

NOTICE OF MEETING

SPECIAL ADULTS & HEALTH SCRUTINY PANEL

**Thursday, 16th November, 2017, 6.30 pm - Civic Centre, High Road,
Wood Green, N22 8LE**

Members: Councillors Pippa Connor (Chair), Gina Adamou, David Beacham,
Patrick Berryman, Eddie Griffith, Peter Mitchell and Ali Gul Ozbek

Co-optees/Non Voting Members: Helena Kania (Non-Voting Co-optee)

Quorum: 3

1. **FILMING AT MEETINGS**

Please note that this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on.

By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

2. **APOLOGIES FOR ABSENCE**

3. **ITEMS OF URGENT BUSINESS**

It being a special meeting, to consider budget monitoring, under Part Four, Section B, Paragraph 17, of the Council's Constitution, no other business shall be considered at the meeting.

4. DECLARATIONS OF INTEREST

A Member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and

(ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interest are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct.

5. DEPUTATIONS/PETITIONS/ PRESENTATIONS/ QUESTIONS

To consider any requests received in accordance with Part 4, Section B, Paragraph 29 of the Council's Constitution.

6. PRIORITY 2 BUDGET POSITION (PERIOD 6, 2017/18) (PAGES 1 - 14)

This report provides an overview of the financial performance of the services within Priority 2 (Enable adults to live healthy, long and fulfilling lives) as at the end of quarter 2, 2017/18.

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Wednesday, 08 November 2017

Report for: Adults and Health Scrutiny Panel – 16 November 2017

Title: Priority 2 Budget Position (Period 6 2017/18)

Report authorised by : Beverley Tarka, Director of Adults Services

Lead Officer: Paul Deeney
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Ward(s) affected: All

**Report for Key/
Non Key Decision:** Not a key decision

1. Describe the issue under consideration

This report provides an overview of the financial performance of the services within Priority 2 (Enable adults to live healthy, long and fulfilling lives) as at the end of quarter 2, 2017/18.

2. Cabinet Member Introduction

3. Recommendations

That Members note the financial position of Priority 2 services.

4. Reasons for decision

This is a report for information and discussion.

5. Alternative options considered

As this is an information and discussion paper, there are no alternatives.

6. Background information

6.1 Introduction

6.1.1 Priority 2 services are those relating to Adults within the Deputy Chief Executive's Department. This includes all of the services managed by the Director of Adults Services and those Adults-focussed services managed by the Director of Public Health and the Assistant Director of Commissioning.

6.1.2 **Table 1** sets out the main components of those services funded from Council budgets and shows that as at period 6, Priority 2 is forecast to overspend by £3.5m in 2017/18.

Table 1: Priority 2 budget position Period 6 2017/18

	budget £m	outturn £m	variance £m
Adults Social Care			
Care packages	62.3	66.0	3.7
Directly provided services	3.9	4.4	0.5
Other	15.0	14.4	(0.6)
	81.3	84.9	3.6
Public Health	11.4	11.3	(0.1)
Commissioning	2.6	2.5	(0.0)
P2 total	95.2	98.7	3.5

6.1.3 The projected overspend confirms difficulties in delivering on savings measures and of being able to contain demand for Adults Social Care. There have nonetheless been reductions in expenditure, albeit not at the pace and scale required by savings targets.

6.1.4 This report gives an overview of the pressures and gaps facing Priority 2 in financial terms.

6.2 Adults Packages of Care £3.7m

6.2.1 Care Packages is projected to overspend by £3.7m following the release of £0.6m provisions which indicates that the underlying pressure on care packages is £4.3m

6.2.2 The forecast outturn is based on committed spend at the end of period 5, as recorded in Mosaic, the department's care management system and is then adjusted for the financial effects of –

- future savings and management action plans
- packages which have yet been entered or authorised

- an estimate of the level of overstatement of commitment due to e.g. services not being closed or not being fully utilised

6.2.4 The overspend is attributable to –

- unfunded demand including £1m new activity and £0.3m arising from clients not being placed in Osbourne Grove Nursing Home as a result of the embargo on the home
- £3m slippage on the savings measures that were planned (Section 6.7 considers this further)

6.2.6 In order to reduce spend, officers are continuing to develop and implement initiatives based around the core strategic principles of demand, market and operational management.

6.3 Directly Provided Services £0.5m

6.3.1 Direct Provided Services are projected to overspend by £0.5m at period 6, following the release of (£0.7m) provisions which indicates that the underlying pressure is £1.2m.

6.3.2 £1.0m of the projected overspend is related to Osbourne Grove Nursing Home and attributable to –

- £0.3m cost of additional staffing resource to cover for those staff involved in various HR proceedings
- £0.1m cost of additional staffing resource to drive improvements in quality of care
- £0.6m loss of income from client contributions and health funding due to the embargo being placed on new clients entering the home

6.4 Other Adults Social Care (£0.5m)

6.4.1 This service principally includes the social work staffing budgets for the service, including assessment, reviewing and commissioning functions within Adults Social Care. There are underspends against vacant salaries budgets across the service, mainly in the assessment and reablement teams. The underspend in reablement is as a result of a proposal to charge costs of locum Occupational Therapists against the capital Disabled Facilities Grant which then allows the service to hold vacant posts.

6.5 Commissioning £nil

6.5.1 Commissioning budgets in Priority 2 are projected to break even at period 6. This is after the achievement of £200k savings on voluntary sector contracts.

6.6 Public Health (£0.1m)

6.6. Public Health budgets in Priority 2 are projecting an immaterial favourable variance of (£0.1m) at period 6.

6.7 Status of MTFS savings measures

6.7.1 **Table 2** summarises the 2017/18 savings targets for all the services in Priority 2 and their delivery status.

Table 2: Summary of Statuses for Priority 2 MTFS Savings Targets

	Original target	Revised target	Projected at period 6	Under-achievement
	£000	£000	£000	£000
MTFS 1				
Packages of care	(2,803)	(4,044)	(2,216)	1,828
ASC workforce restructure	(970)	(970)	(970)	-
Voluntary sector	(200)	(200)	(200)	-
Public Health	(1,586)	(1,586)	(1,586)	-
	(5,559)	(6,800)	(4,972)	1,828
MTFS 2				
Supported Housing Review	(475)	(134)	(34)	100
Fees and Charges Review	(199)	(44)	(44)	0
Technology Improvements	(750)	(420)	(185)	235
Market Efficiencies	(987)	(572)	(147)	425
	(2,411)	(1,170)	(409)	760
	(7,970)	(7,970)	(5,381)	2,588

6.7.4 The slippage on savings and continuing demand have contributed to the existing financial position. The service have highlighted this pressure in its submission to the refreshed MTFS.

7. Contribution to strategic outcomes

7.1 This report is dealing with the financial position of those services which are contributing to the Council's Priority 2: Enable adults to live healthy, long and fulfilling lives.

8. Statutory Officers Comments

8.1 Assistant Director of Corporate Governance

8.1.1 The Assistant Director of Corporate Governance has been consulted on this report.

8.2 Finance and Procurement

8.2.1 This is a financial report which has been prepared in collaboration with the Chief Finance Officer.

8.3 Legal

8.3.1 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation. This could include, as set out in the report, action to reduce spending in the rest of the year.

8.3.2 The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.

8.4 Equality

8.4.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

8.4.2 This report provides an update on the current budgetary position for Priority 2 in relation to the MTFS. All MTFS savings were subject to equalities impact assessment.

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Priority 2 Budget

2017/18 Period 6

Adults and Health Scrutiny
Panel

Paul Deeney

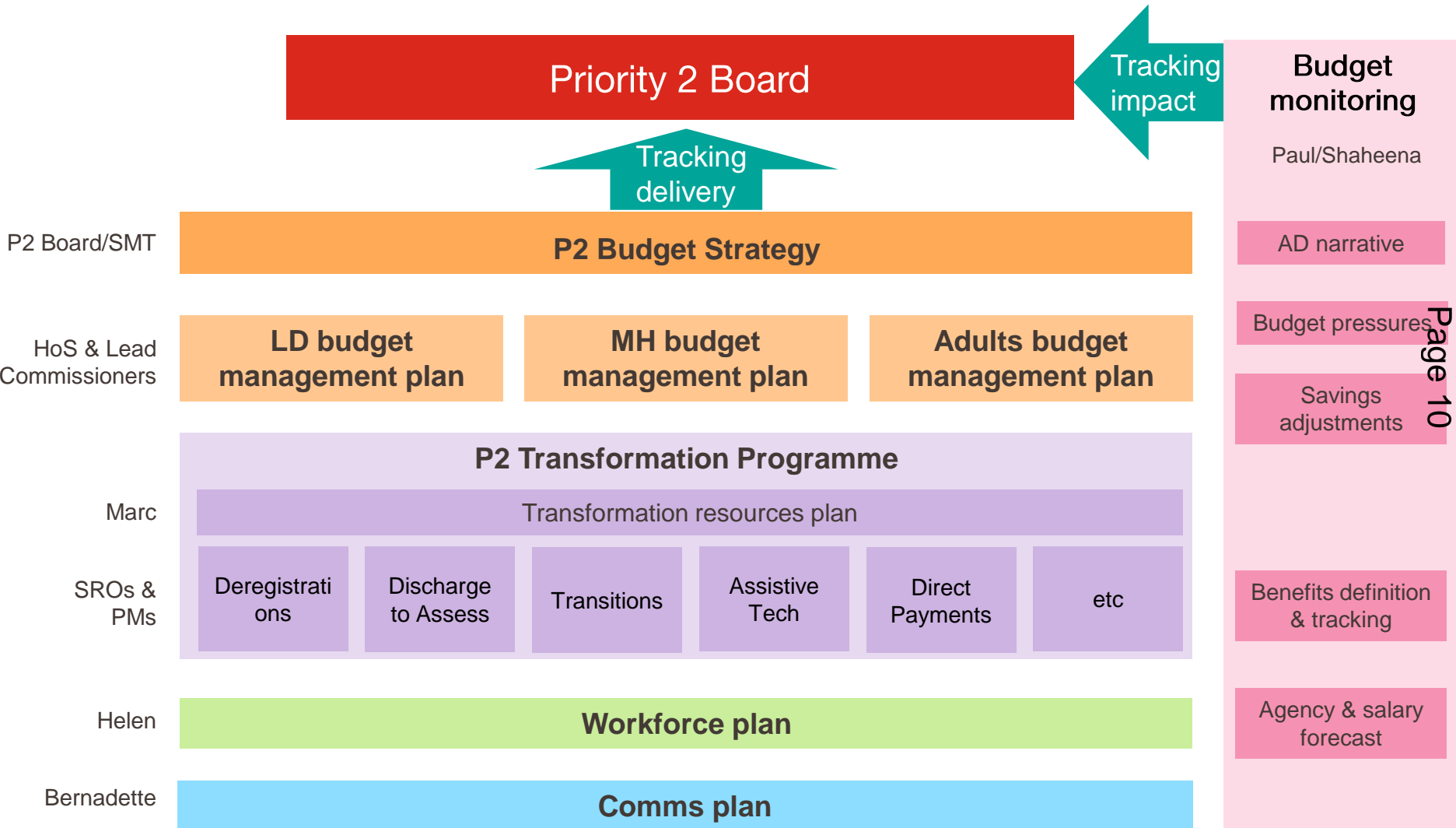
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1. Priority 2 Budget Build 2017/18

	ASC £000	Commissioning £000	Public Health £000	total £000
Base budget	70,080	2,954	13,374	87,310
Unavoidable growth	11,889	-	-	11,889
MTFS1 savings	(3,773)	(200)	(1,586)	(5,559)
MTFS2 savings	(2,411)	-	-	(2,411)
ASC precept	1,861	-	-	1,861
Fees & charges	(3)	-	-	(3)
Budget signed off April 2017	77,643	2,754	11,788	92,185
Budget adjustments				
Corporate recharges	2,868	253	322	3,443
Transformation fund	1,200	.	.	1,200
Income team transfer	(512)	512	-	-
Salary inflation	163	28	-	191
Other	(32)	378	(28)	318
Budget at period 7	81,330	3,925	12,082	97,337

2. Delivering the Priority 2 MTFS



3. Priority 2 Budget at Period 6 2017/18

	ASC				Public Health	Commissioning	P2 total
	Care packages	Directly provided services	Other	total			
	£m	£m	£m	£m			
2017/18 Budget as at period 6	62.3	3.9	15.0	81.3	11.4	2.6	95.2
Projected outturn ^(prior to future savings)	68.5	5.1	14.7	88.3	11.3	2.5	102.1
Savings	(1.1)	-	-	(1.1)	-	-	(1.1)
Management Action Plans	(0.7)		(0.3)	(1.0)	-	-	(1.0)
Projected outturn ^(after future savings)	66.6	5.1	14.4	86.2	11.3	2.5	100.0
Budget variance ^(before release of provisions)	4.3	1.2	(0.6)	4.9	(0.1)	-	4.8
Release of provisions	(0.6)	(0.7)	-	(1.3)	-	-	(1.3)
Budget variance ^(after release of provisions)	3.7	0.5	(0.6)	3.6	(0.1)	-	3.5

4. Priority 2 Budget at Period 6 2017/18 – narrative

- £98.7m forecast against budget of £95.2m, an adverse movement of £1.9m on Period 5
- £3.5m adverse variance made up of ASC £3.6m, Public Health (£0.1m)
- In-year forecast has been mitigated through the release of provisions totalling (£1.3m) -
 - Haynes (£0.66m)
 - Care packages (£0.64m)
- ASC pressures include -
 - £1.0m Osborne Grove NH – agency staff cost, loss of client contributions and health income
 - £4.3m on care packages - £1m demand above trajectory, £3.3m savings not realised in year
- MTFS 1 & 2 savings targets
(£5.4m) projected to be saved against a total target of (£7.97m). This includes (£1.0m) arising from additional Management Action plans agreed at period 6

5. Priority 2 Savings at Period 6 2017/18

	Original target £000	Revised target £000	Projected at period 6 £000	Under-achievement £000	Notes
MTFS 1					
Savings against packages of care	(2,803)	(4,044)	(2,216)	1,828	PIR, transformation reviews
ASC workforce restructure	(970)	(970)	(970)	-	
Voluntary sector	(200)	(200)	(200)	-	
Public Health	(1,586)	(1,586)	(1,586)	-	
	(5,559)	(6,800)	(4,972)	1,828	
MTFS 2					
Supported Housing Review	(475)	(134)	(34)	100	Step down into HRS
Fees and Charges Review	(199)	(44)	(44)	0	DRE threshold
Technology Improvements	(750)	(420)	(185)	235	AT, online information
Market Efficiencies	(987)	(572)	(147)	425	Trusted provider, MOW's, DPS
	(2,411)	(1,170)	(409)	760	
	(7,970)	(7,970)	(5,381)	2,588	

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