

Public Report
Overview and Scrutiny Management Board

Committee Name and Date of Committee Meeting

Overview and Scrutiny Management Board – 04 November 2020

Report Title

Adult Care: Budget Forecast Update

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

The purpose of the report is to update OSMB members on the current budget forecast position for 2020/21.

Recommendations

That the Overview and Scrutiny Management Board note the information contained within the report.

Background Papers

- July 2020/21 Financial Monitoring – Cabinet 21 September 2020
- Adult Care: Budget Forecast and Savings Update – OSMB 2 September 2020
- May 2020/21 Financial Monitoring – Cabinet 20 July 2020
- Budget and Council Tax 2020/21 and Medium-Term Financial Strategy - Cabinet 17 February 2020
- Budget and Council Tax 2019/20 and Medium-Term Financial Strategy - Council 27th February 2019

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Adult Care: Budget Forecast and Savings Update

1.	Background																																							
1.1	This report provides an update of the forecast budget position for Adult Care, Housing General Fund and Public Health. The savings plan is an integral part of the financial position and an update was provided in the Budget Forecast and Savings Update report to OSMB on 2 September 2020.																																							
2.	Key Issues																																							
2.1	The overall Directorate forecast is an overspend of £6.4m on general fund services after taking account of the additional one-off budget support of £4.65m for 2020/21. This is in the context of the overall financial impact for the Council of £21.9m as reported in the July 2020/21 Financial Monitoring to Cabinet on 21st September 2020, before taking account of the £18.9m Covid support grant received to date from the Government.																																							
2.2	Covid-19 is estimated to have a cost impact of £8m in Adult Care. £5.9m is additional expenditure, this includes: new packages of care; additional funding to support the independent sector; and £1m for personal protective equipment.																																							
2.3	Delivery of savings have been delayed (£2.1m) as Covid-19 has diverted staff resource to support work related to the pandemic and away from planned transformational activity.																																							
3.	Revenue Monitoring 2020/21: July 2020																																							
	Table 1:																																							
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3.2	Ordinarily if someone is discharged from hospital and requires ongoing support to return home, or care in a residential setting, an assessment is completed to determine their eligibility for Health funding. This process was suspended from 19 March to facilitate a rapid discharge process and ensure capacity in acute beds to meet increased demand due to the pandemic. So that individuals are not financially disadvantaged the NHS is currently funding care and support for people who are discharged from hospital. Where the Council commissions the care on behalf of the individual the Council can reclaim the full cost. The estimated income is shown in the table.																																															
3.3	Additional Covid-19 expenditure includes the cost of care for people who have been discharged from hospital as part of the new discharge pathway. This also includes grants and financial support to the independent sector and the cost of additional care related to Covid-19, e.g. where shielding may prevent a carer from providing support. The increase from May is largely due to additional grants for older peoples' care homes and home care providers approved by Cabinet on 20 July 2020, to mitigate the additional costs of providing care specifically those costs not covered by the Infection Control Fund, e.g. increased level of vacant beds.																																															
3.4	Forecast expenditure on personal protective equipment (PPE) has reduced slightly. This is due to a reduction in demand from the independent sector as, following some initial supply issues, they can now source their PPE requirements from the market.																																															
3.5	Delivery of savings have been delayed as COVID-19 has diverted staff resource to support work related to the pandemic and away from planned transformational activity. Anticipated additional income has reduced as social distancing has prevented some of the tasks required from taking place. The forecast has been revised in July based on income collection to date.																																															
3.6	Excluding the cost of COVID-19, the cost of care packages is forecast to be £2.2m underspent. This is due to savings on transforming care because of																																															

	delays in finding appropriate community-based provision (£1.0m) and reductions in the number of older peoples' placements (£1.2m).
3.7	Staffing budgets are forecast to overspend by £0.5m due to low vacancy numbers. The forecast has been updated based on current vacancies and planned recruitment.
4.0	Neighbourhood Services' (Housing)
4.1	Neighbourhood Services' is forecast to underspend by £0.1m. This is due to additional income on Furnished Homes (£0.2m) offset by additional homelessness costs due to COVID-19.
5.0	Public Health
5.1	Public Health is forecast to overspend by £0.1m due to additional staffing costs because of Covid-19. The net position may improve towards the end of the year depending on the use of demand led services e.g. residential rehab.
6.	Summary and Next Steps
6.1	The ongoing financial impact of Covid-19 will be assessed considering Government guidance and how this impacts Adult Care, Neighbourhood Services', and Public Health. This will include future changes to funding for those individuals discharged from hospital under the temporary arrangements. Any change to the resources required will be addressed in the Council's Budget reports.
7.	Consultation on proposal
7.1	The Council consulted extensively on the two-year budget proposals for 2019/20 and 2020/21. Details of the consultation are set out in the Budget and Council Tax 2019/20 report approved by Council on 27th February 2019. A further consultation was carried out on the Council budget for 2020-21, which took place from 13 December 2019 to 13 January 2020. Details of the consultation are set out in the Budget and Council Tax 2020/21 report approved by Council on 26th February 2020.
8.	Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)
8.1	The financial implications are contained within the main body of the report. There are no direct procurement implications.
9.	Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)
9.1	No direct legal implications.

10.	Human Resources Advice and Implications
10.1	No direct implications.
11.	Implications for Children and Young People and Vulnerable Adults
11.1	The report includes reference to the cost pressures in the Adult Social care budget.
12.	Equalities and Human Rights Advice and Implications
12.1	No direct implications.
13.	Implications for Partners
13.1	No direct implications.
14.	Risks and Mitigation
14.1	Future service changes will be impacted by factors outside of the Directorate's control some of which cannot be predicted. Where these are significant enough to impact on the overall achievement of the service plans approval will be sought to take mitigating actions as and when required.
15.	Accountable Officers
	Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health
	Owen Campbell, Head of Finance (Adults, Public Health and Housing)