



HEALTH, SOCIAL CARE AND WELL BEING SCRUTINY COMMITTEE - 6TH FEBRUARY 2018

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 2017/18 financial year.

2. SUMMARY

- 2.1 The report summarises the projected financial position for the Social Services Directorate for the 2017/18 financial year based on information available as at month 9 (December 2017). It identifies budget pressures relating to the delivery of frontline services particularly within Children's Services and highlights some potential issues that could lead to increased costs within Adult 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 Summarised Position

- 4.1.1 Since the month 5 position was reported to Members on 24th October 2017 the budget for the Education Safeguarding Team has been vired in to the Social Services budget to reflect a change in management responsibilities that took effect earlier in the year, with the Team now falling within the remit of the Assistant Director for Children's Services. A further budget

virement from Adult Services into Children Services has also been undertaken to enable a contribution to be made from the Children's Services budget towards the cost of autism services incurred within the Education Directorate. These virements have had the net effect of increasing the Directorate's budget by £124k as follows:-

Division	Original Budget (£000's)	Education Safe-guarding Team (£000's)	Autism Services (£000's)	Revised Budget (£000's)
Children's Services	21,318	124	15	21,457
Adult Services	57,087		(15)	57,072
Service Strategy & Business Support	2,594			2,594
Totals: -	80,999	139	0	81,123

4.1.2 The 2017/18 month 9 position is a projected Directorate overspend of £2.045m. This equates to an increase of £525k since month 5. While there have been a number movements in projected costs across the Directorate since month 5, it is the continuing increase in child care placement costs that is responsible for the overall increase. 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	21,457	24,371	2,914
Adult Services	57,072	56,323	(749)
Service Strategy & Business Support	2,594	2,474	(120)
Totals: -	81,123	83,168	2,045

4.2 **Children's Services**

4.2.1 The Children's Services Division is currently projected to overspend its budget by £2,914k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	9,163	8,688	(474)
External Residential Care	2,398	5,337	2,939
Fostering & Adoption	7,293	7,776	483
Youth Offending	395	395	0
Families First	75	0	(75)
After Care Support	726	785	59
Other Costs	1,407	1,390	(17)
Totals: -	21,457	24,371	2,914

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 £474k against Management, Fieldwork and Administration posts within the Division. This underspend has increased by around £224k since month 5 largely through the maximisation of a specific grant aimed at edge of care services.

Child Care Placement Costs

4.2.3 An overall overspend of £3,422m is projected in respect of residential placements, fostering and adoption support. Members will be familiar with the circumstances that led to the projected overspend of £2,754 that was reported to the Health, Social Care and Wellbeing Scrutiny Committee on 24th October 2017. Since then, financial support for 4 children has ended but 12 new placements have been made with independent care providers resulting in a net increase in cost of £115k. A further increase of £197k has been experienced since month 5 as a result of the escalating needs of the cohort of children that were in placements when the month 5 position was reported to Members. A lack of suitable places has meant that it has not been possible to move certain individuals on to more cost effective placements as planned which has added a further £297k to the projected costs. The remaining increase in placement costs since month 5 can largely be attributed to one off costs incurred in adapting premises to make them suitable for foster care. Members will be aware from the report entitled “Looked after Children – Services Pressures” that was presented to the Scrutiny Committee on 24th October that similar pressures are being experienced across most Welsh local authorities.

Families First

4.2.4 The £75k underspend in respect of Families First is due to additional Welsh Government funding being made available to fund the core staff team.

Aftercare

4.2.5 An overspend of £59k is projected in respect of Aftercare Services and reflects the numbers of 16 to 18 year olds currently in receipt of leaving care services. However, there may be scope to fund this potential overspend from specific grant funding streams should further slippage against the grant aided schemes be identified in the remainder of the financial year.

Other Costs

4.2.6 The projected £17k underspend for ‘Other Costs’ is largely the result of a reduction in the numbers/cost of unaccompanied asylum seeking children supported by the Directorate.

4.3 **Adult Services**

4.3.1 The Adult Services Division is currently projected to underspend its revised budget by £749k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	7,622	7,067	(555)
Own Residential Care and Supported Living	5,923	5,530	(393)
Own Day Care	4,344	4,151	(193)
Supported Employment	71	68	(3)
Aid and Adaptations	783	654	(129)
Gwent Frailty Programme	2,274	2,166	(108)
Supporting People	0	556	556
Care Packages	35,342	35,547	205
Other Costs	713	584	(129)
Totals: -	57,072	56,323	(749)

Management, Fieldwork and Administration

4.3.2 The £555k underspend in Management, Fieldwork and Administration can be attributed to a prudent approach to vacancy management.

Own Residential Care and Supported Living

- 4.3.3 The £393k underspend in this area includes around £85k in respect of Clos Tir y Pwll Supported Living Home. This home is currently under occupied and staffing levels have been adjusted as a result. A Further £101k of this underspend can be attributable to staffing vacancies at Min y Mynydd and Beatrice Webb Residential Homes for Older People. A review of staff rotas has enabled these vacancies to be held for an extended period with no detriment to service provision and will help the Division meet its Medium Term Financial Plan savings targets. The remainder of this underspend is due to increased contributions from residents towards the cost of their care at residential homes for older people.

Own Day Care

- 4.3.4 Around £81k of the underspend of £193k within our own day care services is due to temporary staffing vacancies within the Mental Health Community Support Team. The remainder of this underspend can be attributed to a prudent approach to vacancy management which will help the Division meet its Medium Term Financial Plan savings targets.

Aids and Adaptations

- 4.3.5 The £129k underspend is due to a repayment from the Gwent Wide Integrated Community Equipment Service (GWICES) in respect of unspent funding from 2016/17.

Gwent Frailty Programme

- 4.3.6 Underspending across the Gwent Frailty Programme largely resulting from short term vacancies is likely to result in a £108k reduction in the contribution required from Caerphilly Social Services.

Supporting People

- 4.3.7 Demand for services linked to homelessness, mental health issues, substance misuse and floating support arrangements has continued to grow throughout the financial year while Welsh Government grant funding has remained at the 2016/17 level. This has contributed to a potential overspend of £556k. In response to this, the Supporting People Team has commenced a review of the financial support provided to service users in supported living accommodation. Currently, financial support is awarded on a two tier system but it is felt that a move to individual assessments of support needs for these service users could result in significant savings against the Supporting People budget and eradicate the overspend for future years. The initial impact of this will be to shift the financial burden to the wider adult services budget for care packages. However, it is felt that this burden can be reduced by a review of the care provided in these supported living settings to reflect the changing needs of the service users on their journey to greater independence.

Costs of Care Packages

- 4.3.8 An overall overspend of £205k is projected for 2017/18 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	13,567	13,489	(78)
External Day Care	1,163	1,245	82
Home Assistance and Reablement (excl. Frailty)	10,981	11,196	215
Other Domiciliary Care	11,224	11,538	314
Additional Social Care Workforce Costs	0	239	239
Social Care Workforce Grant	(573)	(1,140)	(567)
Resettlement Grant	(1,020)	(1,020)	0
Totals: -	35,342	35,547	205

4.3.9 The gross cost of care packages for adults has increased by £1,865k since the budget was set. Of this, increase, £567k is due to the measures agreed in response to the release of a second tranche of Welsh Government Social Care Workforce Grant targeted at tackling workforce issues. The remaining increase in the gross cost of care packages of £1,298k can be attributed to the increasing demand for services experienced throughout 2017/18.

4.3.10 The increase in gross costs has been further offset by an increase of £1,093k in contributions from service users towards the cost of their care, resulting in a projected net overspend of £205k in respect of care packages for adults. Approximately £600k of this increase in contributions can be attributed to the increased demand for services and a further £180k is due to increases in the average assessed charge payable by individual service users. While, these increases can be anticipated to continue in future financial years, the remaining £313k of the additional contributions forecast in 2017/18 mostly relates to unusual levels of deferred property debt settled in 2017/18 which cannot be relied upon in future years. It should be noted that there has been a significant increase in the number of placements made to long term care for 17/18 the cost of which has been off set by the income from deferred property sales.

Other Costs

4.3.11 An underspend of £129k is predicted against other Adult Services budgets. Around £88k of this can be attributed to the maximisation of specific grant funding with the remainder largely due to a review of voluntary sector contracts which will help the Division meet its Medium Term Financial Plan savings targets.

4.4 Service Strategy & Business Support

4.4.1 This service area is currently projected to underspend by £120k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management and Administration	1,178	1,085	(93)
Office Accommodation	467	430	(37)
Office Expenses	169	169	0
Other Costs	780	790	10
Totals: -	2,594	2,474	(120)

4.4.2 The underspend of £93k in respect of management and administration includes a £58k underspend resulting from vacancy savings and salary spinal point savings and a further £35k underspend resulting from the dissolution of the South East Wales Shared IT Service. Until October 2017, this service had provided IT support to the 5 local authorities in South East Wales that were using the SWIFT database for recording social care activity. These local authorities are in the process of migrating to the Welsh Community Care Information System (WCCIS) so support for the SWIFT database is no longer required.

4.4.3 The relocation of a number of teams within the directorate has added a further underspend of around £37k.

4.4.4 These underspends have been partially offset by a number of one off costs associated with preparing for the implementation of WCCIS resulting in a net underspend of £120k for Service Strategy and Business Support.

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 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 reasons for the projected overspend of £2,045k against the Directorate's budget for 2017/18.

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.

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)

Appendices:
Appendix 1 - Social Services 2017/18 Budget Monitoring Report (Month 9)