

Adult Social Care Committee

Item No

Report title:	Adult Social Care Finance Monitoring Report Period 10 (January) 2017-18
Date of meeting:	5 March 2018
Responsible Chief Officer:	James Bullion, Executive Director of Adult Social Services

Strategic impact

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

Executive summary

As at the end of January 2018 (Period 10), Adult Social Services is forecasting an underspend of £2.500m. This is following review of risks and achievement of savings. This reflects the release of budget previously held in contingency, to manage the potential risk of increased commitments especially during the winter period. The level of contingency has been reported to committee during 2017-18, but is considered will not be required in full to meet demand and additional risks during the final two months of the year.

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	261.401	258.901	(2.500)

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
- Plans for the use of the additional one-off social care grant, which totals £18.561m in 2017-18 were agreed with health partners in July 2017. A range of interventions have been implemented 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 will not 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

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 10 the forecast includes the planned use of £0.412m of reserves in this financial year.

The 2017-18 forecast outturn position for reserves is £14.394m. Provisions totalled £4.157m at 1 April 2017, mainly for the provision for bad debts.

Recommendations:

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

- a) **The forecast outturn position at Period 10 for the 2017-18 Revenue Budget of £258.901m**
- b) **The planned use of reserves**
- c) **The forecast outturn position at Period 10 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 10 (January 2018) 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 January (Period 10).

Actual 2016/17 £m	Over/ Underspend at Outturn £m	Expenditure Area	Budget 2017/18 £m	Forecast Outturn £m	Variance @ P10 £m
10.392	(0.471)	Business Development	4.093	3.784	(0.309)
69.600	0.123	Commissioned Services	71.928	71.902	(0.027)
5.492	(0.727)	Early Help & Prevention	6.649	6.606	(0.043)
168.243	12.971	Services to Users (net)	188.372	182.786	(5.586)
1.064	(7.497)	Management, Finance & HR	(9.642)	(6.177)	3.465
254.791	4.399	Total Net Expenditure	261.401	258.901	(2.500)

- 2.2 As at the end of Period 10 (January 2018) the forecast revenue outturn position for 2017-18 is £258.901m, which is a forecast underspend of (£2.500m).
- 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 within Management, Finance and HR is due to creation of a contingency to manage business risk as opposed to spend. This has been reduced in Period 10 and is offset by underspends elsewhere.

2.5 Additional Social Care Funding

- 2.5.1 The Chancellor’s Budget in March 2017 announced £2bn additional non-recurrent funding for social care, of which Norfolk has received £18.561m in 2017/18, 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 government and as a condition of the grant, councils are required to pool the funding

into their Better Care Fund. This fund is governed by the Health and Wellbeing Board and monitored by NHS England and the Ministry of Housing, Communities and Local Government through national and local assurance and quarterly returns.

- 2.5.2 The guidance received from the government 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
- 2.5.3 Plans for the use of the funding were reported to Committee in July and were subsequently agreed with Norfolk's Clinical Commissioning Groups.
- 2.5.4 The revised budget reflects the grant, which is expected to be accounted for in full either through spending or creation of a reserve. 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 and progress implementing the plan are set out at **Appendix C**.
- 2.5.5 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. The 2018-19 budget agreed by County Council in February 2018 included planned carry forward of £9.819m of funding to ensure delivery of the three year plan.
- 2.5.6 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.
- 2.6 **Services to Users**
- 2.6.1 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 @ Pd10 £m
111.914	8.238	Older People	111.098	114.994	3.896
23.246	1.207	Physical Disabilities	23.148	23.465	0.317
94.527	11.119	Learning Disabilities	99.191	100.283	1.092
13.174	0.267	Mental Health	13.545	14.592	1.047
6.746	3.074	Hired Transport	6.672	5.784	(0.888)
9.144	(1.194)	Care & Assessment & Other staff costs	11.589	10.403	(1.186)
258.751	22.710	Total Expenditure	265.242	269.520	4.278
(90.508)	(9.739)	Service User Income	(76.87)	(89.734)	(9.864)
168.243	12.971	Revised Net Expenditure	188.372	182.786	(5.586)

2.6.2 Key points:

- a) January (Period 10) has seen a decrease in the purchase of care forecast since October (Period 7). This includes a continued reduction in spending on Transport. The decrease mainly relates to residential and nursing care for older people and residential respite and supported living for people with learning disabilities. The later relating primarily to adjustment of the forecast for growth. Initiatives such as accommodation based reablement have recently been implemented, which will provide more options for care provision post hospital discharge and reduce the likelihood of people requiring long term residential care. Pressures within the health service and the need to reduce delays in transfer of care, particularly from acute hospitals, mean that front line teams are reporting high volumes of work but this is not translating into increased rates of admissions to permanent residential care for people aged over 65
- 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. Rate of admissions reduced significantly from a rate of 724 admissions per 100k population in 2014/15 to 611.9 per 100k population in 2016/17. Reductions have slowed over the last two years, but continue to fall. Whilst further work is continuing to verify the overall position across long term and short term care, January's figures show a significant reduction in permanent admissions and below target. Whilst the trend for people aged 65+ has continued to reduce, there has been an increasing trend for people aged 18-64. Total numbers had reduced over the previous two years, but have risen since April 2017, however the increase at January 2018 equates to five additional placements compared to the 12 months preceding April 2017. 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
- c) The forecast expenditure for purchase of care, excluding care and assessment is £9.510m 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 at high risk of non-delivery
- d) Overall there is a reduction of £3.774m in forecast income in 2017/18 compared to 2016/17 outturn. However, 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 by £4.453m in 2017/18

2.7 Commissioned Services

2.7.1

Actual 2016/17 £m	Variance at outturn £m	Expenditure Area	Budget 2017/18 £m	Forecast Outturn £m	Variance @Pd10 £m
1.185	(0.289)	Commissioning Team	4.003	3.823	(0.180)
10.361	(0.795)	Service Level Agreements	12.159	11.715	(0.444)
2.184	(0.418)	Integrated Community Equipment Service	2.396	2.115	(0.281)
33.280	3.257	NorseCare	32.594	33.419	0.826
8.323	(1.172)	Housing related support	6.517	6.517	0.000
13.114	(0.244)	Independence Matters	12.857	12.945	0.089
1.153	(0.216)	Other Commissioning	1.403	1.367	(0.036)
69.600	0.123	Total Expenditure	71.928	71.990	(0.027)

2.7.2 Key points:

NorseCare

- The variance has increased from Period 7 to £0.826m. As part of the management of Norfolk County Council's (the Council) 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
- The reduction in the variance reflects work to maximise and reshape the contract and to ensure that income that relates to NorseCare block beds is reflected against the contract spend

Independence Matters

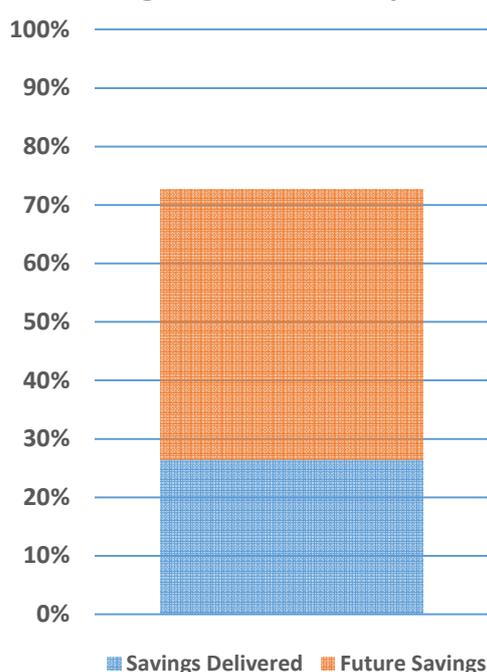
- The service is working closely with Independence Matters to reshape the contract and service model to enable long term savings to be delivered. Savings related to the review of day services will not be fully delivered in 2017-18, however one-off efficiencies have been implemented, which has reduced the shortfall to £0.089m

2.8 Savings Forecast

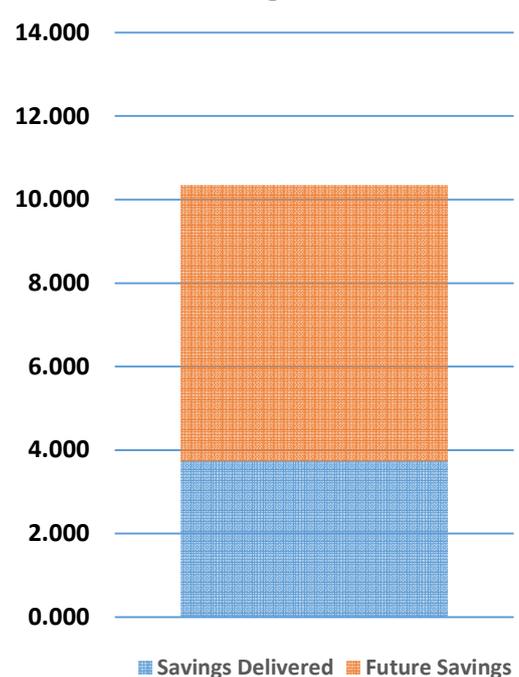
- 2.8.1 The department's budget for 2017/18 includes savings of £14.213m, the net savings reported for the service total £11.213m, which reflects the impact of reversing previous savings of £3m for transport, which are now targeted in 2018/19. In addition the service is planning to meet additional savings 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 recurrent position for purchase of care suggests that this will not be achieved in full in 2017-18.
- 2.8.2 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.
- 2.8.3 Period 10 monitoring and savings analysis has shown that £3.874m of the planned savings are at risk of non-delivery and £10.339m is on track. There is no material change from the totality of savings forecast at Period 7. **Appendix C** sets out the delivery status of the programme by workstream and project

Savings	Saving 2017/18	Forecast	Variance	Previously Reported
	£m	£m	£m	£m
Savings off target (explanation below)	-6.842	-2.968	-3.874	3.874
Savings on target	-7.371	-7.371	0.000	0

ASC Savings as a % of the requirement



ASC Savings 2017/18



2.8.4 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) The 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 continuing and the Living Well programme is being rolled out, 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, however it is expected that this will not result in savings in the short term and savings for 2018-19 have been reversed within the agreed budget for next financial year.

Review of day services (target £1.000m; forecast £0.266m; variance £0.734m) 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 £0.080m; variance £0.420m) 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.

Review of various commissioning arrangements to identify more cost effective ways of providing services (target £1.159m; forecast £0.618m; variance £0.541m) Planned reduction and decommissioning of some contracts has not been achieved. This has been mitigated through revised usage of contracts to improve value for money.

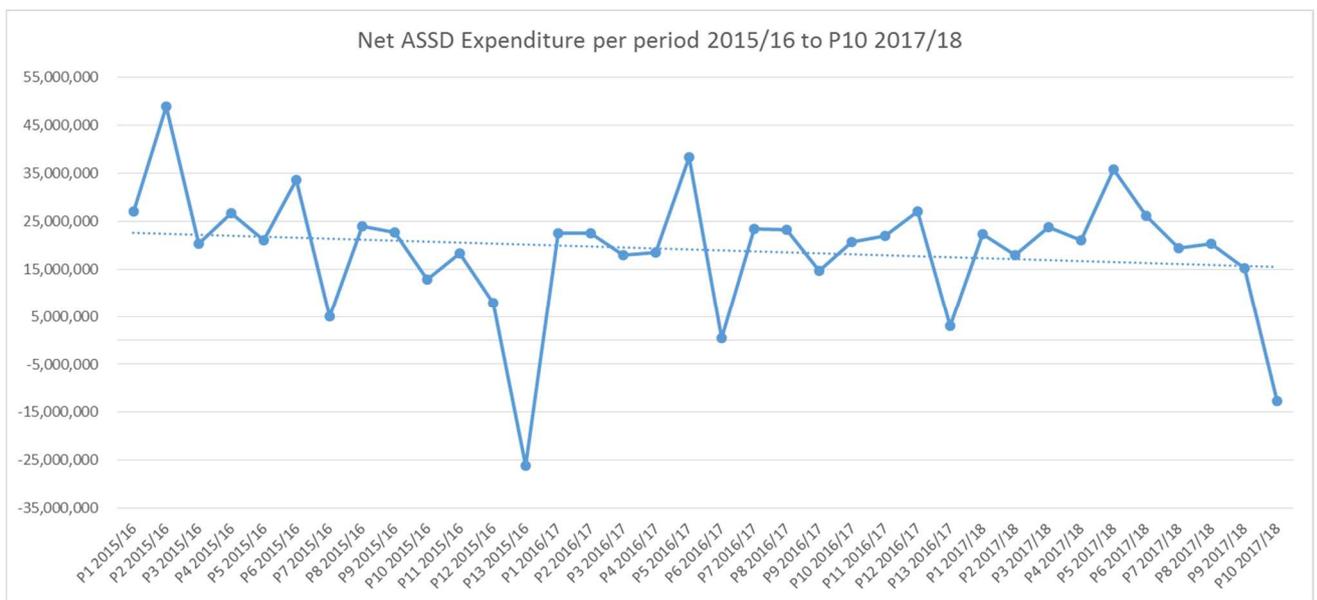
The following savings have no formal requirement for delivery in 2017/18, and are not part of the forecast savings above but are mitigating the non-delivery against the services reported forecast outturn.

Transport (target £0.000m; forecast £0.888m) 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.

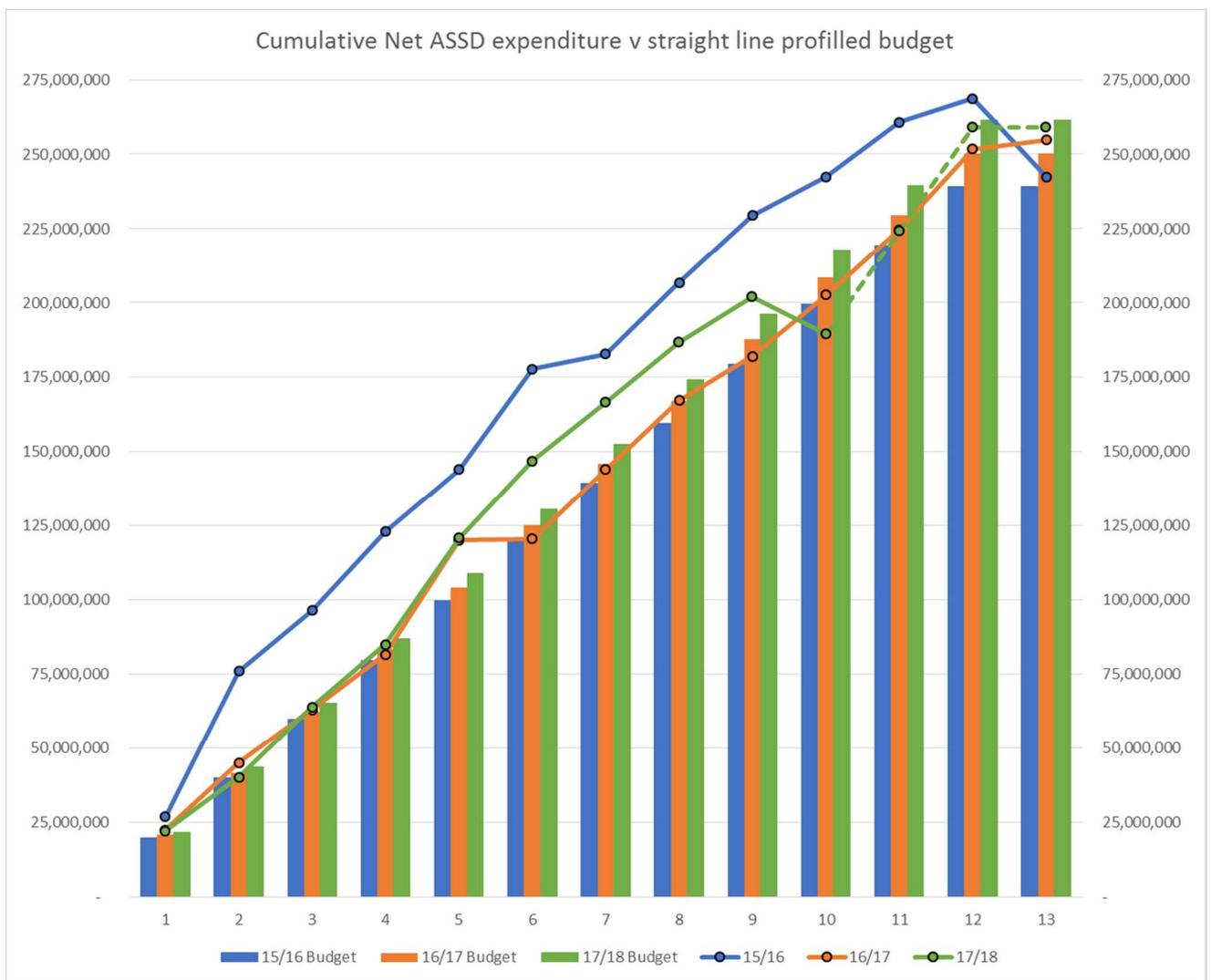
Independence Matters (one-off forecast £0.287m) Independence Matters has identified one-off savings from an inflationary increase that was expected to take effect in 2017/18 but will now not be paid. This is mitigating the delay in delivery of day service savings related to this contract.

2.8.5. 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 the month having two main payment runs – this is comparable to the peaks seen in similar periods of 2016/17 and 2015/16.



2.8.6. 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 2016/17. The net expenditure is now significantly below the profiled budget at period 10. As the BCF agreement is now completed the whole funding transfer from the BCF pooled funds into the council's own accounts has taken place. This is shown as a steep one-off monthly reduction in net expenditure during period 10.

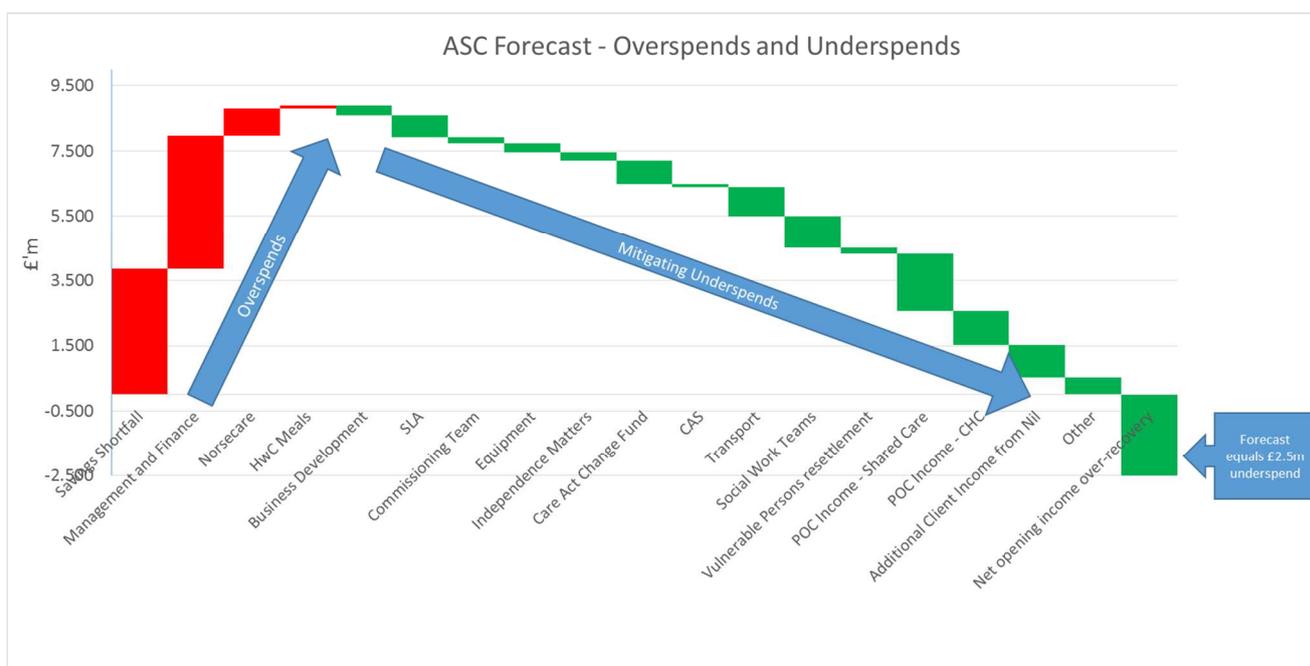
With our net expenditure sitting at £189m at period 10, our forecast allows £70m of remaining funds to cover transactions for period 11, 12 and 13. Within this £70m will be an allowance for accounting entries such as moving the allocated funding to reserves, with the IBCF being a £10m example of this.



2.9 Finance and Performance monitoring

2.9.1 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. Teams continue to develop actions and follow up work to scrutinise variation to forecast.

2.9.2 Furthermore, whilst the savings programme is not expected to deliver the full savings expectation in the current year, the department strives to deliver an underspent position due to mitigating underspends in non-savings related activities – as evidenced by the following graphic.



2.9.3 The service implemented the new social care replacement system, LiquidLogic, on 22 November 2017, which included implementing a new financial system for social care. The system provides an improved management and reporting system for social care. The implementation has been successful and teams are bedding in the new ways of working.

2.10 Reserves

2.10.1 The department's reserves and provisions at 1 April 2017 were £6.230m. Reserves totalled £2.074m.

2.10.2 The reserves at the beginning of the year included committed expenditure, which was carried forward in 2016/17. At period 10 the forecast includes the planned use of £0.412m of reserves in this financial year.

2.10.3 The forecast reserve position at 31 March 2018 is £14.394.

2.10.4 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 E**.

2.10.5 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.

2.10.6 Actions have been taken in line with the plan, as set out in paragraph 2.6.4 of this report. The original plan included carrying forward £3.145m of the additional grant funding to enable invest to save projects to be completed over the agreed timeframe. In order to ensure delivery of the agreed plans it is proposed that £10.9m is carried forward within reserves.

2.11 Capital Programme

2.11.1 The department's three year capital programme is £21.870m. 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

£7.354m 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 F**.

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 was 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. As reported to Committee throughout this financial year the service in-year savings plan has focused on a stretch target to aim to deliver recurrent underspend in order to mitigate the impact of loss of funding in 2018-19. The forecast underspend underpins the service's position looking ahead to 2018-19 and helps mitigate financial risk.
- 3.3 The planned use of the one-off funding through the improved Better Care Fund was agreed with health partners during the year and reflected a three year position. This has enabled the Committee to secure this funding within reserves for the agreed purposes.

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
- l) Achievement of targets for delayed transfers of care attributable to social care, which could impact on available funding for 2018-19

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 10 for the 2017-18 Revenue Budget of £258.901m**
- b) **The planned use of reserves**
- c) **The forecast outturn position at Period 10 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](#) (p21)

[Finance Monitoring Report – Adult Social Care Committee January 2018](#) (p26)

Officer Contact

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

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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 10 (January 2018)

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

Summary	Budget	Forecast Outturn	Variance to Budget		Variance @ Pd 7
	£m	£m	£m	%	£m
Services to users					
Purchase of Care					
Older People	111.098	114.994	3.896	3.51%	4.164
People with Physical Disabilities	23.148	23.465	0.317	1.37%	0.284
People with Learning Disabilities	99.191	100.283	1.092	1.10%	2.581
Mental Health, Drugs & Alcohol	13.545	14.592	1.047	7.73%	0.632
Total Purchase of Care	246.981	253.333	6.352	2.57%	7.662
Hired Transport	6.672	5.784	(0.888)	(13.31%)	(0.700)
Staffing and support costs	11.589	10.403	(1.186)	(10.23%)	(1.113)
Total Cost of Services to Users	265.242	269.520	4.278	1.61%	5.848
Service User Income	(76.870)	(86.734)	(9.864)	12.83%	(8.842)
Net Expenditure	188.372	182.786	(5.586)	(2.97%)	(2.994)
Commissioned Services					
Commissioning	4.003	3.823	(0.180)	(4.49%)	(0.230)
Service Level Agreements	12.159	11.715	(0.444)	(3.65%)	(0.348)
ICES	2.396	2.115	(0.281)	(11.72%)	(0.298)
NorseCare	32.594	33.419	0.826	2.53%	0.863
Housing Related Support	6.517	6.517	(0.000)	0.00%	0.000
Independence Matters	12.857	12.945	0.089	0.69%	0.089
Other	1.403	1.367	(0.036)	(2.54%)	(0.000)
Commissioning Total	71.928	71.902	(0.027)	(0.04%)	0.075
Early Help & Prevention					
Norfolk Reablement First Support	2.535	2.530	(0.005)	(0.18%)	0.017
Service Development	1.131	1.099	(0.031)	(2.78%)	(0.032)
Other	2.984	2.977	(0.007)	(0.24%)	0.001
Prevention Total	6.649	6.606	(0.043)	(0.64%)	(0.015)

Adult Social Care 2017-18 Budget Monitoring Forecast Outturn Period 10 Explanation of variances

1. Business Development, forecast underspend (£0.309m)

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

2. Commissioned Services forecast underspend (£0.027m)

The main variances are:

NorseCare, overspend of £0.826m. The variance has increased from Period 7. 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

The reduction in the variance reflects work to maximise and reshape the contract and to ensure that income that relates to NorseCare block beds is reflected against the contract spend.

Service Level Agreements, underspend of (£0.444m). The underspend is due to a reduction in planned costs, following retendering of agreements, together with additional income from Continuing Health Care and private sale of beds within the contracts.

Integrated Community Equipment Store, underspend of (£0.281m). Working practices have changed, which has reduced the equipment backlog. This combines with a recycled equipment rebate to deliver an underspend.

Commissioning team, underspend of (£0.180m). The underspend is due to staff vacancies and additional income.

Independence Matters, overspend of £0.089m. 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 (£5.586)

The main variances are:

Purchase of Care (PoC) expenditure, overspend of £6.352m. 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 10 has seen reductions in commitments but pressures remain within Residential and Supported Living. The forecast includes adjustment to reflect possible non-delivery of £3.316m net savings.

Service User Income, over-recovery of (£9.864m). Income from service users has exceeded 2016/17 figures up to the end of January 2018, 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 increase also reflects the rise in number of service users in residential care, which has increased service user income during the year, although this is now reducing in line with expenditure.

Transport, underspend of (£0.888m). 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 is taking time, but evidence from the first four months of the year has shown that changes are now taking effect and the cost of transport provision is reducing.

4. Early Help and Prevention, forecast underspend (£0.043m)

The main variances are:

Other Services, underspend of (£0.121m). The variance relates to vacancies within Care Arranging Service and the Emergency Duty Team. This is offset by a pressure within Housing with Care Tenant Meals of £0.114m relating to ongoing costs, for which there is a plan to manage these downward.

5. Management, Finance and HR, forecast overspend £3.465m

The main variances are:

Management and Finance, overspend of £3.453m. 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 decreased from Period 7, reflecting confidence in the forecast and the proximity to the end of the financial year.

Improved Better Care Fund (iBCF) - Summary table and October Update

Appendix C

Planning priority	Grant Condition	Description	2017/18 £m	2018/19 £m	2019/20 £m	Impact	Activity and progress
Protect	Meeting Social Care Needs	iBCF1 Funding required to manage shortfall in recurrent pressures and protect social care services	1.9	11.9	22.2	Over the three year period this funding will ensure that vital service provision such as homecare is maintained and people are supported to maintain their independence and stay out of hospital	Funding is part of budget planning for adult social care as a whole - over 80% of spend is with the market
Sustain	Reduce pressure on the NHS and stabilise Social Care provider market	iBCF2 Support the care market and develop resilience against the impact of specific recurrent market pressures	9.1	10.8	10.8	Recent legislation on NMW and the cost of care presents additional pressures to the care sector that require supporting if provision is to remain sustainable. Market failure presents a risk to individuals but also the system overall funding here will support integrity of the care market	This is about sustaining the Market. In line with cost of care, legislation and market pressures – the aim is to develop a sustainable approach. Funding is targeted on specific needs such as legislative change, but some funding will be carried forward to 2018-19 where this enables funding to be targeted in a more sustainable way.
Sustain	Meeting Social Care Needs	iBCF3 Managing recurrent capacity with DOLs when alternative funding finishes	0	0.2	0.2		To support delivery of this service from 2018-19 when current funding will no longer be available
Sustain	Reduce pressure on the NHS and meet social care need	iBCF4 Managing capacity – strengthen social work to assist people at discharge and to prevent admissions	2.6	2.5	0.0	Social work is core to ensuring people's needs are met quickly and effectively. Supporting capacity of social work will strengthen the prevention offer, ensure people receive support that meets their needs and is fundamental to ensuring that people are able to leave formal care settings as soon as they are medically fit. Resources here will enable services to be flexed according to pressure within the system.	As part of enhancing our capacity a recruitment campaign for 50 practitioners and 15 team managers is fully underway. By mid-February 40.25 fte appointments had been made to new roles in the service*: There are currently 12.75 new capacity Social Worker vacancies

Improved Better Care Fund (iBCF) - Summary table and October Update

Appendix C

Planning priority	Grant Condition	Description	2017/18 £m	2018/19 £m	2019/20 £m	Impact	Activity and progress
						<p>Investing in social work will reduce pressures on the NHS and supports the Promoting Independence agenda. The invest to save element will be realised through better management of needs and management of flow through the system.</p> <p>Note: of the £2.6m in 2017/18, £1m will need to be carried forward into 2018/19 to reflect recruitment timescales, therefore £3.5m will be spent in 2018/19. For 2019/20 it is the intention for the investment to remain at 2018/19 levels (£3.5m) but the additional capacity should be self-financing through savings delivered in the Purchase of Care budget.</p>	<p>to fill. Interviews took place early Feb, with 3 appointable candidates to allocate to a locality.</p> <p>The West is particularly difficult to recruit and a campaign is running specifically for this locality with 3 interviews for Social Workers and 1 for a Team Manager taking place at the end of February</p>
Invest and Improve	Reduce pressure on the NHS	<p>iBCF5 Expansion of prevention schemes – social prescribing and community/care navigation schemes – Invest to save</p>	0.7	0.7	0.0	<p>Social prescribing has been evidenced to divert demand from formal care services, especially hospitals. Combined with an offer that builds on community resilience and capacity this initiative is designed to support demand management initiatives and enhance community ability to respond to need</p>	<p>Supporting the development of existing initiatives working with CCGs, Public Health and District Councils. This will be taken forward on CCG boundaries. Working with Districts, CCGs & voluntary sector. Locality plans have been developed services will commence between January and June 2018, when a formal launch of the whole service will take place.</p>

Improved Better Care Fund (iBCF) - Summary table and October Update

Appendix C

Planning priority	Grant Condition	Description	2017/18 £m	2018/19 £m	2019/20 £m	Impact	Activity and progress
Invest and Improve	Reduce pressure on the NHS	iBCF6 Respond to care pressures – micro commissioning invest to save pilot	0.1	0.1	0.0	Homecare is a key service in ensuring people can stay out of hospital and be discharged quickly when they are medically fit. Micro commissioning initiatives have been shown to have a positive impact on homecare capacity in similar rural areas. Increased capacity in the system is designed to be sustainable without additional funding after the first two years	Investment in support to micro enterprises to deliver Home Support. Community Catalyst have been engaged to support this work and initial scoping discussions undertaken to identify our approach to localised development.
Invest and Improve	Reduce pressure on the NHS	iBCF7 Managing transfers of care – Trusted assessor	0.2	0.2	0.2	Managing transfers of care and implementing the HICM requires a number of joint initiatives between social care and health partners. Key elements of the pathway are trusted assessor and discharge to assess. The implementation of these will be supported by an enhanced, wrap around, home care offer and additional capacity in reablement beds – these initiatives will support the reduction of delayed transfers of care and provide a better quality of care for people in this pathway	The Trusted Assessment Facilitator role has been developed in tandem with providers who were involved in the recruitment into the new posts. Funding from the project has also supported the development of a bed capacity tracking system. There are 5 Trusted Assessment Facilitators across the 3 acutes, the service commenced on 22 January in NNUH. The full team will be in place by 28 February 2018. 1 Facilitator in QEH 2 Facilitators in NNUH 2 Facilitators in JPUH (1 funded by Suffolk CC)
Invest and Improve	Reduce pressure on the NHS	iBCF8 Managing transfers of care – through invest to save programme for example discharge to assess; home support wrap around	5.1	0.5	0.2	Many of these initiatives are to be run as pilots to evaluate outcomes and put in place sustainable funding based on the part of the system where benefits accrue. There will be a requirement to carry forward an element of the 2017/18	Recruitment for six discharge to assess social workers, was completed in December 2017. The service is now in place. Accommodation based reablement is implemented within the county, with 14 units currently operational.

Improved Better Care Fund (iBCF) - Summary table and October Update

Appendix C

Planning priority	Grant Condition	Description	2017/18 £m	2018/19 £m	2019/20 £m	Impact	Activity and progress
		service; accommodation based reablement and active assessment beds				funding depending on the progress and timing of implementing each pilot.	The enhanced home support service is operational providing unplanned, short term same day home support for up to 72 hours across all five CCG areas in Norfolk.
Invest and Improve	Reduce pressure on the NHS	iBCF9 Enhanced community offer for carers - 3 year invest to save pilot	0.1	0.1	0.1	Carers are key to supporting people to stay safe and independent. Additional funding here will work alongside newly commissioned carers service to ensure that carers are fully supported to have a good quality of life	Using the Home First model this is being linked with iBCF 8 and 9 to provide crisis management services
Invest and Improve	Reduce pressure on the NHS	iBCF10 Enhanced flexible dementia offer - 3 year invest to save pilot	0.2	0.2	0.2	Providing support that enables people with dementia to stay in their own homes is a priority for both health and social care. This funding will enhance the existing offer and allow innovations in service to be implemented and tested for success. This service will support people with dementia to be discharged safely from formal care settings.	Using the Home First model this is being linked with iBCF 8 and 10 to provide crisis management services

Improved Better Care Fund (iBCF) - Summary table and October Update

Appendix C

Planning priority	Grant Condition	Description	2017/18 £m	2018/19 £m	2019/20 £m	Impact	Activity and progress
Invest and Improve	Reduce pressure on the NHS	iBCF11 Reduce DTOC mental health services	0.4	0.4	0.4	Providing sufficient support when people with mental health problems leave formal care services is crucial in ensuring people can settle and establish their independence. We are working with mental health colleagues to formulate the most effective mechanisms that will support discharge from hospitals and formal care settings.	There are an additional six beds/flats commissioned as “step down” and admission avoidance from mental health hospitals jointly funded with NSFT with social care support to provide suitable discharge destinations. All units are fully occupied. Increased staff capacity, 4 additional staff includes; 1fte SW for OPMH 1fte Assistant practitioner for OPMH 1fte Assistant practitioner for Hosp SW Team 1fte AMHP for Duty Team
			20.4	27.7	34.3		
Funded by:	iBCF as per 2017 Spring Budget		-18.6	-11.9	-5.9	Non -recurrent funding	
	iBCF as per 2015 Spending Review		-1.9	-15.8	-28.4		
	Total		-20.4	-27.7	-34.3		

2017-20 Savings Programme

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 10 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	-0.080	0.420
			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	-0.266	0.734

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	-0.618	0.541
			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	-10.339	-3.874	

Adult Social Services Reserves and Provisions 2017/18

	Period 10		
	Balance	Proposed usage	Balance
	01-Apr-17	2017/18	31-Mar-18
	£m	£m	£m
Doubtful Debts provision	4.157	0.111	4.268
Total Adult Social Care Provisions	4.157	0.111	4.268
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. Funding was brought-forward on 1 April 17, 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. Funding was brought-forward on 1 April 17, all of which has been allocated to external projects and will be paid upon achievement of milestones.	0.200	-0.133	0.067
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
Public Health grant to support the Social Prescribing Project	0.000	0.400	0.400
Supporting People	0.000	0.475	0.475
IT Reserve - Slippage in revenue spending pattern in relation to social care information system reprocurement	0.361	0.226	0.587
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	10.971	10.971
Unspent Grants and Contributions	1.196	-0.004	1.192
Vulnerable People Resettlement Programme	0.000	0.501	0.501
Mental Health Underspend	0.000	0.159	0.159
Total Adult Social Care Reserves	2.074	12.321	14.394
Total Reserves & Provisions	6.230	12.432	18.662

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	0.000	0.000
Supported Living for people with Learning Difficulties	0.015	0.000	0.000
Adult Social Care IT Infrastructure	0.141	0.141	0.000
Adult Care - Unallocated Capital Grant	4.030	4.030	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	0.000	0.000
Care Act Implementation	0.871	0.871	0.000
Social Care and Finance Information System	4.744	3.361	2.975
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
Sheringham Hub (Cromer Road)	0.000	0.004	0.000
Accommodation Based Reablement - Benjamin Court IT	0.018	0.018	0.000
County Resilience Team IT	0.018	0.018	0.000
Wifi Upgrade Integrated Sites	0.010	0.010	0.000
TOTAL	19.151	17.761	3.084