



HEALTH, SOCIAL CARE AND WELL BEING SCRUTINY COMMITTEE - 25TH OCTOBER 2016

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 2016/17 financial year.
- 1.2 To update Members on the progress made against the savings targets built in to the 2016/17 revenue budget for the Directorate.

2. SUMMARY

- 2.1 The report summarises the projected financial position for the Social Services Directorate for the 2016/17 financial year based on information available as at month 5 (August 2016). It identifies budget pressures relating to the delivery of frontline services particularly placement pressures in both Adults and Children's Services. Full details are attached at Appendix 1.
- 2.2 The report also identifies the progress that has been made towards delivering the targeted savings that were included in the Directorate's budget for 2016/17.

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 and well-being goals.

4. THE REPORT

- 4.1 The 2016/17 month 5 position is a projected Directorate overspend of £36k when compared with the current budget for the Directorate for 2016/17, which includes £2.5m of funding permanently vired from a corporate Social Services cost pressures contingency budget. This is summarised in the table below: -

Division	2016/17 Revised Budget (£000's)	2016/17 Projection/ Commitment (£000's)	2016/17 Over/(Under) Spend (£000's)
Children's Services	19,769	20,187	418
Adult Services	53,606	53,298	(308)
Service Strategy & Business Support	2,525	2,451	(74)
Totals: -	75,900	75,936	36

4.2.1 Members will recall that the 2016/17 budget approved by Council on 24th February 2016 included a contingency of £2.5m for Social Services cost pressures. In June 2016, £1.4m was vired from this contingency budget in order to fund the impact of fee increases awarded to providers of adult social care in April 2016, due in the main to the introduction of the National Living Wage from April 2016. At the same time, a further £250k was released from this contingency to address demographic pressures experienced within Children's Services since the start of the financial year.

4.2.2 The remaining sum of £850k has since been vired to address demographic pressures experienced within Adult Services since the start of the financial year.

4.2.3 The revised budgets identified in the table above and throughout this report include the additional £2.5m of funding discussed in paragraphs 4.2.1 and 4.2.2 above.

4.3 Children's Services

4.3.1 The Children's Services Division is currently projected to overspend its revised budget by £418k as summarised in the following table: -

	2016/17 Revised Budget (£000's)	2016/17 Projection/ Commitment (£000's)	2016/17 Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,818	8,412	(406)
External Residential Care	1,670	2,186	516
Fostering & Adoption	6,706	7,008	302
Youth Offending	395	395	0
Families First	177	120	(57)
After Care Support	246	336	90
Other Costs	1,757	1,730	(27)
Totals: -	19,769	20,187	418

Management, Fieldwork and Administration

4.3.2 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 £406k against Management, Fieldwork and Administration posts within the Division.

Child Care Placement Costs

4.3.3 An overall overspend of £818k is projected in respect of residential placements, fostering and adoption support. This reflects the demographic changes and additional cost pressures experienced within the financial year with more children presenting with more complex and challenging behaviour than in previous years. This pressure has grown steadily throughout the financial year to date and could continue to grow through the remainder of the year. The full year effect of these pressures will have implications for 2017/18 and this will be considered as part of ongoing work on the Authority's Medium Term Financial Plan.

Families First

- 4.3.4 The £57k underspend in respect of Families First is due to temporary staffing vacancies that are expected to be filled in the near future.

Aftercare

- 4.3.5 An overspend of £90k is projected in respect of Aftercare Services. This relates to increased numbers of 16 to 18 year olds in receipt of leaving care services and a growth in "When I'm Ready" Placements for young adults who were previously fostered.

Other Costs

- 4.3.6 The projected £27k underspend for 'Other Costs' can largely be attributed to the renegotiation of contracts with voluntary organisations.

4.4 **Adult Services**

- 4.4.1 The Adult Services Division is currently projected to underspend its revised budget by £224k as summarised in the following table: -

	2016/17 Revised Budget (£000's)	2016/17 Projection/ Commitment (£000's)	2016/17 Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	7,544	7,420	(124)
Anticipated use of service reserves re.Transformation	0	(248)	(248)
Own Residential Care	5,825	5,631	(194)
External Residential Care	12,008	12,039	31
Own Day Care	4,369	4,021	(348)
External Day Care	885	987	102
Sheltered Employment	71	68	(3)
Aid and Adaptations	967	858	(109)
Home Assistance and Reablement (excl. Frailty)	10,551	10,264	(287)
Gwent Frailty Programme	2,228	2,169	(59)
Other Domiciliary Care	9,398	10,187	789
Resettlement	(1,020)	(1,020)	0
Supporting People	51	227	176
Other Costs	729	695	(34)
Totals: -	53,606	53,298	(308)

Management, Fieldwork and Administration

- 4.4.2 The £124k underspend in Management, Fieldwork and Administration can be attributed to a prudent approach to vacancy management. The projected expenditure in respect of management, fieldwork and administration includes a number of temporary posts involved in transformational projects. It is anticipated that these short term costs will be funded from service reserves thereby increasing the underspend in this area by £248k.

Own Residential Care and Supported Living

- 4.4.3 The £194k underspend within these services is due to a combination of increasing client contributions and short term staffing vacancies arising from delays in recruitment.

Own Day Care

- 4.4.4 The underspend of £348k within our own day care services is due to a combination of short term vacancies arising from recruitment and efficiency savings delivered in advance of the Medium Term Financial Plan requirements.

Aids and Adaptations

- 4.4.5 The £109k underspend is due to a repayment from GWICES in respect of unspent funding from 2015/16.

Gwent Frailty Programme

- 4.4.6 Underspending across the Gwent Frailty Programme largely resulting from short term vacancies is likely to result in a £59k reduction in the contribution required from Caerphilly Social Services.

Supporting People

- 4.4.7 An overspend of £176k is currently projected against the Supporting People budget. This over commitment has been reduced by £21k over the last 2 months and the Supporting People Manager will continue to review existing contracts in order to further reduce this over commitment.

Costs of Care Packages

- 4.4.8 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 these services is inter-dependent as it is difficult to predict the exact needs of future service users. If these services are considered as a whole then we see that an overall overspend of £635k is projected for 2016/17 as demonstrated in the table below:-

	2016/17 Revised Budget (£000's)	2016/17 Projection/ Commitment (£000's)	2016/17 Over/(Under) Spend (£000's)
External Residential Care	12,008	12,039	31
External Day Care	885	987	102
Home Assistance and Reablement (excl. Frailty)	10,551	10,264	(287)
Other Domiciliary Care	9,398	10,187	789
Totals: -	32,842	33,477	635

- 4.4.9 This pressure has occurred due to demographic changes experienced within Adult Services since the beginning of the current financial year. The full year effect of these changes will have financial implications for 2017/18. These cost pressures will also be considered further as part of ongoing work on the Authority's Medium Term Financial Plan.

Other Costs

- 4.4.10 A £34k underspend is predicted against other Adult Services budgets largely as a result of the maximisation of the Wales Independent Living Grant.

4.5 Service Strategy & Business Support

- 4.5.1 This service area is currently projected to underspend by £74k as summarised in the following table: -

	2016/17 Revised Budget (£000's)	2016/17 Projection/ Commitment (£000's)	2016/17 Over/(Under) Spend (£000's)
Management and Administration	1,210	1,153	(57)
Office Accommodation	448	456	8
Office Expenses	207	199	(8)
Other Costs	660	643	(17)
Totals: -	2,525	2,451	(74)

4.5.2 The underspend of £74k in respect of Business Support is largely due to structural savings delivered in advance of the Medium Term Financial Plan requirements.

4.6 **Progress Made Against the 2016/17 Revenue Budget Savings Targets**

4.6.1 At the Health Social Care and Wellbeing Scrutiny Committee meeting on 13th September 2016, Members were informed that all of the £1.342m savings targets for Social Services have been delivered, subject to identifying a redeployment opportunity for 1 member of staff. This issue has since been resolved and all of the savings targets have now been delivered.

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 overspend of £36k against the Directorate's revised budget for 2016/17.

9.2 Members are asked to note the progress made against the savings targets included in the 2016/17 budget settlement for the Directorate.

10. **REASONS FOR THE RECOMMENDATIONS**

10.1 To ensure Members are apprised of the latest financial position of the Directorate.

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
Stephen Harris (Interim Head of Corporate Finance)
Nicole Scammell (Acting Director of Corporate Services and S151 Officer)

Appendices:
Appendix 1 – Social Services 2016/17 Budget Monitoring Report (Month 5)