

1. Executive Summary

1.1 Table 1 shows a high-level view of the 20/21 projected general fund outturn position at month 3, reporting an overspend of **£11.810m**. Including the financial impact of Covid-19, the overspend reduces to **£0.354m**.

Table 1: Adults & Health Budget Position Month 3

Adults and Health	2020/21 Budget	Actuals to 30/06/2020	Forecast Outturn (before reserves)	Reserve Movements	Month 3 Forecast Outturn after reserve movements	Month 3 variation to revised budget	COVID Impact	Variance to budget excluding COVID impact
	£000	£000	£000	£000	£000	£000	£000	£000
Integrated Care - LD	32,501	4,319	31,663	0	31,663	(837)	0	(837)
Integrated care - MH	9,280	770	10,240	0	10,240	960	0	960
Integrated Care - OA	31,814	8,063	33,578	0	33,578	1,764	2,530	(766)
Integrated Care - PD	9,654	2,047	9,418	0	9,418	(236)	0	(236)
ASC Prevention Services	2,613	1,161	2,919	0	2,919	306	0	306
ASC Workforce	15,867	3,243	17,357	(399)	16,958	1,091	232	859
Leis, Sports and Phys Activity	530	(870)	2,407	0	2,407	1,877	1,877	(0)
Public Health	17,577	1,551	18,922	0	18,922	1,345	1,345	0
Corporate Equalities & Intelligence and Health & Safety	201	72	269	0	269	68	0	68
Covid (support to the care market/help hub)	0	71	5,472	0	5,472	5,472	5,472	0
Total Adults and Health	120,036	20,427	132,245	(399)	131,846	11,810	11,456	354

- 1.2 The financial impact of the Covid pandemic is estimated at £11.456m which is aligned to the latest return to Central Government. A breakdown can be seen in section 5.
- 1.3 Progress towards savings targets set in the MTFs are shown in section 2. Currently 59% of the savings are expected to be delivered, savings under threat amount to £2.355m of which £2.105m is Covid impacted.
- 1.4 The accruals position at month 3 shows a current match rate of 48% which leaves a net £2.154m unmatched on the ledger. A detailed breakdown can be seen on section 3.
- 1.5 For Adults the main areas of variances are as follows (including gross Covid Impact)
- Placements – +£1.652m
 - Non-Placements
 - Prevention +£0.306m
 - Workforce + £1.091m
 - Leisure + £1.877m
- 1.6 Public Health is reporting additional planned spending of £1.345, which is entirely due to support to the Covid response and is supported separately through C-19 response funding received from government (rather than the ring-fenced public health grant). This additional spend is supporting purchase of Personal Protective Equipment (PPE), delivery of additional bereavement services, and additional staffing. Overall, the Public Health budget shown in the table above predominantly reflects the application of the ring-fenced Public Health Grant (£17.5m), although

some of this grant is used, by agreement, to support delivery of other related council services.

- 1.7 Corporate Equalities & Intelligence / Health & Safety – currently reporting an overspend of £0.068m, although this is under review.
- 1.8 There are a number of emerging risks embedded in the projections, detailed in section 7, these include;
 - YCB
 - GLL
 - CCG debt position
 - Non-Placements
 - Placements _CHC (list) impact
- 1.9 Reserves/Provision
 - Included in the projections is the use of the following reserve;
 - £0.370m transformation funding.
 - Not included in the projections
 - £2.897m ORP provision (carried forward from 19/20)
 - £0.130m for Prepaid Card and £0.010m for marketing spend – carried forward from 19/20 held corporately

2. Key Service Headlines

2.1 Adults

2.1.1 Non-Placements

- Total projected variance currently being reported against the non-placement section of the budget is **+£1.397m** (7.6% of the budget) of which £0.232m relates to staffing costs incurred responding to service pressures as a result of the Covid pandemic.

- Main variances are shown below:

Service Area	Costcentre Description	2020-21			Comment
		Integra Budget at Period 03	Full Year variance	% var to budget	
Workforce	Improvement	103,530	173,876	168%	Staffing costs, in particular agency cover, has resulted in this budget allocation being in an overspend position. Additional resource to support the response to Covid has also contributed to the pressure.
Workforce	Front Door	2,024,919	281,377	14%	Pressures against staffing and resource allocation, in response to demand pressures across the service has pushed the budget into a significant overspend position. UPR costs and a mature workforce has seen costs exceed the budget allocated coupled with a large agency position. This area will have difficulty making the vacancy factor applied to the budget.
Workforce	Hospitals & Health Team	1,010,622	331,382	33%	As per the <i>Front Door</i> - demand pressures has seen a significant impact on the service ability to manage vacancies to mitigate overspends and other (reduced) adjustments to the budget.
Prevention	A&C Software License & Support	120,108	200,000	167%	Primarily relates to implementation, equipment and licensing costs, which exceed the budget allocation. Additional support was required and provided by Bettergov to support brokerage to reduce backlog and data quality issue on Mosaic.
Prevention	DOLS Assessment costs	97,107	191,673	197%	Deprivation of Liberty Safeguards pressure above budget allocation is due to costs in ensuring the best interest of clients under amendment of the Mental Health Capacity act are maintained. The pressure is based on demand led activity, which will be closely monitored in the upcoming months.
Total		3,356,286	1,178,308	35%	

2.1.2 Placements

- Total projected variance currently being reported against the placement section of the budget is an **overspend of £1.652m** (1.98% of the budget) This figure includes an estimated £6.045m of CCG funding and additional client contribution as a result of increased demand seen during the early stages of the pandemic.
- When other Covid related pressures of £2.530m are taken into account, the net placement position reduces to report an **underspend of £0.878m**.
- The gross projected cost of the increase in demand for the year is £7.30m of which is mostly expected to be mitigated by CCG funding (Early discharge process) and client income, as mentioned above.
 - Projections for increased demand over client group are as below (also showing in section 5):

Provision Type	Expenditure	Income	Net
	£	£	£
Direct Payments	802,313	-553,661	248,652
Equipment	259,050	-220,193	38,858
Homecare	3,363,419	-3,027,187	336,232
Nursing	344,165	-307,738	36,426
Other long term care	1,054,571	-817,133	237,438
Residential	1,224,996	-938,735	286,262
Supported accommodation	254,761	-180,380	74,382
	7,303,275	-6,045,026	1,258,249

- Projected income against the increased demand shown above has been modelled at a mix of CCG income and client contributions, i.e. CCG funding at 85% for quarters 1 & 2, client contribution income for quarters 3 and 4.
- The projections do not yet include any impact of CHC brokered placements, which in part are also expected to be mitigated by CCG funding and client income (detailed in section 7 as an emerging risk)
- Whilst demand increases are in the main being part funded by Covid related income this financial year, the full year effect of this uplift in client numbers need reviewing post 20/21.
- The projections include a forecast for remaining market inflation uplifts still to be actioned, however the final figure passed on to the market may exceed this estimate. This will need to be reviewed.
- Even allowing for the increase in activity against the Early Discharge scheme, overall activity is reducing in the majority of care settings, with the exception of homecare. However, a confirmed position with CHC brokered clients will support this trend.
- Client contribution levels have reduced as clients numbers reduce in the main. New entrants to the system have not been assessed, a decision made to support pressures during the early stages of the pandemic. Projections assume financial assessment will re-start from 1 October 20.

2.2 Public Health

- Excluding the Covid related pressure of £1.345m, there are no reported pressures in Public Health at present.
- There is an overspend of £0.068m reported against Corporate Equalities & Intelligence and Health & Safety relating to the SHaW budget which needs further investigation.

2.3 Leisure

- The current financial pressure reported against Leisure is £1.877m which reflects the impact of Covid on business disruption to GLL and the impact upon the sector to deliver cashable efficiency savings through business growth (an item included on the MTFS)

- The service continues to work alongside GLL to review the impact on business post June 20, a decision on financial support arrangement is still being reviewed. The forecast post quarter 1 remains uncertain.

3. Covid-19 Financial implications

3.1 The financial impact of the Covid pandemic is estimated to cause significant pressures on the Adults and Health general fund.

3.2 Table below summarises the main areas of impact;

Covid-19 Impact		Category
£'000	Commentary	
1,258	Additional Demand (Net of CCG funding for Early Discharge/client cont)	Demand
1,272	Supporting the care market - residential block voids	Demand
1,653	Supporting the care market - residential other	Non-demand
458	Supporting the care market - Homecare	Non-demand
414	Supporting the care market - suport living	Non-demand
180	Supporting the care market - Direct Payments	Non-demand
1,374	Help Hub	Non-demand
1,625	PPE, staffing, loss of income,MTFS	Non-demand
8,234		
720	Commercial loss to GLL (to Qtr 1)	Non-demand
1,157	SPA income pressure (MTFS)	Non-demand
1,877		
996	PPE	Non-demand
349	Bereavement support, staffing,contracts.	Non-demand
1,345		
11,456		

3.3 Additional Infection Control funding has now been allocated to Barnet, confirmed at £3.5m (paid in two tranches)

3.4 Costs of the Help Hub are still projected at £1.374m, this figure is expected to reduce significantly as services are expected to be stepped down over the summer.

3.5 Positions continue to be regularly updated and reviewed. **Figures shown are gross and do not yet include any application of government funding** made available to LB Barnet to mitigate costs of the crisis.

3.6 Increased demand estimates (hospital discharge)

- The financial impact of the increased demand seen as a result of the pandemic and Early Discharge Process is estimated at a net £1.258m, broken down as follows:

Provision Type	Expenditure	Income	Net
	£	£	£
Direct Payments	802,313	-553,661	248,652
Equipment	259,050	-220,193	38,858
Homecare	3,363,419	-3,027,187	336,232
Nursing	344,165	-307,738	36,426
Other long term care	1,054,571	-817,133	237,438
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Supported accommodation	254,761	-180,380	74,382
	7,303,275	-6,045,026	1,258,249

- Projections for annual expenditure are based on Mosaic and included on weekly returns to the CCG/NCL.
- Estimates for income are based on the following
 - CCG funding matched at 85% for quarters 1 and 2 (April – Sept 20)
 - CCG funds withdrawal / Client contributions for quarters 3 and 4.

3.7 Current **supplier support** spend position

Covid Support to the Care Market (extract)	CLG funded		Infection Control funded *	
	Commitment	Paid to date 6.7.20	Commitment	Paid to date 6.7.20
	£'000	£'000	£'000	£'000
Homecare - paying providers on planned hours (April/May)	250	250		
Homecare Providers increase in costs Sept 20 - March 21)	208			
Care Home increase costs	1,000	384	1,337	798
Supported Living increase costs (Sept 20 - March 21)	414	166		
Care Home support for providers with empty beds - Non-block	652			
Care Home support for providers with empty beds - Block providers	1,272	tbc		
Increase in Direct Payment costs - covering carer sick pay	180			
PPE	331			
Total	4307	800	1337	798

* IFC reflects 75% passport to suppliers (total 1st installment £1.783m). There is an extra £446k to be split across extra care/homecare / supported living.

5. Savings Tracker

5.1 Saving target for 20/21, as included on the MTFS schedule, amount to £5.741m broken down as follows:

- Adults Social Care - £4.16m
- Leisure - £1.157m
- Public Health - £0.424m

5.2 A review of the position at month 3 indicates that c. 59% will be achieved, this amounts to £3.386m .

5.3 Covid is likely to have a significant impact on the ability to meet the target. Of the sum that is under threat, £2.355m, this can be viewed as follows:

- Impacted by Covid - £2.105m
- Not impacted by Covid - £0.250m
-

6. Emerging Risks (general fund)

6.1 As well as the financial impact of Covid there are a number of areas to review;

6.1.1 Leisure/GLL

- the current financial pressure reported against Leisure is £1.877m which reflects the impact of Covid on business disruption to GLL and the impact upon the sector to deliver cashable efficiency savings through business growth (an item included on the MTFS)
- The council have committed to providing support to GLL in the form of a grant to cover the financial impact of business disruption up to 28th June 20.
- The service continue to work alongside GLL to review the impact on business post June 20, a decision on financial support arrangement is still being reviewed. The forecast post quarter 1 remain uncertain.

6.1.2 Placements

- Covid-19 is adding further uncertainty on top of the normal demand volatility in this area. The Covid impact shown above aims to capture where there is additional demand, mainly through the Hospital Early Discharge process currently in operation (following NHSE/I guidance and in partnerships with the NHS), and also where there are added costs due to discretionary support to the Adult Care market. Most of the types of support have been agreed, but there are some decisions yet to be taken.
- Funding via the CCG to support the increase in demand due to the Early discharge process is uncertain both in terms of 'matching' rates and timescales i.e scheme withdrawal.

6.1.3 CHC brokered arrangements

- A list of CHC brokered clients has materialised which will have a financial impact upon the placements budget.

- An estimate of clients solely CHC funded has been made at 50%.
- The financial impact of the remaining clients on the list have been modelled in the same way that the increased demand (CCG/NCL process) have been modelled. i.e. CCG funding at 85% for quarters 1 & 2, client contribution income for quarters 3 and 4.
- Using these assumptions; the net financial impact of CHC brokered clients has been projected at £1.22m.
- There is a large amount of uncertainty in these projections which presents a risk going forward, **hence the financial impact has not yet been reflected in the current forecasts being made against the placements budget.**

6.1.4 Savings

- There is currently an expectation that a significant proportion (59%) of planned savings will be achieved. The financial implications of the efficiency targets impacted by Covid are included on Covid impact modelling. Delivery of savings will continue to be reviewed and analysed alongside any residual impact of the pandemic.

6.1.5 YCB

- Expenditure items from last financial year that were not accrued will impact upon 20/21. Figures have been confirmed and have now been included in the projections, as per below:

	£
Pre Transfer Cost	313,062
YCC Losses	562,012
Tupe (Enablement) & Licence charges	41,827
Estates contribution (confirmed)	-202,000
	714,901
YCB Losses	
R&M	255,000
Agency	162,000
Irrecoverable VAT	53,000
	470,000
Total	1,184,901

- However there is still a £600k risk relating to forecast costs associated with Your Choice Barnet care home transfer covering service improvements, losses, London Living Wage and changes to terms and condition. LBB have underwritten these costs. The total impact is £1,200,000, and the service continue to work with YCB to reduce this. Service expect to find at least £600k of service efficiencies and revenue generation, but a prudent figure currently stands at a £600k impact in year for the Adults budget. **This is not included in the current projection there is an expectation that the final agreed sum can be funded through the Ordinary Residents Provision.**