



HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE – 8TH SEPTEMBER 2015

SUBJECT: BUDGET MONITORING REPORT (MONTH 3)

REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES

1. PURPOSE OF REPORT

- 1.1 To inform Members of projected revenue expenditure for the Social Services Directorate for the 2015/16 financial year.
- 1.2 To update Members on the progress made against the savings targets built in to the 2015/16 revenue budget for the Directorate.

2. SUMMARY

- 2.1 The report summarises the projected financial position for the Social Services Directorate for the 2015/16 financial year based on information available as at month 3 (June 2015). Full details are attached at Appendix 1.
- 2.2 The report also identifies the 2015/16 savings targets that have been achieved by the Directorate and identifies the progress that has been made towards delivering the targeted savings that have not yet been achieved.

3. LINKS TO STRATEGY

- 3.1 The expenditure of the Directorate is linked directly to its ability to shape and deliver its strategic objectives, which in turn assists the achievement of the Authority's stated aims.

4. THE REPORT

- 4.1 The 2015/16 month 3 position is a projected Directorate underspend of £356k as summarised in the table below: -

Division	2015/16 Current Budget (£000's)	2015/16 Projection/ Commitment (£000's)	2015/16 Over/(Under) Spend (£000's)
Children's Services	19,146	18,901	(245)
Adult Services	52,419	52,326	(93)
Service Strategy & Business Support	2,785	2,767	(18)
Totals: -	74,350	73,994	(356)

- 4.2 This projected underspend amounts to less than 0.5% of the Directorate's budget but along with accumulated service reserves resulting from previous years' underspending it provides a contingency in case of spikes in demand for services during the winter months.
- 4.3 Full details of the month 3 budgets and projections are provided in Appendix 1 and the following paragraphs summarise the key issues arising.

4.4 **Children's Services**

- 4.4.1 The Children's Services Division is currently projected to underspend by £245k as summarised in the following table: -

	2015/16 Current Budget (£000's)	2015/16 Projection/ Commitment (£000's)	2015/16 Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,638	8,446	(192)
External Residential Care	1,542	1,335	(207)
Fostering & Adoption	6,644	6,904	260
Youth Offending	402	402	0
Other Costs	1,920	1,814	(106)
Totals: -	19,146	18,901	(245)

Management, Fieldwork and Administration

- 4.4.2 In response to the anticipated reductions in Welsh Government funding over the forthcoming financial years, a prudent approach to vacancy management has been adopted. This has led to a projected underspend of £192k against Management, Fieldwork and Administration posts within the Division.

Child Care Placement Costs

- 4.4.3 An overall underspend of £53k is projected in respect of residential placements, fostering and adoption. However, Members will be aware that demand for these services can be extremely volatile.

Other Costs

- 4.4.4 The projected £106k underspend for 'Other Costs' can mainly be attributed to 16 Plus aftercare services and reflects the strong financial management within the 16 Plus Team. However, new legislation in respect of "When I'm Ready" post-foster care support is likely to result in additional commitments in this area.

4.5 **Adult Services**

- 4.5.1 The Adult Services Division is currently projected to underspend by £93k as summarised in the following table: -

	2015/16 Current Budget (£000's)	2015/16 Projection/ Commitment (£000's)	2015/16 Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	7,621	7,742	121
Own Residential Care	5,884	5,696	(188)
External Residential Care	11,159	11,009	(150)
Own Day Care	4,415	4,243	(172)
External Day Care	879	968	89

	2015/16 Current Budget (£000's)	2015/16 Projection/ Commitment (£000's)	2015/16 Over/(Under) Spend (£000's)
Sheltered Employment	71	70	(1)
Aid and Adaptations	967	896	(71)
Home Assistance and Reablement	12,335	12,134	(201)
Other Domiciliary Care	8,938	8,770	(168)
Resettlement	(1,020)	(1,020)	0
Supporting People	211	888	677
Other Costs	959	930	(29)
Totals: -	52,419	52,326	(93)

Management, Fieldwork and Administration

- 4.5.2 The £121k overspend in Management, Fieldwork and Administration includes a £67k overspend in respect of structural savings targets for the division that have not yet been delivered within the current financial year. The remainder of this overspend is attributable to the continued pilot of the Start team which has been tasked with finding future savings through efficiencies and changes in working practice. Hence this overspend should be seen in the context of invest to save.

Own Residential Care

- 4.5.3 The underspend of £188k within our Own Residential Care service is largely due to additional income from residents in our own homes for older people. The level of this income is dependent upon the financial means of the cohort of service users in care at any time and the occupancy rates within our homes. Therefore, further work is required to determine whether this additional income can be expected in the longer term.

Own Day Care

- 4.5.4 The underspend of £172k within our own day care services is largely due to the early delivery of the reconfiguration of the service including an element of one-off savings through vacancy management in preparation for the reconfiguration.

Aids and Adaptations

- 4.5.5 The underspend of £71k is due to a repayment from GWICES in respect of unspent funding passed to the service by Adult Services in 2014/15.

Supporting People

- 4.5.6 An overspend of £677k is currently projected against the Supporting People budget. Of this amount, £474k is due to a cut in Welsh Government specific grant funding. A specific reserve has been earmarked in response to this grant reduction which can be drawn upon in 2015/16 should the Directorate as a whole overspend in 2015/16. The remaining overspend of £203k reflects the current levels of demand for supporting people services. A cross directorate working group has been created to address this issue.

Costs of Care Packages

- 4.5.7 Financial information in respect of external residential care, external day care, home assistance and reablement and other domiciliary services is captured separately for each of these services. However, demand for each of these services is inter-dependent as it is difficult to predict the exact needs and preferences of future service users. If these services are considered as a whole then we see an overall underspend of £430k is projected for 2015/16 as demonstrated in the table below.

	2015/16 Current Budget (£000's)	2015/16 Projection/ Commitment (£000's)	2015/16 Over/(Under) Spend (£000's)
External Residential Care	11,159	11,009	(150)
External Day Care	879	968	89
Home Assistance and Reablement	12,335	12,134	(201)
Other Domiciliary Care	8,938	8,770	(168)
Totals: -	33,311	32,881	(430)

4.5.8 Of the £430k underspend identified above, £377k relates to additional income from service users in respect of non-residential care. The level of this income is dependent on the financial means of each service user but it is felt that the current income levels are largely reflective of changes in charging policies rather than a short term fluctuation in service users' financial means. As such, this additional income could help to deliver the longer term savings required as part of the Medium Term Financial Plan.

4.5.9 The remaining underspend of £53k reflects current demand for care packages but Members will be aware that demand for these services can be unpredictable, particularly through the winter months.

Other Costs

4.5.10 An underspend of £29k is predicted against other Adult Services budgets. This includes £17k resulting from the cessation of payments to service users that attend day centres, with the remainder being largely attributable to a review of contracts with voluntary organisations.

Service Strategy & Business Support

4.6.1 This service area is currently projected to underspend by £18k as summarised in the following table: -

	2015/16 Current Budget (£000's)	2015/16 Projection/ Commitment (£000's)	2015/16 Over/(Under) Spend (£000's)
Management and Administration	1,281	1,353	72
Office Accommodation	444	444	0
Office Expenses	239	239	0
Other Costs	821	731	(90)
Totals: -	2,785	2,767	(18)

Management and Administration

4.6.2 The 2015/16 budget settlement for the Directorate included a savings target of £220k in respect of back office staff. Specific full year savings of around £140k have been identified to date but further savings amounting to £80k for a full year will need to be identified during the remainder of the current financial year. The projected overspend of £72k in respect of Management and Administration can be largely attributed to this issue.

Other Costs

4.6.3 The underspend of £90k against Other Costs includes a projected underspend of £101k relating to a provision set aside in the Social Services budget in respect of potential overspending within the Integrated Transport Unit (ITU). This provision had been set aside because prior to 2014/15 a recurring overspend had been experienced by the ITU in respect

of Social Services transport costs. However, changes in criteria and working practices were implemented in 2014/15 which resulted in a small underspend within the ITU in 2014/15. As a result it is anticipated that this budget provision will no longer be required.

4.6.4 The £101k underspend identified in paragraph 4.6.3 is partially offset by a projected one off overspend of £11k in respect of office furniture costs resulting from a number of office relocations linked to the corporate accommodation strategy.

4.7 **Progress Made Against the 2015/16 Revenue Budget Savings Targets**

4.7.1 The 2015/16 revenue budget settlement for Social Services included targeted savings of £2.084m. The projected overspends and underspends discussed in the above paragraphs take account of these savings targets. However, for ease of reference, the progress made against the individual savings targets included in the £2.084m is summarised in the following table and paragraph 4.7.2 below:-

Ref:	Description	Savings Target	Savings Achieved to Date £000s	Further Savings Required £000s	Details
Soc01	Review of shopping services	40	40	0	Shopping services are only approved in exceptional circumstances
Soc02	Review of meals on wheels service (50p per meal increase)	44	44	0	50p increase has been implemented
Soc03	Review of day centre provision	128	128	0	A further in-year saving of £98k has been achieved in advance of 2016/17 as a result of the early implementation of this review
Soc21	Reduction of 3 social workers per division with the intention to achieve by vacancy management	219	145	74	2 posts have been earmarked for deletion but are currently occupied
Soc22	Review of domiciliary care provision	85	85	0	A small underspend is currently predicted against adult care packages which suggests that this target has been achieved. However, demand for these services can be volatile

Ref:	Description	Savings Target	Savings Achieved to Date £000s	Further Savings Required £000s	Details
Soc4-20 and Soc23-27	General savings that have no direct impact on service users	1,568	1,367	201	<ul style="list-style-type: none"> • 2 posts earmarked for deletion are currently occupied (£53k). • Review of admin support to direct care establishments to be finalised (£18k). • Further back office savings to be identified by Senior Management Team (£80k). • A cross-directorate working group has been created to identify savings in the Supporting People budget (£50k).
		2,084	1,809	275	

4.7.2 Of the £2.084m directorate savings target for 2015/16, £1.809m (87%) has already been achieved. In addition certain posts have been earmarked for deletion pending retirements and redeployment opportunities which are likely to deliver further full year savings amounting to £0.145m. This leaves just £130k of savings that the Senior Management Team will need to identify during the remainder of the current financial year.

4.7.3 Even though the actual savings delivered in 2015/16 fall short of the £2.084m target, there will be no need to draw upon service reserves as other underspends are anticipated across the Directorate in 2015/16.

5. EQUALITIES IMPLICATIONS

5.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

6. FINANCIAL IMPLICATIONS

6.1 As identified throughout the report.

7. PERSONNEL IMPLICATIONS

7.1 There are no direct personnel implications arising from this report.

8. CONSULTATIONS

8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATION

- 9.1 Members are asked to note the projected underspend of £356k for 2015/16.
- 9.2 Members are asked to note the progress made against the savings targets included in the 2015/16 budget settlement for the Directorate.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that the Directorate manages its budget effectively.

11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2000.

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Consultees: Social Services Senior Management Team

Appendices:
Appendix 1 – Social Services 2015/16 Budget Monitoring Report (Month 3)