

**Report for:** Adults and Health Scrutiny Panel - 1<sup>st</sup> November 2018

**Title:** Priority 2 Budget Position (Quarter 1 2018/19)

**Report authorised by :** Beverley Tarka, Director of Adults Services

**Lead Officer:** Paul Deeney  
Telephone: 020 8489 2829  
Email: [Paul.Deeney@haringey.gov.uk](mailto:Paul.Deeney@haringey.gov.uk)

**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 1, 2018/19.

## 2. Recommendations

That Members note the financial position of Priority 2 services.

## 3. Reasons for decision

This is a report for information and discussion.

## 4. Alternative options considered

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

## 5.1 Background information

5.1.1 Priority 2 services are those services relating to Adults and which are managed by the Director of Adults and Health. These include Adults Social Care services and those adults-focused services managed by the Director of Public Health and the Assistant Director of Commissioning.

5.1.2 **Table 1** sets out the main components of those services funded from Council budgets and shows that as at quarter 1, Priority 2 is forecast to overspend by £3.5m in 2018/19.

### Table 1: Priority 2 budget position Quarter 1 2018/19

---

	<b>budget</b>	<b>outturn</b>	<b>variance</b>	<b>release from reserve</b>	<b>adjusted variance</b>
	£m	£m	£m	£m	£m
Adults Social Care					
Care packages	63.4	67.0	3.5		
Directly provided services	3.5	4.2	0.7		
Other	13.8	13.8	0.0		
	80.8	85.0	4.2		
Public Health	11.9	11.9	0.0		
Commissioning	9.5	9.7	0.1		
P2 total	102.2	106.6	4.4	(2.0)	2.4

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

5.1.4 This report attempts to convey a sense of the pressures and gaps facing Priority 2 in financial terms.

## 5.2 Adults Packages of Care £3.5m adverse

5.2.1 Care Packages is projected to overspend by £3.5m.

5.2.2 The forecast outturn is based on committed spend at the end of quarter 1, as recorded in Mosaic, the department's care management system and is then adjusted for the financial effect of –

- Future savings and management action plans;
- Packages which have not yet been entered or authorised;
- An estimate of the level of overstatement of commitment due to eg services not being closed or not being fully utilised

5.2.3 The overspend is attributable to –

- £2.9m in relation to underlying care package pressures brought forward from the previous year;
- £0.6m slippage on the savings measures that were planned (Section 6.7 considers this further).

5.2.4 In order to reduce spend, officers are continuing to develop strategies of operational, demand and market management including -

- Review of all clients' needs in the context of a policy of Promoting Independence;
- changes to the processes for averting from care those unlikely to meet standard thresholds;
- streamlining arrangements for undertaking assessments;
- developing more preventative initiatives in collaboration with health colleagues.

### 5.3 Directly Provided Services £0.7m adverse

5.3.1 The £0.7m adverse variance is attributable to Osborne Grove Nursing Home. An embargo is in place on placing new clients in the home and the home is operating significantly below capacity. The home continues to incur the management and staffing costs to run the service for in addition to costs of professional support to improve care standards and the reduction in income achieved through client contributions and health funding.

### 5.4 Commissioning £0.1m adverse

5.4.1 Commissioning budgets in Priority 2 are projecting an adverse variance of £0.1m at quarter 1 on voluntary sector contracts.

### 5.5 Public Health nil

### 5.6 Status of MTFS savings measures

5.6.1 **Table 2a** summarises the 2018/19 savings targets for all the services in Priority 2 and their delivery status.

**Table 2a: Summary of Priority 2 MTFS Savings Targets**

	target	projected at quarter 1	under- achievement
	£m	£m	£m
Learning Disabilities	(1.1)	(0.8)	0.3
Mental Health	(0.4)	(0.3)	0.1
Physical Support	(0.9)	(0.7)	0.2
	(2.4)	(1.8)	0.6

5.6.2 The slippage on savings and the continuing demand have contributed to the existing financial position. The revised MTFS, insofar as it can afford to, will need to

recognise the size of the gap (ie close the gap), even if it requires subsequent, new savings to assist in managing the Council's overall financial position.

## **6. Contribution to strategic outcomes**

6.1 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.

## **7. Statutory Officers comments**

### **7.1 Assistant Director of Corporate Governance, Equalities**

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

### **7.2 Finance and Procurement**

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

### **7.3 Legal**

7.3.1 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.

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

### **7.4 Equality**

7.4.1 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.

7.4.2 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.