

CYNGOR SIR POWYS COUNTY COUNCIL.

Audit Committee

6th July 2018

REPORT AUTHOR: Jane Thomas, Head of Financial Services

SUBJECT: Closure Report for the Adult Social Care Budget Recovery Plan

REPORT FOR: Information

1. Summary

1.1 This is a report to request the closure of the Budget Recovery Plan (BRP). The action plan focused on improving the financial position of Adult Social Care (ASC) and reducing the risk of reoccurrence, it was put in place following a report to Cabinet on 20th December 2016.

2. BRP Update

2.1 The report agreed at Cabinet highlighted a number of weaknesses and learning points that needed to be addressed and formed the basis of recommendations that have been reported on regularly to Executive Management team by way of a BRP.

2.2 Eight recommendations from the report formed the action plan:

- 1) A full transformation plan must be delivered through completion of the vision of ASC to 2021
- 2) A review of all business cases for current savings proposals and the production of business cases for all future savings activities
- 3) Immediate review and reduction of care and financial systems and processes
- 4) Increase in financial expertise and capacity available to the service
- 5) Bespoke financial and system training for all managers within ASC and other budget holders
- 6) Review of change/management capacity within ASC
- 7) Development and delivery of a scrutiny programme
- 8) An updated Income Register

2.3 Appendix A provides a brief update on what has been delivered by each recommendation.

2.4 There are a number of recommendations that are completed:

- Recommendations 2, 3(in part), 4, 5, 6 and 7

2.5 Two of the BRP recommendations were transferred to other Boards, who took over the monitoring and delivery of the recommendations, in particular:

- Recommendation 1 is still ongoing and updates on delivery are monitored through the ASC Improvement Plan.
- Recommendation 8 although was completed, the ongoing monitoring of income and savings is being undertaken through the Income and Cost Improvement Board.

2.6 Recommendation 3, the action relating to Housekeeping, is still causing concern. There is a significant amount of validation undertaken each month and at year end to review the work of the BSU and ASC contracts team. There are large swings each month due to client orders being amended. This analysis is undertaken by finance to ensure accurate forecasting of ASC. The BSU have put extra resource into the service, but have not reviewed or streamlined to align themselves with customer need. This recommendation will be part of a wider project “Right First Time” with Housekeeping being a single workstream. If these issues were addressed there would be the capacity to reduce headcount in finance.

Recommendation:	Reason for Recommendation:
The update on the BRP is acknowledged, with the ongoing monitoring and improvement to recommendation 3 through the Right First Time project	

Relevant Policy (ies):	Financial Regulations		
Within Policy:	<u>Y</u> / N	Within Budget:	<u>Y</u> / N

Relevant Local Member(s):	Cllr Stephen Hayes and Aled Davies
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Person(s) To Implement Decision:	Stephen Caple
Date By When Decision To Be Implemented:	1/6/18

BUDGET RECOVERY PLAN – Closure Report

Appendix A Budget Recovery Plan Update

Ref 01	Key Task - A full Transformation Plan must be delivered through completion of the Vision of Adult Social Care to 2021	Owner: J Patterson / C Shilabeer /D Powell
Completion Date	<p>FIRST DRAFT Outline Report 31/01/2017 Detailed 3-Year Plan 31/03/2017</p> <p>Realistic timescales need to be adopted – the budget review has a timeline to fit in with the FRM and incorporate the Whole System Review and more detailed transformational plan</p> <ul style="list-style-type: none"> • Base budget review 30/9 • Feedback 31/10 • Whole systems review (WSR)31/10 • Realign budgets 31/12 • Financial strategy 31/01/18 	
Outcomes	<p>This focuses on transformation within a strategic and legislative agenda, and will include</p> <ul style="list-style-type: none"> • Budget modelling that shapes the financial strategy. A first draft will be delivered by 31st January 2017. Final Draft 30/11/17 • The Vision must be linked to the MTFs and thus be for at least a 3 year period and cover the complete budget, fully identify and cost both savings and growth pressures and clearly articulate how and when they will be delivered or met (in the case of growth pressures). • The Vision must be informed by a review of the base budget for ASC and also incorporate a rigorous examination of growth pressures and address issues of culture and behaviour within the Service. • It is important that the Strategy goes beyond merely re-producing financial data and it makes the strategic links between the individual activities to produce a comprehensive picture of improvement, integration and financial management. <p>It is also recommended that this approach is adopted for all services, but ASC is the priority.</p>	
Over	<p><u>A base budget review of the Adult Social Care Budget</u></p> <p>Phase 1 seeing the completion of the realignment of the budgets, in part using elements of zero based budgeting. Agreed growth for 2017/18 to close down all the historic deficit items</p> <p>Phase 2 of the base budget review -</p> <ul style="list-style-type: none"> • S33 pooled budget for “integrated care budgets”. - Done • BI developing demographic analysis to help predict modelling - Done 	

BUDGET RECOVERY PLAN – Closure Report

- Accommodation business case and modelling to 2036 - Done

Budget review LD finished- report includes benchmarking and recommendations for improvement and silo issues that could benefit budgets if addressed. Mental Health and Physical Disability will be completed by end of May 2018



LD Review Report
v7.docx

Financial strategy forms part of the improvement plan and will be monitored through the Assurance Board

Transformation Plan

ASC have held workshops to shape the Whole Systems Model Review (WSR) of the service, so a vision can be developed. The findings worked up into a Transformation Plan (TP) / Improvement Plan and the budget review that will support the production of the financial strategy.

The wider cultural changes required at practitioner level in order to deliver in accordance with legislation have commenced with specialist training covering Vanguard and CHC applications and outcomes focused training across teams Managers feel practitioners are utilising this training to improve the service, and it is evident that there are some benefits feeding through positive outcomes for service users and positive effects on achievement of savings to date

Phil Evans and Dylan Owen got approval from Executive Management Team for the BRP to be included in the Improvement Plan (IP), which is their core document for monitoring the delivery of actions. It suggested that these outstanding actions are wrapped up into the IP and monitored through that process each month

BUDGET RECOVERY PLAN – Closure Report


Ref 02	Key Task - A review of all business cases for current savings proposals and the production of business cases for all future savings activities.	Owner: C Shilabeer
Completion Date	<p>Existing Business Cases 31/01/2017</p> <p>Any new Business Cases for 2017/18 to be developed in line with finalising plan</p> <ul style="list-style-type: none"> • 15/03/2017 	
Outcomes	<p>This approach will test deliverability and strategic alignment and thus support the production of the overall financial strategy for the Service. – This focused solely on business cases to deliver the efficiency agenda</p>	
Overall Update	<p><u>Finance reviewed the Reablement Peopletoo efficiency targets</u></p> <p>Discussions about how this could be phased in over a longer term. Service agreed they need to see if realistic to be able to prevent more cases accessing services post reablement treatment and also how they measure this for evidence. BI have now provided information that shows the reablement statistics by client from this data we have been to identify the number of clients who have had reduced packages of care after reablement intervention, this being a true efficiency saving to the council. We have used standard assumptions on hourly home care rates and fairer charging income.</p> <p>Full efficiency savings have been delivered for this target</p> <p><u>Income and Awards</u></p> <p>Income and Awards will be targeted to change policies and improve the income collection, and reduce write off. This could see the reduction of the bad debt provision – monitored through ICIB rather than this agenda</p>	

BUDGET RECOVERY PLAN – Closure Report

Ref 03	Key Task - Immediate review and reduction of care and financial systems and processes.	Owner: M Evans
Completion Date	<p>Ongoing</p> <p>Phase 1 – Audit of priority cases (based on value), identified and pursued for settlement. Direct Payments</p> <p>Phase 2 – Ongoing audit plan requirements.</p> <p>In correlation with the implementation of the WCCIS System and subsequent Finance module.</p> <p>However work to be progressed in conjunction with action point 3 that is not dependent on the implementation of the new WCCIS System.</p>	
Outcomes	<p>The investigation of the reasons for the over-spending within ASC and the production of this Report have revealed that there are still multiple systems and processes in existence. These lead to delay, complexity, confusion and cost. Their rationalisation will improve financial reporting and budget accountability and produce financial savings.</p>	
Overall Update	<p><u>Housekeeping</u></p> <p>Initial review work has been undertaken and some adjustments made to enhance existing process, this has improved the accuracy of budget forecasting and commitments and provided a better understanding of changes and impact on cost. Additional resource in the BSU north now in post to address the delivery gaps</p> <p>Monthly meetings between Business Support and Corporate Finance continue. Contracts and Commissioning Team representative to also be invited to meetings. Business Support continue to use housekeeping reports and creditor reports to identify anomalies for action.</p> <p>BPU finally have access to Tell Us Once – waited 6 months for ICT and Registrars to sort this out so they have access to all Powys deaths</p> <p>Corporate Finance still undertaking month end analysis, as there continue to be swings in housekeeping that takes place affecting the forecast, for example Direct Payment orders for 2018/19 have been set up in the finance ledger in 2017 /18, this makes the in year deficit worse and shows a false position. Year end problematic and a large swing in the forecast due to housekeeping being done and orders removed</p> <p><u>Direct Payments</u></p> <p>Phase 1 – Audit of priority cases (based on value), identified and pursued for settlement. Phase 2 – Ongoing audit plan requirements.</p> <p>Targets met as in respect of direct payment audits started and completed. Discussions ongoing regarding future audit requirements. Direct payment audits continue.</p> <p>Partnership Agreement in place between Income and Awards and Adult Social Care for 2 years (January, 2017 to December, 2018).</p> <p>Direct payment recovery exceeds budget again for a second year</p> <p><u>WCCIS</u></p> <p>Further process review to be undertaken of the full end to end panel and post panel process in Adult Social Care including systems, process, responsibility, accountability and communication including all stakeholders in the process to potentially further enhance the process and systems.</p> <p>Process maps produced to document decision points and accountabilities. Graphical data produced in respect of trends to aid Panel performance monitoring. Ongoing work continues in response to system (WCCIS) and process (Panel/Service Approval) change requests</p> <p>This is being monitored through the WCCIS Board.</p> <p><u>WCCIS Housekeeping</u></p> <p>Significant work undertaken by Adult Services, Business Support and Data Quality Clerks to data cleanse WCCIS and process case closures, where appropriate.</p> <p>Work is ongoing with WCCIS Income and Awards, with phase 1, calculations being available by the end of January, 2018. Work is also ongoing with implementing the Finance Module – providers, services, service provisions and payments within PCC. However this is proving challenging, and will likely include Business Change activity in addition to the System configuration in terms of maintaining the data moving forward. This module will not pay invoices, but provide good management information for practitioners</p>	

BUDGET RECOVERY PLAN – Closure Report


Ref 04	Key Task - Increase in financial expertise and capacity available to the service.	Owner: J Thomas/ D Powell / J Rowles
Completion Date	Final restructure completed 30/11/17	
Outcomes	The need to increase management accounting and strategic capacity and capability across the Council had previously been identified as a priority. There is also a need to ensure that where it is evident that budget protocols are not being adhered to escalatory action is taken.	
Overall Update	<p>Budget proposals include increased resource for Finance (two additional managers). Funding confirmed as part of budget setting process. Restructure completed and have filled all vacant senior posts</p> <p>Finance restructure with new posts identified, agreed and consultation has commenced. Training plan developed with some training already delivered. Finance Business Partner training will commence in the Autumn in collaboration with other adjacent LAs and PTHB.</p> <p>Training for staff ongoing – lease v buy and use of capital to support revenue delivered by CAPITA in Aug to services, procurement and Finance. Identified other skills gaps - reporting writing / presentations training completed. Finance Business Partners completed the 6 month course affiliated to Cipfa.</p>	

Ref 05	Key Task - Bespoke financial and system training for all managers within ASC and other budget holders.	Owner: J Thomas/ S Powell
Completion Date	Training programme to be rolled out from May 2017 and to be completed in November 2017	
Outcomes	Feedback from a number of sources has identified a lack of understanding and ownership of financial and budget issues across many Services. The Council must take positive action to address this and to support managers within the Services.	
Overall Update	<p>Training company identified to deliver public sector online training – reviewed and proved unsuitable for PCC requirements. Full training plan to be drawn up, with internal resource used to develop the training packages, and external expertise brought in to upskill Accountants.</p> <p>Training plan developed and in place.</p> <p style="text-align: center;"> Appendix A.docx</p> <p>Operational manager training is completed, but service managers are still to be trained, estimated at 12 staff. All completed, but more required as staff have changed in Childrens.</p> <p>This action is now being picked up and monitored as part of the Manager induction roll out which includes a 3 hour session on finance and a suite of regular courses that can be booked onto</p>	

BUDGET RECOVERY PLAN – Closure Report

Ref 06	Key Task - Review of change/management capacity within ASC.	Owner: C Shilabber / J Rowles
Completion Date	2017/18	
Outcomes	The Council has made additional resources available to the Service to support change and savings activity. An assessment must be undertaken to ascertain whether this resource has been adequately deployed and whether or not further resources are needed.	
Overall Update	<p>Successful in getting 2 business managers to support the Peoples services.</p> <p>There has been a commissioning and contracting restructure to realign staff to ensure there is sufficient capacity to deliver the transformation plan</p> <p>Improvement Plan costings completed and included in the FRM for 2018/19 – and assumes in future years some cost reductions will be recouped. 2017/18 In year requirements, such as interim staff, assessments and home care hours will be matched by business cases to draw down the ASC reserve</p> <p>The transformation plan and Improvement Plan has also been costed for costs for 2018/19 and included in the FRM – budgets approved at Council February 2018, budget drawn down as needed via business cases, must demonstrate success of outcomes for the spend – to be monitored through the Assurance Board</p>	

Ref 07	Key Task - Development and delivery of a scrutiny programme.	Owner: C Pinney
Completion Date	Ongoing – dependent on completion of stages above 2017	
Outcomes	The implementation of the recommendations above need to be subject to review and scrutiny to ensure their effective implementation.	
Overall Update	<p>Update June - August A joint Audit / Adult Social Care Working Group is already in existence and will be undertaking the review of progress to deliver the recovery plan.</p> <p>All work will be considered by FSP going forward, and will be built into the FSP work programme. FSP is currently being re-constituted, with the first meeting to be held late July, and further meetings held monthly thereafter.</p> <p>FSP work programme of work has been agreed and three weekly meetings now in place with representatives from services and finance.</p>	

Ref 08	Key Task - An updated Income Register	Owner: J Thomas
Completion Date	Ongoing – dependent on completion of stages above 2017	
Outcomes	Presented to cabinet with an action plan to mitigate the impact of any shortfalls in 2017/18.	
Overall Update	<p>Update June - August Fees & Charges Register considered by ICIB. All HoS to confirm that their elements of the register are complete and up-to-date by 17th July 2017. Completed register will now form part of Cabinet’s budget considerations.</p> <p>ICIB has identified a list of opportunities for development. However, these focus on potential savings for future years, rather than current budget shortfalls. A review of all income budgets vs. actual income received has been undertaken, but this has not identified any quick wins.</p> <p style="text-align: center;"> Action Plan.docx</p> <p style="text-align: center;">. Action plan from the ICIB attached. Team developing ideas but nothing significant identified to reduce the target</p> <p>ICIB updates are monitored through EMT and not this arena</p>	

BUDGET RECOVERY PLAN – Closure Report