017, mainly for the provision for bad debts. The projected use of reserves and provisions is shown at **Appendix D**.
- 2.11.5 As set out in section 2.6 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.
- 2.11.6 Actions have been taken in line with the plan, as set out in paragraph 2.6.4 of this report. The plan includes carrying forward £3.145m of the additional grant funding to enable invest to save projects to be completed over the agreed timeframe.

2.12 **Capital Programme**

- 2.12.1 The department's three year capital programme is £21.581m. The programme includes £6.924m 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. The capital programme also includes £7.150m for the social care and finance replacement system. The priority for use of capital is development of alternative housing models for young adults. 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 recurrent overspend. Within this investment £4.197m is from one-off funding. This means 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 by April 2018. These savings will continue to be pursued from areas previously agreed and, wherever possible, further efficiencies.

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 needs 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, 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 increase due to additional cases that have not previously been identified. 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 decisions due to current financial deficits in health provider and commissioning organisations. This risk is recognised within the service's risk register and NCC involvement in the change agenda of the system and operational groups such as Accident and Emergency Delivery Boards 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) 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. 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 invited to discuss the contents of this report and in particular to agree:

- a) The forecast outturn position at Period 5 for the 2017-18 Revenue Budget of £261.313m
- b) The planned use of reserves
- c) The forecast outturn position at Period 5 for the 2017-18 Capital Programme

6. Background

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

[Finance Outturn Report – Adult Social Care Committee June 2017](#) (p27)

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

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

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	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 2017-18: Budget Monitoring Period 5 (August 2017)

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

Summary	Budget	Forecast Outturn	Variance to Budget		Variance @ Pd 2
	£m	£m	£m	%	£m
Services to users					
Purchase of Care					
Older People	111.076	114.908	3.832	3.45%	2.589
People with Physical Disabilities	23.148	24.186	1.038	4.49%	0.787
People with Learning Disabilities	96.391	98.575	2.184	2.27%	1.928
Mental Health, Drugs & Alcohol	13.545	13.965	0.420	3.10%	0.318
Total Purchase of Care	244.160	251.634	7.474	3.06%	5.622
Hired Transport	6.672	5.971	(0.701)	(10.51%)	(0.100)
Staffing and support costs	16.901	16.230	(0.672)	(3.97%)	(0.532)
Total Cost of Services to Users	267.733	273.835	6.101	2.28%	4.991
Service User Income	(81.071)	(88.696)	(7.625)	9.41%	(6.754)
Net Expenditure	186.662	185.139	(1.524)	(0.82%)	(1.763)
Commissioned Services					
Commissioning	1.662	1.619	(0.043)	(2.56%)	0.026
Service Level Agreements	11.122	10.693	(0.429)	(3.86%)	(0.414)
ICES	2.501	2.316	(0.185)	(7.41%)	(0.269)
NorseCare	32.385	33.788	1.403	4.33%	1.403
Housing Related Support	6.478	6.478	0.000	0.00%	0.000
Independence Matters	12.857	13.144	0.287	2.23%	0.000
Other	1.485	1.438	(0.047)	(3.20%)	(0.044)
Commissioning Total	68.490	69.475	0.986	1.44%	0.703
Early Help & Prevention					
Norfolk Reablement First Support	4.516	4.398	(0.117)	(2.59%)	(0.033)
Service Development	1.244	1.228	(0.015)	(1.25%)	(0.024)
Other	2.852	2.725	(0.127)	(4.44%)	(0.116)
Prevention Total	8.600	8.337	(0.263)	(3.05%)	(0.176)

Adult Social Care 2017-18 Budget Monitoring Forecast Outturn Period 5 Explanation of variances

1. Business Development, forecast underspend (£0.377m)

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

2. Commissioned Services forecast overspend £0.986m

The main variances are:

NorseCare, overspend of £1.403m. The variance is unchanged from period 2. As part of the management of the Council's overall 2016/17 underlying overspend for adult social services, one-off funding of £2m has been used in 2017/18 to temporarily manage part of the variance between the previous budget and the NorseCare contract price. Despite on-going reductions in the real-terms contract costs (including NorseCare forgoing the inflationary increase for this year that the contract entitles it to) there remains a variation between the approved budget and the contract price.

Savings targets set in the council's prior-year budgets were not able to be achieved within the 2017-18 contract price – this is mainly because of the 'legacy' costs that NorseCare carries in respect of staff terms and conditions and property maintenance.

Work continues to reduce NorseCare's costs and increase its income from contracts with third parties. This should result in delivery of a contract that is more closely aligned to market prices.

Service Level Agreements, underspend of (£0.414m). The underspend is due to a reduction in planned costs, following retendering of agreements.

Integrated Community Equipment Store, underspend of (£0.269m). Working practices have changed, which has reduced the equipment backlog. This combines with a recycled equipment rebate to deliver an underspend.

Independence Matters, overspend of £0.287m. The overspend is due to savings not being achieved in full in 2017-18. One-off reductions in relation to inflation are mitigating the impact in 2017-18.

3. Services to Users, forecast underspend (£1.524m)

The main variances are:

Purchase of Care (PoC) expenditure, overspend of £7.474m. Additional funds were added into the budget for 2017/18 to cover some of the pressures within PoC, including the impact of Cost of Care and the National Living Wage. Period 5 has seen an increase in number of service users and commitments, particularly in relation to older people nursing and long term residential care. The service has reviewed the cases occurring in August. The majority reflect additional volume of people from hospital for which there was no alternative placement. The forecast includes the previous adjustment to reflect possible non-delivery of £3.250m net savings.

Service User Income, over-recovery of (£7.625m). Income from service users has exceeded 2016/17 figures up to the end of August 2017, and this trend is expected to continue. The increases are a reflection of the alteration to the charging policy so that the calculation of charges takes into consideration an amount more closely reflected to actual disability related expenditure incurred by individuals and a new piece of work to support people who may not be

accessing all financial benefits available to them. The variance compared to Period 4 reflects the increase in number of service users in residential care, which will increase service user income.

Transport, underspend of (£0.701m). The service has been working to reduce the use of transport in line with the Council's Transport policy and implement changes to routes and methods of transport as less people need transport. This impact of the changes are taking time, but evidence from the first four months of the year has shown that changes are now taking affect and the cost of transport provision is reducing.

4. Early Help and Prevention, forecast underspend (£0.263m)

The main variances are:

Other Services, underspend of (£0.127m). The variance relates to vacancies within Care Arranging Service and the Emergency Duty Team.

5. Management, Finance and HR, forecast overspend £1.178m

The main variances are:

Management and Finance, overspend of £1.162m. A contingency has been put in place to provide for the risk of not delivering the savings identified within the forecast, and to cover potential increases in demand. This has been reduced from Period 4, reflecting the net increase in purchase of care spend.

2017-20 Savings Programme

1 The overall revised savings programme is now structured as follows:

Gross Savings Requirement	2017/18	2018/19	2019/20
Reported gross savings - agreed by County Council	-14.213	-18.716	-10.000
Add: Removal of one-off grant		-4.197	
Target service savings	-14.213	-22.913	-10.000

Summary

Savings Programme	Workstream	2017/18	2018/19	2019/20
Promoting Independence	Early Help and Prevention	-1.500	-3.500	-0.800
	Entry Points*	0.000	0.000	0.000
	Younger Adults	-2.581	-6.794	-5.307
	Older Adults	-2.364	-2.665	-3.393
	Commissioning	-3.658	-9.724	-0.500
Business as Usual	Other	-4.110	-0.230	0.000
Total		-14.213	-22.913	-10.000

Workstream	Workstream Savings 2017-20		2017-18 Saving	2017-18	Period 5 forecast	Variance to budget
				£m	£m	£m
Early Help and Prevention workstream	-5.800	=	Promoting Independence - Reablement - net reduction - expand Reablement Service to deal with 100% of demand and develop service for working age adults	-1.500	-1.500	0.000
Older and Younger Adults workstreams	-23.104	=	Younger adult reviews	-2.581	-1.766	0.815
			Replacement of planning beds	-0.500	-0.130	0.370
			Older people reviews	-1.864	-0.700	1.164
Commissioning workstream	-13.882	=	Remodel contracts for support to mental health recovery	-0.125	-0.125	0.000
			Home care commissioning - an improved framework for procuring home care services in Norfolk	-0.183	0.000	0.183
			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
			Building resilient lives: reshaping our work with people of all ages requiring housing related support to keep them independent	-2.100	-2.100	0.000
			Radical review of daycare services	-1.000	-0.296	0.704

Business as usual	-4.340	=	Reduce Training & Development spend following implementation of Promoting Independence	-0.200	-0.200	0.000
			Review of commissioning structure and wider opportunities to realign staffing structures in localities	-0.155	-0.155	0.000
			Review of various commissioning arrangements to identify more cost effective ways of providing services	-1.159	-0.821	0.338
			Multiple small efficiencies within Service Level Agreements	-0.190	-0.190	0.000
			Maximise use of apprenticeships	-0.020	-0.020	0.000
			Rationalise mobile phones	-0.010	-0.010	0.000
			Additional savings proposals currently being developed	-1.141	-1.141	0.000
			A consistent approach to specific laundry needs	-0.055	-0.038	0.017
			Align charging policy to more closely reflect actual disability related expenditure incurred by service users	-1.180	-1.180	0.000
			-14.213	-10.622	-3.591	

Adult Social Services Reserves and Provisions 2017/18

	Balance	Period 5	
		Proposed usage	Balance
	01-Apr-17	2017/18	31-Mar-18
	£m	£m	£m
Doubtful Debts provision	4.157	0.000	4.157
Total Adult Social Care Provisions	4.157	0.000	4.157
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 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 April 16, all of which has been allocated to external projects and will be paid upon achievement of milestones.	0.200	-0.187	0.013
Market Development Fund	0.020	-0.020	0.000
Repairs and renewals	0.043	0.000	0.043
Adult Social Care Workforce Grant	0.255	-0.255	0.000
IT Reserve - Slippage in revenue spending pattern in relation to social care information system reprocurement	0.361	0.315	0.676
Improved Better Care Fund - requirement to carry forward grant to 2018/19 in relation to the managing capacity and transfers of care workstreams.	0.000	3.145	3.145
Unspent Grants and Contributions	1.196	-0.447	0.749
Total Adult Social Care Reserves	2.074	2.551	4.625
Total Reserves & Provisions	6.230	2.551	8.782

Adult Social Services Capital Programme 2017/18

Summary	2017/18		2018/19
Scheme Name	Current Capital Budget	Forecast outturn at Year end	Draft Capital Budget
	£m	£m	£m
Failure of Kitchen Appliances	0.030	0.030	0.000
Supported Living for people with Learning Difficulties	0.015	0.015	0.000
Adult Social Care IT Infrastructure	0.141	0.141	0.000
Adult Care - Unallocated Capital Grant	4.076	4.076	0.000
Strong and Well Partnership - Contribution to Capital Programme	0.121	0.121	0.000
Bishops Court - King's Lynn	0.085	0.000	0.000
Winterbourne Project	0.050	0.050	0.000
Care Act Implementation	0.871	0.871	0.000
Social Care and Finance Information System	5.238	5.238	1.912
Elm Road Community Hub	1.324	1.324	0.109
Better Care Fund Disabled Facilities Grant and Social Care Capital Grant – passported to District Councils	6.924	6.924	0.000
Teaching Partnership IT Equipment	0.068	0.068	0.000
Netherwood Green	0.703	0.703	0.000
TOTAL	19.645	19.560	2.021