

2018/19 Revenue Financial Performance: Communities Directorate Outturn Report

1. Outturn Review

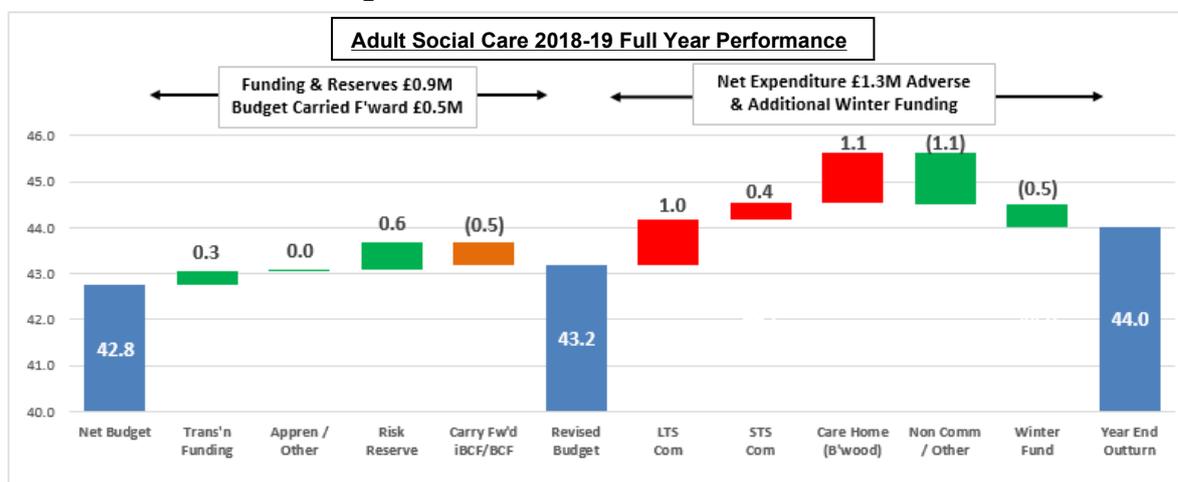
Communities	Current Net Budget	Forecast (Under)/Over spend					Change from Last Quarter	Change from Last Month
		Quarter One	Quarter Two	Quarter Three	Month Eleven	Year End		
	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	43,181	2,388	1,640	1,136	1,153	838	(298)	(315)
Children & Family Services	15,047	220	657	755	812	632	(123)	(180)
Corporate Director - Communities	152	8	8	(1)	(5)	(8)	(7)	(3)
Education DSG funded	(444)	0	0	0	0	0	0	0
Education	8,636	152	(1)	(51)	(95)	(220)	(169)	(125)
Public Health & Wellbeing	86	0	0	0	0	0	0	0
Communities	66,658	2,768	2,303	1,840	1,864	1,242	(598)	(622)

- 1.1 The Directorate outturn position is £1.2m overspent, which is 1.9% against a net budget of £67million, and a favourable variance of £600k from Month Eleven and Quarter Three. This position includes the deployment of the Risk Reserve in Quarter Three of £609k in Adult Social Care and a further £203k in Children and Family Services.
- 1.2 Two services were overspent at the Year End Outturn: Adult Social Care £0.8m and Children and Family Services £0.6m. Across both these services, financial pressures from demand driven externally commissioned placements create these overspends. Agency pressures have been identified across the Child Protection Teams within Children & Family Services and a further financial pressure has been identified relating to the Children and Family Service's Childcare Lawyers budget.

(1) Adult Social Care

2018/19 Outturn Summary:

ASC ended the year with an overspend of £0.8m, net of budget changes and additional funding. The Net Expenditure Bridge below shows the Full Year Change by Service Area and Funding Stream.



During the year the overall budget increase was £0.4m, after £500k of iBCF / BCF funding was carried forward into next year. It also includes the deployment of part of the Risk Reserve which occurred at the end of Quarter Three.

ASC Net overspend of £0.8m was mitigated by additional, one off Winter Funding of £0.5m which was not budgeted for. This ring-fenced grant assisted with the cost of managing transfers of care. An in year mitigation savings target of £500k was allocated to ASC and any savings realised in year are included in the above outturn. There are two main areas where savings have been achieved this year, these are discussed in detail later in this report.

- 1) NWoW: Cost Avoidance of Clients entering Long Term Care
- 2) Client Contribution & Income: direct payments repayments and charging policy

In addition ASC successfully capitalised a portion of Occupational Therapist salaries in line with other areas of the council, reducing the expense by a further £350k in year. All the above savings are fully reflected in the Net Expense Bridge above.

Commissioning Pressures (Long & Short Term)

The Full Year Overspend is £2m. The causes of both Long Term and Short Term overspends is due to client packages sourced from external providers costing significantly more than expected. This is primarily due to rate increases. In addition the Birchwood Embargo resulted in increased demand to source care externally during this time.

The Year End Net position of £0.8m overspend includes £0.6m release from the Risk Reserve in Quarter Three, (as agreed by the Executive) a further £0.5m Winter Funding and capitalisation of OT salaries £0.4m. Commissioning ended the year broadly as expected with an underlying £2m overspend.

The 2019/20 Budget for includes a £2.3m increase in the Long & Short Term Commissioning budgets to cover the above current year shortfall.

Provider Services Pressures

Birchwood Care Home year end is £1.1m overspent. In February the Nursing floor (Top Floor) reported full occupancy for the first time since the lifting of the self-imposed embargo (25 beds). The Frail Nursing Unit (Silverbirch – formally referred to as step down beds) also reported an increased occupancy and now has 6 out of the 10 beds filled.

A pressure bid was agreed for 2019/20 to ensure there is sufficient staffing budget to provide a safe level of service. Whilst Birchwood Staffing Budget is now at a sustainable level for 2019/20, focus must remain on the other cost associated with our Own Home Care provisions and the remainder of our In House care homes. We have seen cost increases, driven mainly by staffing issues & maintenance, across all of the Homes this year. We are continuing to monitor this area closely and plan to introduce some changes to monitoring and reporting.

The single biggest issue faced by ASC remains the lack of a care workforce. This impacts both the costs of our own in-house services and the prices we pay to our

external providers. We are increasingly seeing providers pull out of the market, others turning down work and others returning existing contract.

(2) Children and Family Services

The Children & Family Services outturn position is an over spend of £632k, which is a £123k decrease on Quarter Three. The outturn position reflects the release of £203k of one off funding from the Children & Families risk reserve at Quarter Three.

The key variance explanations are as follows:

Child care lawyers are overspent by £565k due to four complex high costs cases that were not anticipated to occur in 18/19. The 18/19 budget for Child Care lawyers was set at £425k which included a £200k saving target to reduce child care lawyers' costs which was not achieved.

The placement budgets are overspent by £396k mainly in Independent Fostering Agencies' (£182k) and Special Guardianship (£148k) due to an increase in cost driven by demand which fluctuates during the year. The 18/19 placement budgets included a £200k saving target which was not achieved.

There have been underspends in Youth Offending Service, Targeted Intervention Service and Child Protection teams which has partially offset the overspend.

Due to the significant overspend which was forecast in Quarter Two, mitigation strategies were devised to be implemented to address the pressures identified in Children & Family Services. In year savings of £200k have been identified to mitigate overspends and this has been included in the service forecast.

(3) Education

The Education Service outturn position is an underspend of £220k, which is a £169k increase on Quarter Three forecast.

Home school transport is underspent by £265k which is due to savings achieved on contract changes and taxis usage. The underspend has been to some extent offset by overspends in Disabled Children budgets specifically in residential placements. The Disability Support Team is overspent by £126k due to demand led constraints on resources and the adverse variance on Castlegate, £65k, is due to a shortfall on the income target.

In year savings of £200k have been identified to mitigate overspend in prior months and have been included in the service forecast.

The Education risk reserve is £279k for 2018/19. The residential placement costs are over spent which relates to identified risks therefore the risk reserve could have been utilised to offset the over spend. It has been decided that due to the overall underspend on the Education service it will not be required to draw down funds from reserves.

(4) Public Health & Wellbeing

Public Health Outturn position was on line and as expected the underspend of £115k will be carried forward as per the grant conditions to be spent on Public Health activities in 2019/20. Also, within the underspend £20k was earmarked to be rebadged to ASC as a contribution to Public Health related incurred costs in 2018/19.

2. 2018/19 Savings and Income Generation Programme - RAG

2.1 The Communities Directorate 2018/19 savings and income generation programme is summarised below:

	2018/19			Achieved
	Target	Green	Red	
Communities	£k	£k	£k	
Corporate Director	61	0	61	0%
Adult Social Care	761	580	181	76%
Children & Family Services	426	26	400	6%
Education Services	314	264	50	84%
Total	1,562	870	692	56%

(1) Corporate Director:

£61k of savings relating to income and efficiency targets assigned to the former Prevention & Safeguarding Service are Red. The target was not achieved and a pressure bid was submitted and approved for 2019/20.

(2) Adult Social Care:

Adult Social care 2018/19 budget was built with a £761k savings and income generation programme, these included two major initiatives.

Firstly, Achievement of the **New Ways of Working** saving depend on reducing the percentage of those people who come to our front door and end up with a long term service. Around 70% of people approaching the council for help come via our front door. The ‘conversion rate’ for those coming to our front door (excluding those coming from hospital discharge, capital depleters etc.) in 2017/18 was 10.8%.

The final validated figure for 2018/19 will not be available until after the year end but as at the 24th February 2019 the conversion rate for our ‘front door’ stood at 6.7% This 3.1% improvement means that we avoided around 58 people going onto a long term service. If we use the latest average care package value of £19,900 then the saving equates to £1,154,200 for a full year. However, there would have been staggered start dates so a figure of £577,100 for 2018/19 would be more appropriate. Whilst we do have to wait for the fully validated figure, all the indicators are that this improvement in the ‘conversion rate’ has been achieved and the savings target of £225,000 more than achieved.

Secondly, the **Transforming Lives** - delivering care differently to existing clients with complex needs project started in 2016 but whilst some modest savings were delivered in previous years, no savings were made in the current year. A number of problems were experienced with this project and it has been discontinued. However the opportunity to review complex care packages and identify arrangements that

make better use of resources still exists and a number of better targeted review exercises are in place to meet 2019/20 savings targets. These projects have been started early as part of the overspend mitigation actions and they have already delivered significant savings (£73k in year and £220k full year).

The £6k saving for S12 specialist GPs for Deprivation of Liberty safeguards has not been achieved and remains Red.

The £355k of income generation has been achieved in full.

Whilst modest savings were delivered by Transforming Lives and none in the Deprivation of Liberty area, the overachievement in New Ways of Working and the delivery of the extra incomes means that the overall target was met by ASC.

(3) Children & Family Services:

Children & Family Services 2018/19 budget was built with a £426k savings and income generation programme.

The saving of £200k for Childcare Lawyers is red as it has not delivered. The budget for Childcare lawyers was significantly reduced at the start of the financial year. This was based on a belief that the recently introduced Family Safeguarding Model of working would reduce court based work. However, the court work did not reduce in 2018/19, which exacerbated the eventual overspend (because £200k had been removed from the budget anyway). The saving was not met because we failed to model the true and likely demand of the service. There have been a number of particularly complex West Berkshire cases before the Family Court this year.

Placements management (family safeguarding), £200k, is RAG rated as Red as at Outturn the Placement budget is significantly overspent therefore the savings target have not been achieved in year. Family Safeguarding was expected to make savings by reducing the need for acute level interventions. Whilst this is possible, we expected to do this far too early in the project. The project went fully live in April 2018 and it was too optimistic to expect such an impact early on. Significantly, the number of children in care nationally continues to rise, and also the presentation of increasingly complex needs (which are costly). The saving was not met due to increased demand, more costly placement provision (due to need) and exceptional issues such as higher representation of unaccompanied asylum seekers. However we are able to identify placement cost reductions in the family safeguarding teams. Family Safeguarding is not rolled out across all teams in West Berkshire, but in those where it is, we are seeing encouraging signs.

All other savings has been achieved.

Education:

Education 2018/19 budget was built with a £313k of savings & income generation programme.

The saving of £50k for Castlegate is red. The Castlegate 'saving', which relates to generating additional income, was the subject of a review meeting, involving the portfolio holder and relevant officers. The previous business plan was reassessed in the light of changed circumstances (i.e. increased West Berkshire demand), and

found to be basically sound. If we are to be successful additional capacity will be essential in delivering this saving in 2019/20.

All other savings are expected to be achieved.

(4) Public Health & Wellbeing:

Public Health & Wellbeing services 2018/19 budget was built with a £333k savings and income generation programme.

Income generation, £29k, is Red due to traded services implementation being delayed. Needle Exchange, £5k, and SRCL Waste, £2k, are flagged as Red due to the savings not being feasible to be fulfilled. These savings will be offset by underspends on dual diagnosis nurse.

All other savings are expected to be achieved.

3. Risks

3.1 Adult Social Care:

Adult Social Care has a dedicated risk reserve of £1.6million designed to be utilised in year, should the named risks materialise. A detailed risk register is maintained to support this reserve. At Quarter Three it was agreed to deploy part of this reserve and £609k was released for in year mitigation.

Adult Social Care	Value	Draw Down Month 9	Reserve Balance
	£000	£001	£000
Risk Reserve closing balance 31.3.2018	881		
Adult Social Care Support Grant	313		
Increase in reserve agreed via bid	406		
Risk Reserve balance 01.04.2018	1,600		
Risk Reserve balance 30.06.2018			1,600
Risks arising as at Quarter Three 2018-19:			
2 transition packages higher than expected	-107	-107	
Loss of a Continuing Health Care Award (CHC)	-83	-81	
Additional one off resource due to Birchwood Embargo	-257	-110	
Additional care management resource	-22	-22	
Contracts retendered higher than inflation	-390	-155	
Precarious Clients	-134	-134	
Provider Failure (Carewatch)	-95		
Total remaining risks arising in 2018/19			-1,088
Risk Reserve potential closing balance 31.03.2019	-1,088	-609	512

3.2 Children and Family Services

Children and Family Services has a dedicated risk reserve of £415k designed to be utilised in year, should the named risks materialise. A detailed risk register is maintained to support this reserve. At Quarter Three it was agreed to deploy part of this reserve and £203k was released for in year mitigation.

Children and Family Services	Approved Risk Register	M9 Overspend that relate to named risks	M9 use of risk reserve
Named Risks	£000	£000	£000
Utilisation of agency staff			
Requirement to cover key posts (social workers) above base budget provision. Based on the current service average agency weekly expenditure for two additional workers.	130	47	47
Placement & Allowances Expenditure (current average annual cost)			
Increase in residential placements (based on average annual placement costs). Based on one additional placement.	231	102	102
Increase in Independent Fostering usage (based on average annual placement costs). Based on one additional placement.	54	234	54
	415	382	203

3.3 Education:

The Education risk reserve is £279k for 2018/19. The residential placement costs are over spent by £86k which relates to identified named risks. It has been decided not to utilise the risk reserve as the Education service is underspent.

4. Transformation Funding

The Directorate was awarded transformation funding of £39k in 2017/18 for the Emotional Health Academy, Family Hub Transformation and transport project. £437k has been awarded in 2018/19.

Adult Social Care was awarded £300k in 2018/19, some of this was used for an external resource to continue to interrogate transport expenditure, supported by the Transport Integration Group. Work is now complete. The majority of the funding is being used to implement assistive technology with the aim of improving our prevention focus and reducing the size of care packages. The project has started, governance is through ASC Budget Planning Group and BW7.

Children and Family Services have been provisionally awarded £131k to support the Family Safeguarding Model.

In Education, £11k has been awarded to the Emotional Health Academy.