



HEALTH, SOCIAL CARE AND WELL BEING SCRUTINY COMMITTEE - 7TH FEBRUARY 2017

SUBJECT: BUDGET MONITORING REPORT (MONTH 9)

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 9 (December 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.

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.
- 3.2 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -
 - A prosperous Wales.
 - A resilient Wales.
 - A healthier Wales.
 - A more equal Wales.
 - A Wales of cohesive communities.
 - A Wales of vibrant culture and thriving Welsh Language.
 - A globally responsible Wales.

4. THE REPORT

- 4.1 The 2016/17 month 9 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. Members will recall that this virement was approved in response to 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 and demographic pressures experienced since April 2016. The position is summarised in the table below: -

| Division | Revised Budget (£000's) | Projection/ Commitment (£000's) | Over/(Under) Spend (£000's) |
|-------------------------------------|-------------------------|---------------------------------|-----------------------------|
| Children's Services | 19,769 | 20,346 | 577 |
| Adult Services | 53,606 | 53,180 | (426) |
| Service Strategy & Business Support | 2,525 | 2,410 | (115) |
| Totals: - | 75,900 | 75,936 | 36 |

4.2 Children's Services

4.2.1 The Children's Services Division is currently projected to overspend its revised budget by £577k as summarised in the following table: -

| | Revised Budget (£000's) | Projection/ Commitment (£000's) | Over/(Under) Spend (£000's) |
|--|-------------------------|---------------------------------|-----------------------------|
| Management, Fieldwork & Administration | 8,818 | 8,437 | (381) |
| External Residential Care | 1,670 | 2,179 | 509 |
| Fostering & Adoption | 6,706 | 7,253 | 547 |
| Youth Offending | 395 | 395 | 0 |
| Families First | 177 | 95 | (82) |
| After Care Support | 246 | 336 | 90 |
| Other Costs | 1,757 | 1,651 | (106) |
| Totals: - | 19,769 | 20,346 | 577 |

Management, Fieldwork and Administration

4.2.2 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 £381k against Management, Fieldwork and Administration posts within the Division.

Child Care Placement Costs

4.2.3 An overall overspend of £1.056m 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 by £238k since the month 5 position was reported to Members on 16th October 2016 and could continue to grow through the remainder of the year. The full year effect of these pressures will have implications for 2017/18 which have been considered as part of ongoing work on the Authority's Medium Term Financial Plan.

Families First

4.2.4 The £82k underspend in respect of Families First is due to long term staffing vacancies held in response to the anticipated reductions in Welsh Government funding over the forthcoming financial year.

Aftercare

4.2.5 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

4.2.6 The projected £106k underspend for 'Other Costs' includes £36k which be attributed to the renegotiation of contracts with voluntary organisations. The remainder of this underspend is largely as a result of restricting expenditure in non-critical areas in response to the financial pressures experienced in placement costs.

4.3 **Adult Services**

4.3.1 The Adult Services Division is currently projected to underspend its revised budget by £426k as summarised in the following table: -

| | Revised Budget (£000's) | Projection/ Commitment (£000's) | Over/(Under) Spend (£000's) |
|---|--------------------------------|--|------------------------------------|
| Management, Fieldwork & Administration | 7,544 | 7,085 | (459) |
| Anticipated use of service reserves re.Transformation | 0 | (147) | (147) |
| Own Residential Care and Supported Living | 5,825 | 5,352 | (473) |
| External Residential Care | 12,008 | 12,595 | 587 |
| Own Day Care | 4,369 | 3,961 | (408) |
| External Day Care | 885 | 1,003 | 118 |
| Supported Employment | 71 | 68 | (3) |
| Aid and Adaptations | 967 | 872 | (95) |
| Home Assistance and Reablement (excl. Frailty) | 10,551 | 10,221 | (330) |
| Gwent Frailty Programme | 2,228 | 2,188 | (40) |
| Other Domiciliary Care | 9,398 | 10,316 | 918 |
| Resettlement | (1,020) | (1,020) | 0 |
| Supporting People | 51 | 25 | (26) |
| Other Costs | 729 | 661 | (68) |
| Totals: - | 53,606 | 53,180 | (426) |

Management, Fieldwork and Administration

4.3.2 The £459k underspend in Management, Fieldwork and Administration can be attributed to a prudent approach to vacancy management and delays in backfilling post holders that have been seconded into grant funded posts. 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 £147k.

Own Residential Care and Supported Living

4.3.3 The closure of Clos Ceirw Supported Living home has contributed £76k of the £473k underspend within this service area. The remainder of the underspend is due to a combination of increasing client contributions and short term staffing vacancies arising from delays in recruitment.

Own Day Care

4.3.4 The underspend of £408k within our own day care services is due to a combination of short term vacancies arising from the recruitment process and efficiency savings delivered in advance of the Medium Term Financial Plan requirements.

Aids and Adaptations

4.3.5 The £95k underspend is due to a repayment from GWICES in respect of unspent funding from 2015/16.

Gwent Frailty Programme

- 4.3.6 Underspending across the Gwent Frailty Programme largely resulting from short term vacancies is likely to result in a £40k reduction in the contribution required from Caerphilly Social Services.

Supporting People

- 4.3.7 Savings of over £200k have been achieved since the month 5 position was reported to Members in October 2016 resulting in the current projected underspend of £26k against the Supporting People budget. This saving includes £52k resulting from the closure of Clos Ceirw Supported Living Home.

Costs of Care Packages

- 4.3.8 An overall overspend of £1.293m is projected for 2016/17 in respect of packages of care commissioned through the independent sector or through the in-house Home Assistance and Reablement Team as demonstrated in the table below:-

| | Revised Budget (£000's) | Projection/ Commitment (£000's) | Over/(Under) Spend (£000's) |
|--|--------------------------------|--|------------------------------------|
| External Residential Care | 12,008 | 12,595 | 587 |
| External Day Care | 885 | 1,003 | 118 |
| Home Assistance and Reablement (excl. Frailty) | 10,551 | 10,221 | (330) |
| Other Domiciliary Care | 9,398 | 10,316 | 918 |
| Totals: - | 32,842 | 34,135 | 1,293 |

- 4.3.9 This pressure has occurred due to demographic changes experienced within Adult Services since the beginning of the current financial year, particularly in respect of people with learning disabilities (£980k). The full year effect of these changes will have financial implications for 2017/18 and have been considered further as part of ongoing work on the Authority's Medium Term Financial Plan.
- 4.3.10 At the time of writing this report it is too early to assess whether the significant pressures experienced within health and social care services over the Christmas period will translate in to a long term financial commitment for the Directorate over and above the commitments identified in paragraph 4.3.9.

Other Costs

- 4.3.11 An underspend of £68k is predicted against other Adult Services budgets. This includes £15k efficiency savings delivered in advance of the Medium Term Financial Plan requirements with the remainder being largely as a result of the maximisation of the Wales Independent Living Grant.

4.4 **Service Strategy & Business Support**

4.4.1 This service area is currently projected to underspend by £115k as summarised in the following table: -

| | Revised Budget (£000's) | Projection/ Commitment (£000's) | Over/(Under) Spend (£000's) |
|-------------------------------|--------------------------------|--|------------------------------------|
| Management and Administration | 1,210 | 1,128 | (82) |
| Office Accommodation | 448 | 477 | 29 |
| Office Expenses | 207 | 168 | (39) |
| Other Costs | 660 | 637 | (23) |
| Totals: - | 2,525 | 2,410 | (115) |

4.4.2 The underspend of £115k in respect of Business Support is largely due to structural savings delivered in advance of the Medium Term Financial Plan requirements.

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

4.5.1 The 2016/17 budget for Social Services included a savings target of £1.342m. All of the necessary actions have now been implemented to ensure that these savings can be delivered in full and on a recurring basis.

5. **WELL-BEING OF FUTURE GENERATIONS**

5.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

6. **EQUALITIES IMPLICATIONS**

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

7. **FINANCIAL IMPLICATIONS**

7.1 As detailed throughout the report.

8. **PERSONNEL IMPLICATIONS**

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

9. **CONSULTATIONS**

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

10. **RECOMMENDATIONS**

10.1 Members are asked to note the projected overspend of £36k against the Directorate's revised budget for 2016/17.

11. REASONS FOR THE RECOMMENDATIONS

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

12. STATUTORY POWER

12.1 Local Government Act 1972 and 2000.

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Appendices:
Appendix 1 - Social Services 2016/17 Budget Monitoring Report (Month 9)