

Budget Recovery Board Update

Children's, Adults and Public Health

Programme

- Recent History and Context
 - National
 - Local
- Budget Recovery Board
- Progress to Date
- Learnings
- Next Steps
- Questions

Context - National

- Adult Social Care

 - National crisis – age and complexity

 - NHS targets

- Children's Social Care

 - Ofsted

 - Secure Accommodation

 - Rising demand and expectations - placements

- Public Health

 - Annual and in year funding reductions

- Better Care Fund and Improved Better Care Fund

Context - Local

2015/16

First signs of financial stress contained

Better Care Fund plans in place

ASC contingencies and reserves fully applied to balance budget

2016/17

Additional pressures on children's social care

ASC precept applied to Adult Social Care

£15m adverse variation at close;

2017/18 Projection

Position stabilising and much work still in progress

£4m adverse variation currently forecast

BCF, iBCF and one off ASC grant fully applied

ASC Precept again applied to ASC

***2018/19 - Target fully balanced budget, including growth
and new funding***

Context - Summary

- Adult Social Care cost pressures have become acute since 2015/16
- Previous cross subsidisation of children's social care no longer available
- BCF and iBCF fully passported to BCF projects agreed with CCG
- Impact of ASC precept important contribution but at the margins
- March budget statement of additional iBCF significant relief in 2017/18 and beyond
- Adults position stabilising but children's social care needs further work
- Children's social care demands are not receding
- Markets are supply led and offer little comfort
- Services continue to transition and transform through this period
- Response has required concentration and special measures

***Exceptional times of financial stress but
not unique to Southwark***

Budget Recovery Board

- Created Autumn 2016; formalised the recovery process
- Chaired by SD F and G; reports to CEX
- Independent assurance – RSM
- Service Directors and senior managers - support from Directors of Finance and HR and Monitoring Officer
- Culture of high challenge and highest level of support
- More than 30 detailed action plans for cost containment and budget targets
- Clear accountability for each plan

Progress to Date

- 2016/17 outturn stabilised in line with reported projections
- 2017/18 stabilised – minimal call on reserves expected
- More than 30 action plans in place, many amber / green
- Specially enhanced finance tracker – reconciles progress
- Established corporate understanding of pressures
- New joint governance with CCG for BCF funding
- One of six councils in the country with agreed BCF plans

A one council response to a national issue

***Wide understanding of what needs to be done and
collective ownership***

Learnings

- Complexity of managing business as usual while cutting and controlling costs
- Transition and transformation takes time
- Better Care Fund
 - Delivery against plans is complex
 - Do we understand the full costs to the council?
 - Is BCF / iBCF simply replacing resources withdrawn?
- Benefits from joint working with CCG, but requires new styles of governance to reconcile structures
- Need an improved view of key cost drivers and unit costs
- Model of BRB could be applied again to address different issues

Corporate Governance consistently fit for purpose

Next Steps – part 1

- More of the same; there is still work to be completed
- Moratorium continues until the situation fully recovered
- Continue BRB actions, including :
 - Recruitment, agency and workforce
 - Procurement, contract management and commissioning
- Enhanced training programmes
 - Business partnering
 - Finance for service managers
- Further work with CCG
 - Governance
 - Integration and Accountability

Next Steps - part 2

- Prepare fully funded budgets for 2018/19, including clear accountability for growth and savings
- More work to understand impact of BCF, including improved understanding of activity
- Ongoing review of Schemes of delegation / management to help drive accountability
- Review financial governance arrangements with Audit and Governance Committee

Receive feedback and Guidance from OSC

Any Questions?