

**ADULT CARE & HEALTH
COMMITTEE (JOINTLY
COMMISSIONED (SECTION 75)
BUSINESS**

Agenda Item 50

Brighton & Hove City Council

Subject:	Finance Report at TBM7		
Date of Meeting:	20 January 2014		
Report of:	Executive Director of Finance & Resources Chief Finance Officer, Brighton & Hove CCG		
Contact Officer:	Name:	Anne Silley	Tel: 29-5065
		Michael Schofield	Tel: 574743
		Anne.silley @ brighton-hove.gcsx.gov.uk	
	Email:	michaelschofield@ nhs.net	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This reports sets out the revenue and capital financial position on Adult Services, NHS Trust Managed S75 Budgets and Public Health.
- 1.2 The report includes extracts from the Council's 2014/15 budget strategy and budget proposals covering Adult Services, and Public Health and provides indicative information on the CCG budget strategy for 2014/15.

2. RECOMMENDATIONS:

- 2.1 That the Committee notes the financial position for the 2013/14 financial year as reported at TBM7 (October 2013).
- 2.2 That the Committee consider the 2014/15 budget strategies for the health and social care arrangements set out for development and agreement by Budget Council and the CCG Governing Body.

3. CONTECT/ BACKGROUND INFORMATION

Financial Position – Month 7 – 2013/14

- 3.1 The Targeted Budget Monitoring (TBM) report is a key component of the council's overall performance monitoring and control framework. This report sets out the forecast outturn position as at Month 7 as reported to Policy & Resources Committee on 5 December 2013.

Adult Services– Month 7 – 2013/14

- 3.2 The Adult Services forecast is an overspend of £3.189 million (5.0% above budget) as set out in the table below. The main reason for the overspend is the underachievement against savings targets at the same time as continuing demand pressure on the budget as described in Appendix 1. The mitigation strategy to manage the overspend includes implementing savings plans, management of placements, corporate strategic work and continuing to identify appropriate funding streams.

Forecast Variance Month 5 £'000		2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
	Adult Services				
1,834	Adults Assessment	48,095	49,988	1,893	3.9%
762	Adults Provider	14,713	16,013	1,300	8.8%
(9)	Commissioning & Contracts	496	492	(4)	-0.8%
2,587	Total Adult Services	63,304	66,493	3,189	5.0%

- 3.3 The NHS Trust-managed Section 75 Services represent those services for which local NHS Trusts act as the Host Provider under Section 75 Agreements. Services are managed by Sussex Partnership Foundation Trust (SPFT) and Sussex Community NHS Trust (SCT) and include health and social care services for Mental Health, and Community Equipment.

These partnerships are subject to separate annual risk-sharing arrangements and the monitoring of financial performance is the responsibility of the respective host NHS Trust provider. The forecast outturn (after risk share) is an overspend of £0.283 million (2.3%) as explained in Appendix 1.

Forecast Variance Month 5 £'000		2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
	S75 Partnership				
228	SPFT	11,429	11,649	220	1.9%
61	SCT	641	704	63	9.8%
289	Total Revenue - S75	12,070	12,353	283	2.3%

The CCG contracts with SCT and SPFT are currently forecast to breakeven. Regular discussions are being held with the Trusts during the year to ensure that pressures materialising are addressed.

Public Health– Month 7 – 2013/14

3.4 The expenditure forecast is within the ring-fenced public health grant from the Department of Health of £18.2 million.

Forecast Variance Month 5 £'000	Unit	2013/14 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Public Health	35	35	0	0.0%
0	Community Safety	1,595	1,595	0	0.0%
8	Civil Contingencies	177	184	7	4.0%
8	Total Public Health	1,807	1,814	7	0.4%

The figures in the table above are net of the ring- fenced public health grant of £18.2m from the Department of Health

Capital– Month 7 – 2013/14

3.5 The capital position for Adult Services against the revised budget at month 7 of £2.3 million is set out in Appendix 2. The approval request for the Belgrave Centre link extension scheme of £0.15 million, to accommodate the move of the Connaught Day Centre is also at Appendix 2.

Council Planning for 2014/15

3.6 The Council budget strategies for 2014/15 cover financial and service pressures and savings proposals as presented to the Council's Policy & Resources Committee on 5 December 2013 and are in the process of consultation. A revised set of proposals will be presented to Policy & Resources Committee on 13 February 2014 taking into consideration the feedback from further consultation and scrutiny and the most up to date financial information. The final responsibility for agreeing the council's budget for 2014/15 rests with Full Council on 27 February 2014.

Adult Services 2014/15 budget strategy

3.7 The strategy (Appendix 3) sets out the strategic financial context, local and national developments that will have a significant impact on social care, and progress against Council priorities. The budget strategy supports delivery of the Corporate Plan, however the financial position will require strengthened commissioning and integration with health partners, greater consistency in meeting statutory assessed needs and a continuing challenge to the value for money of all services.

3.8 A summary of the 2014/15 Adults budget is below; this shows a reduction of 4.3% over the 2013/14 budget

Adults Services	£000
2013/14 Adjusted budget	74,538
Add Inflation	1,144
Add service pressure funding	1,500
Less savings	5,376
2014/15 proposed budget	71,806

- 3.9 In addition, one off resources of £0.5 million have been set aside in light of the scale of Adult Social Care Reforms and the lack of certainty about the adequacy of funding to support those changes.
- 3.10 Adult Services (including S75) is expected to generate savings of £5.3 million in 2014/15 (with a full year effect of £5.8 million). The savings proposals are set out in Appendix 3 and approaches include:
- Ensuring equality of service across client groups
 - Encouraging people to take up personalised services
 - Enabling people placed outside the city to receive services locally
 - Using reablement and telecare and community equipment services to support people to live at home
 - Working with the care sector on care home fees
 - Exploring models for providing care and other opportunities that the Care & Support Bill may offer.
 - Exploring opportunities for Able & Willing to become financially sustainable, and reducing investment in the non statutory Employment Service.
 - Working with other services, including Public Health to deliver efficiencies in the commissioning process
 - Maintaining service quality across the city
- 3.11 The savings proposals reflect the fees and charges reports being considered at this meeting.
- 3.12 The corporate budget strategy provides for investment in Adult Services to meet known demographic and other cost pressures relating to Learning Disability transitions and demands across mental health services. Funding of £1.5 million has been set aside in the budget proposals to avoid severe impacts on these service budgets.
- 3.13 The Care and Support Bill and Better Care Fund (previously known as Integration Transformation Fund) will bring new responsibilities, expectations to join up services across NHS and social care and joint funding. The City expects to receive approximately £1 million in 2014/15. Appendix 5 outlines the current assumptions and associated risks of these changes.

Public Health 2014/15 budget strategy

- 3.14 In 2013/14 councils gained responsibility for Public Health. The Department of Health awarded a ring fenced grant of £18.3 million in 2013/14 and £18.7 million for 2014/15 to cover the public health responsibilities transferred to the local authority. The public health budget strategy (Appendix 4) sets out the strategic financial context, and how it will support the delivery of the corporate plan. Joint working and joint commissioning with other directorates and the Clinical Commissioning Group (CCG) is expected to result in greater efficiency and effectiveness. Modest savings proposals of £0.093 million are proposed which are expected to support the achievement of Public Health Outcomes across the Council.

CCG Planning for 2014/15 and future years

- 3.15 NHS England has published its planning framework Everyone Counts: Planning For Patients 2014/15 to 2018/19. The CCG has been notified of its Allocation for the next two years, but is still waiting for further detailed financial planning guidance.
- 3.16 Of most significance is the requirement to generate additional funds to contribute to the Better Care Fund (previously the Integration Transformation Fund). Although additional funding is expected in 2014/15, for 2015/16 there is the need to generate additional funding, a 3% savings requirement in addition to the existing 'QIPP' savings target. The CCG and the Council are working up joint plans on collective spending against this Fund.
- 3.17 The CCG is in the process of developing financial plans for 2014/15 to 2018/19 for submission to NHS England.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The budget process allows engagement in the proposals.

5. COMMUNITY ENGAGEMENT AND CONSULTATION

- 5.1 Consultation approaches included a survey (on line and on paper) and engagement opportunities as described in the budget report to Policy & Resources Committee 5 December 2013.

6. CONCLUSION

- 6.1 The Council is under a statutory duty to set its budget and council tax before 11 March each year.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The financial implications are contained within the main body of the report, highlighting the performance against agreed budgets in 2013/14 and the budget strategies for 2014/15 for social care and health.

Finance Officer Consulted: Anne Silley/ Debra Crisp Date: 07/01/14

Legal Implications:

- 7.2 This Report is for noting and consideration only.

Lawyer Consulted: Sandra O'Brien Date: 07/01/2014

Equalities Implications:

- 7.3 In Brighton & Hove City Council a Budget Equality Impact Assessment (EIA) screening process has been used to identify the potential disproportionate impacts of proposals on groups covered up by legislation. All service areas that have identified proposals with a potential equalities impact have completed an EIA, included at Appendix 10 of the Budget Update and Savings 2014/15 report to Policy and Resources Committee 5 December 2013, and this is cross-referenced within the savings proposals.

Sustainability Implications:

- 7.4 A carbon budget has been set for 2014/15 and sustainability implications are set out in the Budget Update and Savings 2014/15 report to Policy and Resources Committee 5 December 2013

Any Other Significant Implications:

Risk and Opportunity Management Implications

- 7.5 The Council's budget proposals include recurrent risk provisions of £2 million and a one off risk provision of £1 million.

SUPPORTING DOCUMENTATION

Appendices:

1. Revenue budget summary Adults, S75 and Public Health- 2013/14
2. Capital summary- Adults 2013/14
3. Budget strategy- Adults 2014/15
4. Budget strategy- Public Health 2014/15
5. Care Bill and Better Care Fund (previously known as Integrated Transformation Fund) (extract from Policy and Resources Committee Budget Update and Savings 2014/15)

Background Documents

1. Budget Update and Savings 2014/15 report to Policy & Resources Committee 5 December 2013