



HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE – 20TH OCTOBER 2015

SUBJECT: BUDGET MONITORING REPORT (MONTH 5)

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 5 (August 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 5 position is a projected Directorate underspend of £324k 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	18,860	(286)
Adult Services	52,419	52,371	(48)
Service Strategy & Business Support	2,785	2,795	10
Totals: -	74,350	74,026	(324)

- 4.2 This equates to a net movement of £32k from the £356k projected underspend that was reported to the Health, Social Care and Wellbeing Scrutiny Committee on 8th September as part of the Month 3 Budget Monitoring Report.
- 4.3 Full details of the month 5 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 £286k 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	8,135	(503)
External Residential Care	1,542	1,544	2
Fostering & Adoption	6,644	6,890	246
Youth Offending	402	402	0
Other Costs	1,920	1,889	(31)
Totals: -	19,146	18,860	(286)

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. A number of vacant posts have now been withheld for the remainder of the current financial year pending consultation in respect of the 2016/17 corporate budget strategy. This has contributed to a projected underspend of £503k against Management, Fieldwork and Administration posts within the Division.

Child Care Placement Costs

- 4.4.3 An overall overspend of £248k is projected in respect of residential placements, fostering and adoption which amounts to an increase of £195k since the Month 3 position. Around £120k of this increase can be attributed to 2 short term residential placements that are not expected to have any significant longer term financial implications. Members will be aware that demand for these services can be extremely volatile.

Other Costs

- 4.4.4 The projected £31k underspend for 'Other Costs' can mainly be attributed to 16 Plus aftercare services.

4.5 **Adult Services**

- 4.5.1 The Adult Services Division is currently projected to underspend by £48k 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	7,659	7,603	(56)
Own Residential Care	5,884	5,815	(69)
Own Day Care	4,377	4,163	(214)
Sheltered Employment	71	70	(1)
Aid and Adaptations	967	900	(67)
Costs of Care Packages			
- External Residential Care	11,159	11,005	(154)
- External Day Care	879	919	40
- Home Assistance and Reablement	12,335	12,054	(281)
- Other Domiciliary Care	8,938	9,006	68
- Resettlement S28a Income	(1,020)	(1,020)	0
Supporting People	211	920	709
Other Costs	959	936	(23)
Totals: -	52,419	52,371	(48)

Management, Fieldwork and Administration

- 4.5.2 The £56k underspend in Management, Fieldwork and Administration reflects the prudent approach to vacancy management that has been adopted across the directorate. The savings achieved through vacancy management more than offset projected overspends attributable to the additional temporary staff within the Mental Health Team and the continued pilot of the S.T.A.R.T. team.

Own Residential Care

- 4.5.3 The underspend of £69k 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.

Own Day Care

- 4.5.4 The underspend of £214k 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. This projected underspend has increased by around £42k since Month 3 due to a previous over estimation of outstanding energy costs.

Aids and Adaptations

- 4.5.5 The underspend of £67k 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 £709k 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 £235k 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 The table included in paragraph 4.5.1 separately identifies the position in respect of the budgets for external residential care, external day care, home assistance and reablement and other domiciliary services. The net position in respect of these costs of care packages is a projected underspend of £327k.
- 4.5.8 This underspend can be attributed to £332k of 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 If this additional income from service users is discounted then the projected costs of current care packages would exceed the budget by around £5k. Members will be aware that demand for care packages can be particularly volatile throughout the winter months so this position will require close monitoring throughout the remainder of the financial year.

Other Costs

- 4.5.10 An underspend of £23k is predicted against other Adult Services budgets. This is largely due to Welsh Government grant funding for the administration of the Welsh Independent Living Fund Grant.

4.6 Service Strategy & Business Support

- 4.6.1 This service area is currently projected to overspend by £10k 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	1,351	70
Office Accommodation	444	466	22
Office Expenses	239	239	0
Other Costs	821	739	(82)
Totals: -	2,785	2,795	10

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 £173k have been identified to date but further savings amounting to £47k for a full year will need to be identified during the remainder of the current financial year. Much of the £173k full year savings that have been identified will only deliver a part year effect in 2015/16 resulting in a total projected overspend of £70k against Management and Administration.

Office Accommodation

- 4.6.3 The £22k projected overspend against Office Accommodation is due to the final settlement in respect of dilapidation costs associated with the Hawtin Park Offices vacated by Social Services in 2009/10.

Other Costs

- 4.6.4 The underspend of £82k 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.
- 4.6.5 The £101k underspend identified in paragraph 4.6.4 is partially offset by a projected one off overspend of £19k 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 accompanying paragraphs:-

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	186	33	A post has been earmarked for deletion to achieve this saving but it is currently occupied
Soc22	Review of domiciliary care provision	85	85	0	A small underspend was previously predicted against adult care packages which suggests that this target has been achieved. However, demand for these services has since grown.

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	1,400	168	An additional full year saving of £33k has been achieved since the position reported to HSC&WB Scrutiny Committee on 8 th September 2015. This has been achieved through the deletion of a vacated back office post.
		2,084	1,883	201	

4.7.2 Of the £2.084m directorate savings target for 2015/16, £1.883m (90%) 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 £104k. This leaves just £97k of savings that the Senior Management Team will need to identify during the remainder of the current financial year.

4.7.3 The remaining saving target of £97k is £33k less than the £130k reported to the Health, Social Care and Wellbeing Scrutiny Committee on 8th September. This reduction is as a result of the Senior Management Team taking a decision not to replace an administrative officer that has recently left the organisation.

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 £324k 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.

Author: Mike Jones, Interim Financial Services Manager
E-mail: jonesmj@caerphilly.gov.uk - Tel: 01443 864618

Consultees: Social Services Senior Management Team
Robin Woodyatt – Cabinet Member for Social Services
Stephen Harris – Interim Head of Corporate Finance

Appendices: Appendix 1 – Social Services 2015/16 Budget Monitoring Report (Month 5)