

---

# Management Review into the in year Revenue Overspend in Adult Social Care – 2018/19

---

<b>Committee considering report:</b>	Special Overview and Scrutiny Management Commission on 26 February 2019
<b>Portfolio Member:</b>	Councillor Graham Bridgman
<b>Date Portfolio Member agreed report:</b>	31 January 2019
<b>Report Author:</b>	Nick Carter/ Julie Gillhespey
<b>Forward Plan Ref:</b>	N/A

---

## 1. Purpose of the Report

- 1.1 To set out the findings of an internal review into the forecast overspend in the Adult Social Care (ASC) Revenue Budget in 2018/19.

## 2. Recommendations

### 2.1 That;

- (1) there should be a monthly ASC budget meeting chaired by the Head of Adult Social Care and which is minuted. Its terms of reference need broadening and its membership standardised as set out in Appendix C;
- (2) the link between this meeting, CDLT and Budget Board needs to be clarified and formalised;
- (3) a review is undertaken of the corporate methodology used for budget build particularly in relation to the treatment of in year overspends;
- (4) the Head of Adult Social Care (ASC) in consultation with the Head of Finance and Property prepare a report which sets out proposals to enhance the budget planning capabilities within ASC so that they are in line with corporate expectations. This report needs to provide clarity as to the roles and responsibilities of all involved in the budget planning process;
- (5) a model for Short Term Services should be developed by ASC for 2020/21;
- (6) proposals outlined in Appendix C for refreshing and enhancing management of the modelling process be approved;
- (7) enhance the existing budget monitoring to provide much greater transparency regarding spend within BCF and iBCF;
- (8) investigate the possibility of using Care Director/Agresso to replace some of the spreadsheets currently used by Accountancy to track and monitor commissioning decisions and spend;

- (9) review the number of virements (budget movements/corrections) to help improve transparency regarding budget trends.
- (10) that a separate report covering the background to Birchwood is prepared by the Head of Adult Social Care in consultation with the Audit Manager as prescribed in the report;
- (11) the Head of Adult Social Care; in consultation with the Head of Finance and Property; to prepare a report biannually to Corporate Board and Operations Board on progress with implementing the recommendations set out in this report.

### 3. Implications

- 3.1 **Financial:** This report does not in itself have financial implications for the Council although its focus is a budgetary one. The proposal to strengthen financial management within Adult Social Care is likely to create financial pressures however, these will be the subject of a separate report.
- 3.2 **Policy:** This report has no policy implications for the Council. There is a need to strengthen the governance of budget planning and management in relation to Adult Social Care.
- 3.3 **Personnel:** This report has no personnel implications at this point. The need to strengthen financial management within Adult Social Care will create a need to review staffing levels but this will be the subject of a separate report at a later stage.
- 3.4 **Legal:** There are no legal implications arising from this Report.
- 3.5 **Risk Management:** The current overspend in Adult Social Care has created significant financial pressure for the Council both in year and going forward. Whilst the overspend itself was not avoidable part of it could have been forecast with better planning and process management.
- 3.6 **Property:** There are no Property implications in relation to this Report.
- 3.7 **Other:** None.

### 4. Other options considered

- 4.1 None. This Paper is a review into a financial overspend and so other options were not considered relevant.

## Executive Summary

### 5. Introduction / Background

- 5.1 A 'Gross Overspend' of around £2.9m has emerged in year within the Adult Social Care (ASC) budget. Various mitigating measures are expected to bring this down to around £2.1m at outturn (as at Q2 18/19). Given the significance of the overspend the Chief Executive was asked to undertake a review to determine the cause and how such an event might be avoided in the future. The Chief Executive has been assisted by the Audit Manager in compiling this review.
- 5.2 The report includes a number of recommendations which are based on the conclusions set out below.

### 6. Conclusions

- 6.1 The review has drawn the following main conclusions with regard to the in year overspend:
- (1) Whilst the word 'overspend' has been used to define the current problem, in reality, insufficient budget was given to ASC from the outset so 'budget deficit' is perhaps a more accurate description. It is estimated that ASC was probably around £2m 'short' when it started the Financial Year on the 1<sup>st</sup> April, 2018. Whilst much of the deficit could not have been avoided much of it could have been forecast and planned for in the preparation of the 2018/19 ASC Budget:
  - (2) Adult Social Care has 'overspent' for the last three years and the scale of that overspend has continued to increase. The treatment of overspend as recurrent expenditure remains a concern, and was an issue in 2018/19:
  - (3) Further analysis shows that ASC has a legitimate call on the ASC Risk Fund of £423k bringing the actual overspend down at Q2 to £1.75m:
  - (4) Two main issues are seen to drive the in year budget deficit; errors with the modelling of costs for Long Term Services; and significant budget pressures in relation to the Birchwood Care Home:
  - (5) Other issues driving the overspend include unmet savings (some of which have been carried forward from previous years) and rising costs in relation to transfers of care, respite provision and support for the voluntary sector:
  - (6) The situation has not been helped by the absence of key staff in both Adult Social Care and Finance.
  - (7) The model for Long Term Services is generally sound and has been extensively enhanced for 2019/20. This should build confidence:
  - (8) Budget monitoring is generally robust but there are a small number of proposals being made to enhance the current arrangements:

- (9) There are a number of areas where governance should be improved but the biggest concern is that there is insufficient capacity and capability in Adult Social Care to undertake the required budget planning needed for a budget of such size and complexity. Far too much emphasis is placed on Finance to do the work. Their role is to challenge and scrutinise and provide the necessary 'checks and balances' that such a complex exercise must have in place. They cannot fulfil both roles:
- (10) There needs to be a review into the resources that ASC currently has to carry out its budget management responsibilities more effectively. As more resources are allocated to a burgeoning ASC Service so it will be necessary to ensure some of those resources are allocated to the support structures required to effectively manage it.

## 7. Appendices

- 7.1 Appendix A – Data Protection Impact Assessment
- 7.2 Appendix B – Equalities Impact Assessment
- 7.3 Appendix C – Management Review into the in Year Revenue Overspend in Adult Social Care 2018/19 – Full Report.
- 7.4 Appendix D – Internal Audit Report covering work undertaken for the ASC Budget Management Steering Group.
- 7.5 Appendix E – ASC Risk Reserve 2018/19 – statement and commentary.
- 7.6 Appendix F – Proposed Action Plan.

## Appendix A

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	Resources
Service:	Chief Executive and Support
Team:	Chief Executive
Lead Officer:	Chief Executive
Title of Project/System:	Senior Management Review 2018
Date of Assessment:	N/A

**Do you need to do a Data Protection Impact Assessment (DPIA)?**

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be processing data on a large scale?</b></p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will your project or system have a “social media” dimension?</b></p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will any decisions be automated?</b></p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be using any novel, or technologically advanced systems or processes?</b></p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.**

## Appendix B

### Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; this includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Executive to make:</b>	Management Review into the in year Revenue Overspend in Adult Social Care – 2018/19
<b>Summary of relevant legislation:</b>	N/A
<b>Does the proposed decision conflict with any of the Council’s key strategy priorities?</b>	No
<b>Name of assessor:</b>	Nick Carter
<b>Date of assessment:</b>	8 <sup>th</sup> January 2019

<b>Is this a:</b>		<b>Is this:</b>	
<b>Policy</b>	<b>No</b>	<b>New or proposed</b>	<b>No</b>
<b>Strategy</b>	<b>No</b>	<b>Already exists and is being reviewed</b>	<b>Yes</b>
<b>Function</b>	<b>No</b>	<b>Is changing</b>	<b>No</b>
<b>Service</b>	<b>Yes</b>		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	To review the in-year ASC overspend and make appropriate recommendations
<b>Objectives:</b>	To review; <ol style="list-style-type: none"> <li>1. the nature of the overspend;</li> <li>2. how it has arisen and why;</li> <li>3. the learning that can be taken from the issue;</li> <li>4. to recommend what needs to be done to reduce the risk of it occurring again.</li> </ol>
<b>Outcomes:</b>	<ol style="list-style-type: none"> <li>1. An understanding of what the overspend is made up of and why it occurred.</li> <li>2. Recommendations that reflect the learning and reduce the risk of a repetition.</li> </ol>
<b>Benefits:</b>	<ol style="list-style-type: none"> <li>1. Greater financial control and resilience in the future.</li> </ol>

**2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.**  
 (Please demonstrate consideration of all strands – Age, Disability, Gender)



Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
Age	None	None
Disability	None	None
Gender Reassignment	None	None
Marriage and Civil Partnership	None	None
Pregnancy and Maternity	None	None
Race	None	None
Religion or Belief	None	None
Sex	None	None
Sexual Orientation	None	None
<b>Further Comments relating to the item:</b>		
<b>3 Result</b>		
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>		<b>No</b>
<b>Please provide an explanation for your answer:</b>		
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>		<b>No</b>
<b>Please provide an explanation for your answer:</b>		

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

Name:

Date:

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.