Adult Social Care Committee

Item No ……

Report title:	**Adult Social Care Finance Monitoring Report Period 7 (October) 2017-18**
Date of meeting:	**15 January 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 October 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 October 2017 (Period 7), Adult Social Services is forecasting an outturn position to budget. This is following review of risks and achievement of savings. Normally, this Committee would receive a report at its January meeting, based on the end of November 2017. However, as planned the service went live with a new social care record and finance system at the end of Period 8, which has necessarily meant that reporting at the end of November is not available. A brief verbal update will be provided at the January Committee.

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:

a) 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

b) 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

c) 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. A range of interventions are being 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 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

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 7 the forecast includes the planned use of £0.901m of reserves in this financial year.

The 2017-18 forecast outturn position for reserves is £11.035m. 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 7 for the 2017-18 Revenue Budget of £261.313m**
b) **The planned use of reserves**
c) **The forecast outturn position at Period 7 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 7 (October 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 October (Period 7).

Actual 2016/17 £m	Over/ Underspend at Outturn £m	Expenditure Area	Budget 2017/18 £m	Forecast Outturn £m	Variance @ P7 £m
10.392	(0.471)	Business Development	4.012	3.678	(0.333)
69.600	0.123	Commissioned Services	71.669	71.990	0.321
5.492	(0.727)	Early Help & Prevention	9.638	9.588	(0.050)
168.243	12.971	Services to Users (net)	186.687	187.113	(2.574)
1.064	(7.497)	Management, Finance & HR	(13.693)	(11.056)	2.637
254.791	**4.399**	**Total Net Expenditure**	**261.313**	**261.313**	**0.000**

2.2 As at the end of Period 7 (October 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, however the management and finance costs is due to creation of a contingency to manage business risk as opposed to spend. These are 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 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.

2.5.2 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

2.5.3 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 to implement 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.

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 @ Pd7 £m
111.914	8.238	Older People	111.076	115.614	4.538
23.246	1.207	Physical Disabilities	23.148	23.743	0.595
94.527	11.119	Learning Disabilities	96.191	101.308	2.117
13.174	0.267	Mental Health	13.545	14.087	0.542
6.746	3.074	Hired Transport	6.672	5.972	(0.700)
9.144	(1.194)	Care & Assessment & Other staff costs	17.126	16.305	(0.821)
258.751	**22.710**	**Total Expenditure**	**270.758**	**277.029**	**6.271**
(90.508)	(9.739)	Service User Income	(81.071)	(89.915)	(8.845)
168.243	**12.971**	**Revised Net Expenditure**	**186.687**	**187.113**	**(2.574)**

2.6.2 Key points:

a) October (Period 7) has seen an increase in purchase of care expenditure in line with expected demand. This mainly relates to residential care for older people and residential and supported living for people with learning disabilities. As reported to Committee in October, deep dive review of cases leading to residential care for older people, highlighted that this was the most appropriate placement and alternatives were not suitable. Additional reviews are continuing to ensure that residential placements are reasonable and understood fully. 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 year. Whilst the trend for people aged 65+ has continued to reduce, there has been an increasing trend for people aged 18-64. 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 £11.890m 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 £0.593m 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 significantly 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 @Pd7 £m
1.185	(0.289)	Commissioning Team	3.962	3.932	(0.030)
10.361	(0.795)	Service Level Agreements	12.029	11.853	(0.176)
2.184	(0.418)	Integrated Community Equipment Service	2.501	2.242	(0.259)
33.280	3.257	NorseCare	32.385	33.122	0.737
8.323	(1.172)	Housing related support	6.478	6.478	0.000
13.114	(0.244)	Independence Matters	12.857	12.937	0.080
1.153	(0.216)	Other Commissioning	1.457	1.427	(0.030)
69.600	**0.123**	**Total Expenditure**	**71.669**	**71.990**	**0.321**

2.7.2 Key points:

NorseCare

a) The variance has reduced from Period 6 to £0.737m. 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

b) 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

c) 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

d) 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 £0.080m

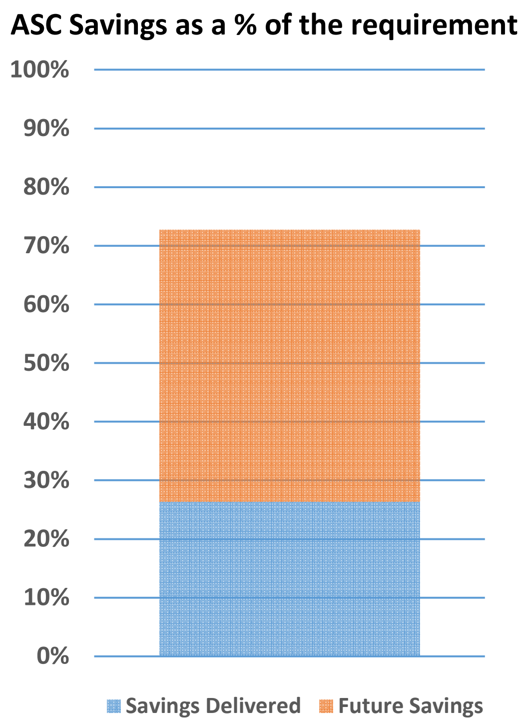
2.8 **Savings Forecast**

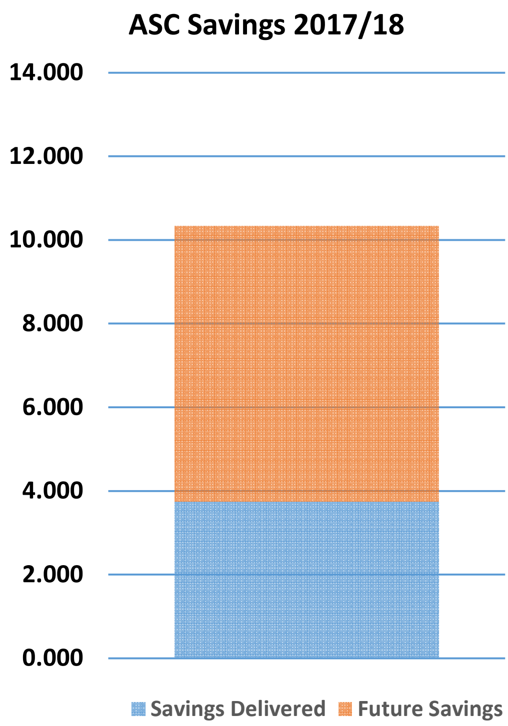
2.8.1 The department's budget for 2017/18 includes savings of £14.213m, the net savings reported for the service total £11.213m, which reflects the impact of reversing previous savings of £3m for transport, which are now targeted in 2018/19. In addition the service is planning to meet additional savings 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 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 7 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 6. **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





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 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, however it is expected that this will not result in savings in the short term.

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 be achieved. This has been mitigated through revised usage of contracts to improve value for money.

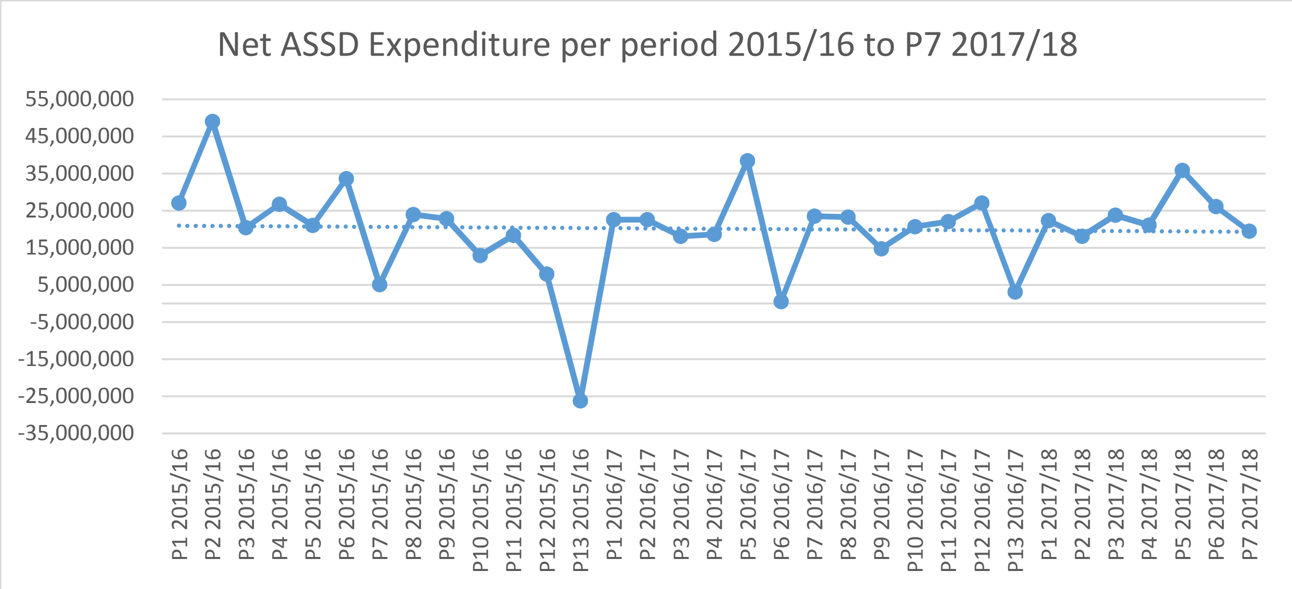
The following savings have no formal requirement for delivery in 2017/18, and are not part of the forecast savings above but are mitigating the non-delivery against the services reported forecast outturn.

Transport (target £0.000m; forecast £0.500m) 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.

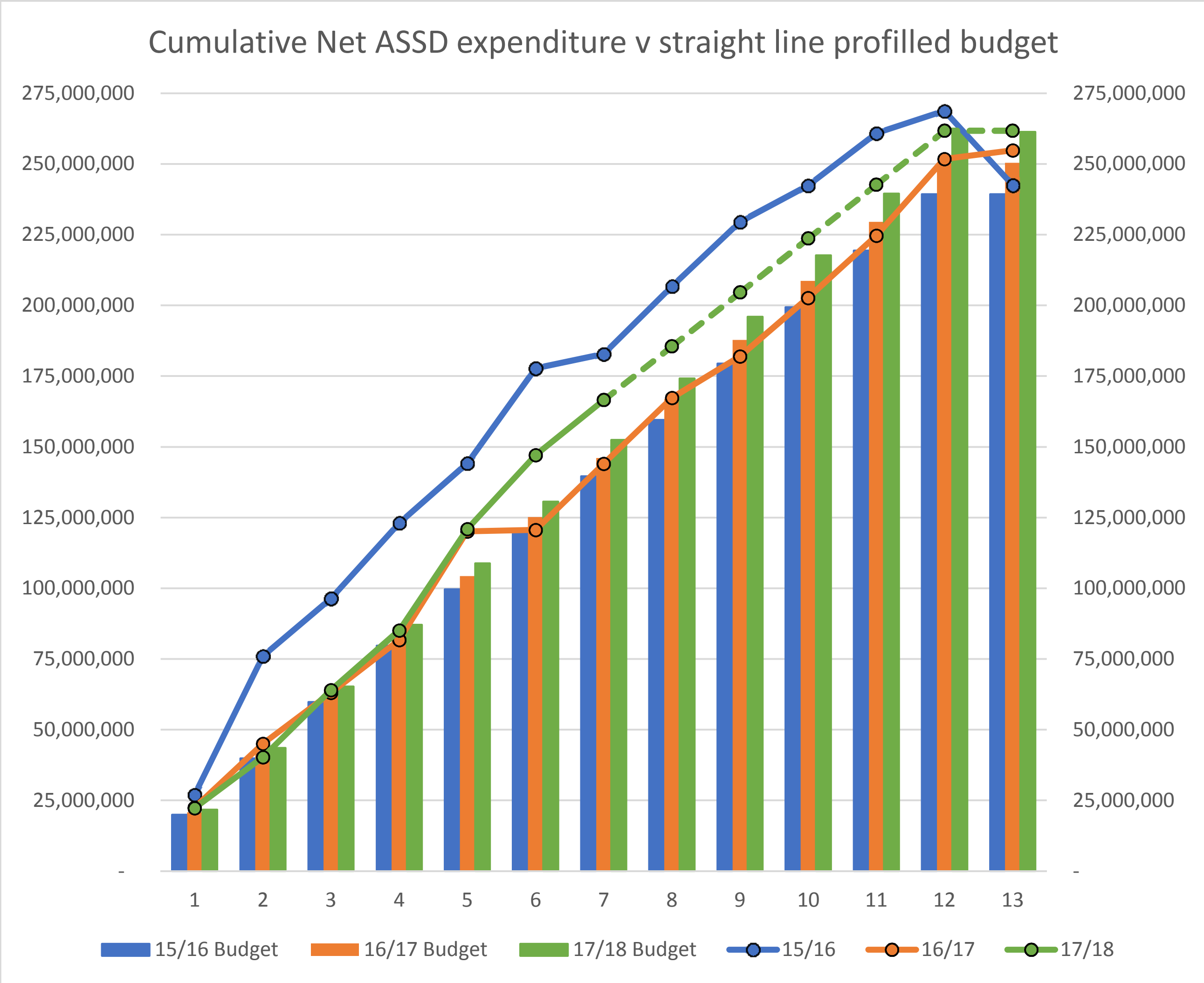
Service User income (target £0.000m; forecast £0.600m) The Finance Exchequer Service has increased work with service users who make a nil contribution towards their care with a view to ensuring the service user is maximising their income and supporting them to claim all the benefits they are entitled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

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.



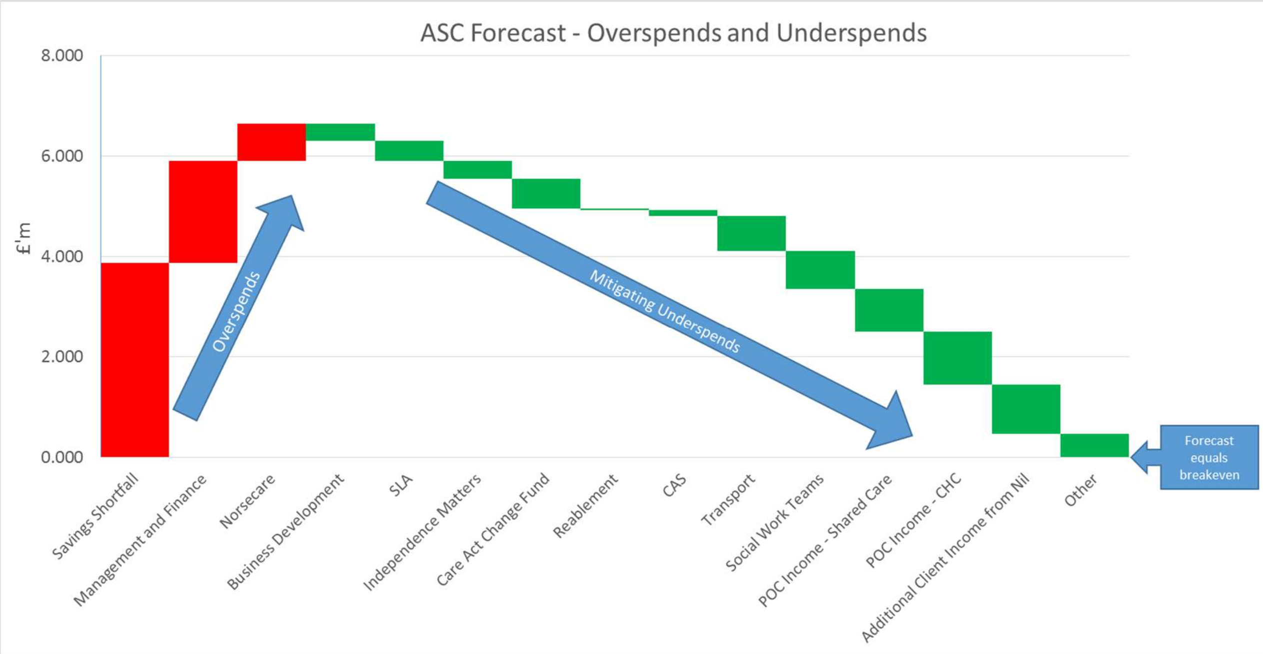
2.8.6. The department's net expenditure, when compared to a profiled budget, currently appears to display a stronger position than it did in 2015/16 but a slightly worse position than 2016/17. The net expenditure is now above the profiled budget at period 7, which is mainly due to the double payment period described above. We expect that the net expenditure will more gradually return towards the profiled budget than it did in 2016/17. Whilst the period 5 and period 6 patterns of expenditure are relatively similar, in 2016/17 period 6 was represented by a one-off spike in income as the billing commenced for the Better Care Fund (BCF). In 2017/18, now the S75 agreement has been completed for the BCF, the income can begin to be transferred from the BCF Pooled funds into the Adult Social Care budget, thereby beginning to close the gap between net expenditure and the budget.



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 continues to forecast a breakeven 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, Liquid Logic, 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. As previously reported, the project timescale has meant that Period 8 reporting on purchase of care is not possible as it will take a few weeks for the teams to ensure that all commitments are in the system. To mitigate risk, the service worked with finance to undertake a half year-end close at Period 6, which provided a more detailed view of the accounts and balances and this has not identified variations to the previous forecast position.

2.10 **Reserves**

2.10.1 The department's reserves and provisions at 1 April 2017 were £6.231m. 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 7 the forecast includes the planned use of £0.901m of reserves in this financial year.

2.10.3 The forecast reserve position at 31 March 2018 is £11.035m.

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 £9.6m 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. 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
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 7 for the 2017-18 Revenue Budget of £261.313m
b) The planned use of reserves
c) The forecast outturn position at Period 7 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 October 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:

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Appendix A

Adult Social Care 2017-18: Budget Monitoring Period 7 (October 2017)

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

Summary	Budget	Forecast Outturn	Variance to Budget		Variance @ Pd 6
	£m	£m	£m	%	£m
Services to users					
Purchase of Care					
Older People	111.076	115.614	4.538	4.09%	4.912
People with Physical Disabilities	23.148	23.743	0.595	2.57%	0.537
People with Learning Disabilities	99.191	101.308	2.117	2.13%	2.716
Mental Health, Drugs & Alcohol	13.545	14.087	0.542	4.00%	0.462
Total Purchase of Care	**246.960**	**254.752**	**7.792**	**3.16%**	**8.627**
Hired Transport	6.672	5.972	(0.700)	(10.49%)	(0.700)
Staffing and support costs	17.126	16.305	(0.821)	(4.79%)	(0.747)
Total Cost of Services to Users	**270.758**	**277.029**	**6.271**	**2.32%**	**7.180**
Service User Income	(81.071)	(89.915)	(8.845)	10.91%	(8.672)
Net Expenditure	**189.687**	**187.113**	**(2.574)**	**(1.36%)**	**(1.492)**
Commissioned Services					
Commissioning	3.962	3.932	(0.030)	(0.76%)	(0.053)
Service Level Agreements	12.029	11.853	(0.176)	(1.47%)	(0.210)
ICES	2.501	2.242	(0.259)	(10.36%)	(0.245)
NorseCare	32.385	33.122	0.737	2.27%	0.806
Housing Related Support	6.478	6.478	0.000	0.00%	0.000
Independence Matters	12.857	12.937	0.080	0.62%	0.287
Other	1.457	1.427	(0.030)	(2.05%)	(0.001)
Commissioning Total	**71.669**	**71.990**	**0.321**	**0.45%**	**0.584**
Early Help & Prevention					
Norfolk Reablement First Support	5.516	5.485	(0.030)	(0.55%)	(0.062)
Service Development	1.244	1.245	0.001	0.12%	0.003
Other	2.879	2.857	(0.021)	(0.73%)	(0.140)
Prevention Total	**9.638**	**9.588**	**(0.050)**	**(0.52%)**	**(0.199)**

Adult Social Care
2017-18 Budget Monitoring Forecast Outturn Period 7
Explanation of variances

1. Business Development, forecast underspend (£0.333m)

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

2. Commissioned Services forecast overspend £0.321m

The main variances are:

NorseCare, overspend of £0.737m. The variance has reduced from Period 6 to £0.737m. 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 (£0.176m). 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 (£0.259m). 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 £0.080m. 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 (£2.574m)

The main variances are:

Purchase of Care (PoC) expenditure, overspend of £7.792m. 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 7 continues to see increases in commitments but this has slowed, the main areas seeing an increase continue to be Residential and Supported Living. The forecast includes adjustment to reflect possible non-delivery of £3.316m net savings.

Service User Income, over-recovery of (£8.845m). Income from service users has exceeded 2016/17 figures up to the end of October 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 increase also reflects the rise in number of service users in residential care, which will increase service user income.

Transport, underspend of (£0.700m). 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 affect and the cost of transport provision is reducing.

4. Early Help and Prevention, forecast underspend (£0.050m)

The main variances are:

Other Services, underspend of (£0.128m). 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 £0.107m relating to ongoing costs, of which there is a plan to manage these downward.

5. Management, Finance and HR, forecast overspend £2.637m

The main variances are:

Management and Finance, overspend of £2.637m. 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 increased from Period 6.

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. In December and January we expect the following to take up new roles in the service*: 17 fte social workers, 11 fte Team Managers, 5 fte Occupational Therapists

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
						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. **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.	We are currently actively recruiting additional occupational therapists, social workers and Team Managers *initially there may be a movement of people between roles (promotions etc.) which will leave gaps that will be backfilled. A new County Resilience team for Community Care has been created for 12 months commencing in December A similar service for LD will start in January 2018 and be staffed with Assistant Practitioners Whilst complex cases are likely to be met through an agency arrangement
Invest and Improve	Reduce pressure on the NHS	**iBCF5** Expansion of prevention schemes – social prescribing and community/care navigation schemes – Invest to save	0.7	0.7	0.0	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	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 and are due to start at different times but the first service is expected to begin in January 2018.

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	Co-production of a trusted assessor model with providers will ensure that each acute hospital is able to discharge people safely and efficiently back to care homes. Partner agencies has signed off the approach. A new job role has been created and appointments made. Service expected to begin in late January 2018. The bed tracker system to support this work went live on 18 December.
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 service; accommodation based reablement and	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 funding depending on the progress and timing of implementing each pilot.	Recruitment for six discharge to assess social workers, was completed in December 2017. Service expected to begin in late January 2018.

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
		active assessment beds					
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.	This will provide 1fte Assistant Mental Health Practitioner overnight. There will be an additional seven beds/flats jointly funded with NSFT with social care support to provide suitable discharge destinations. 7 units of accommodation commissioned as “step down” and admission avoidance from mental health hospitals. 6 units are active and fully occupied, one further unit is ready for occupation.
			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 7 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**

Appendix E

Adult Social Services Reserves and Provisions 2017/18

		Period 7	
	Balance	Proposed usage	Balance
	01-Apr-17	2017/18	31-Mar-18
	£m	£m	£m
Doubtful Debts provision	4.157	0.528	4.685
Total Adult Social Care Provisions	**4.157**	**0.000**	**4.685**
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	-0.187	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	0.244	0.605
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	9.618	9.618
Unspent Grants and Contributions	1.196	-0.439	0.757
Total Adult Social Care Reserves	**2.074**	**8.961**	**11.035**

Total Reserves & Provisions	**6.230**	**9.489**	**15.720**

Appendix F

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	4.948	4.948	2.406
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
TOTAL	**19.355**	**19.274**	**2.515**