



HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE - 9TH SEPTEMBER 2014

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 Directorate for the 2014/15 financial year.
- 1.2 To update Members on the progress made against the savings targets built in to the 2014/15 revenue budget for the Directorate.

2. SUMMARY

- 2.1 The report summarises the projected financial position for the Social Services Directorate based on information available as at month 3 of the 2014/15 financial year. Full details are attached at Appendix 1.
- 2.2 The report also identifies the 2014/15 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 2014/15 month 3 position is a projected Directorate underspend of £1,558k as summarised in the table below:-

Division	2014/15 Current Budget (£000's)	2014/15 Projection/ Commitment (£000's)	2014/15 Over/(Under) Spend (£000's)
Children's Services	19,258	18,620	(638)
Adult Services	53,006	52,121	(885)
Service Strategy & Business Support	3,025	2,990	(35)
Totals: -	75,289	73,731	(1,588)

4.2 Whilst this underspend appears to be quite significant, it is important to realise that it only amounts to just over 2% of the Directorate's budget and given the volatility in demand for social care services and the anticipated cut in WG. funding for 2015/16 it would be prudent not to re-invest this underspend in other initiatives that would result in an on-going financial commitment.

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 £885k as summarised in the following table:-

	2014/15 Current Budget (£000's)	2014/15 Projection/ Commitment (£000's)	2014/15 Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,040	7,892	(148)
External Residential Care	1,099	1,043	(56)
Fostering & Adoption	7,514	7,172	(342)
Youth Offending	420	366	(54)
Other Costs	2,185	2,147	(38)
Totals: -	19,258	18,620	(638)

Management, Fieldwork and Administration

4.4.2 An underspend of £258k is projected against Management, Fieldwork and Administration posts within Children's Services. However, this is offset by an overspend of £110k as it is assumed that an element of the 2014/15 structural savings target for the division will not be delivered within the current financial year. The £258k underspend equates to 3.2% of the budget and has arisen due to a combination of pension scheme opt-outs, maternity absence not back-filled and vacant posts. These vacant posts will assist the division in delivering structural savings in the latter part of 2014/15 and in future years.

External Residential Care

4.4.3 Members will be aware that this is a highly volatile budget area and significant variations against budget often occur. The projected underspend of £56k reflects current committed placements and is net of financial contributions from Health and Education.

Fostering and Adoption

4.4.4 The projected underspend of £342k reflects current commitments and includes a contingency to meet anticipated future pressures on placement budgets. Early intervention by the Immediate Response Team has avoided the need for a number of children to become looked after, resulting in significant savings against this budget. The Immediate Response Team was created towards the end of 2011/12 as an invest to save scheme and has been funded from earmarked reserves to date. As the scheme has proved to be successful in reducing the numbers of looked after children, it is proposed that the Team is established on a permanent basis by creating a core budget, funded by a virement from the Fostering and Adoption budget. This virement will be subject to agreement by Cabinet.

Youth Offending

- 4.4.5 Caerphilly Social Services' contribution to the Caerphilly and Blaenau Gwent Youth Offending Team has been agreed at £366k for 2014/15 which is £54k less than the funding set aside by the Division. The contributions for 2015/16 and 2016/17 have been agreed at £395k which means that the Division can contribute £25k of savings towards the Authority's medium term financial plan in 2015/16.

Other Costs

- 4.4.6 The projected £38k underspend for 'Other Costs' includes a projected underspend of £152k in respect of aftercare services and reflects the strong financial management within the 16 Plus Team. This underspend is partially offset by the cost of the Immediate Response Team. As discussed in paragraph 4.4.4, this team has been funded from earmarked reserves to date. Due to the level of the current projected underspend in Children's Services it is not currently planned to draw down the earmarked funding for the Immediate Response Team in the current financial year so the full cost of the Team is currently reported as an overspend. Should the virement proposed in paragraph 4.4.4. be agreed by Cabinet then this overspend will be eliminated but will be offset by an equivalent reduction in the projected underspend in respect of fostering and adoption.

4.5 Adult Services

- 4.5.1 The Adult Services Division is currently projected to underspend by £885k as summarised in the following table:-

	2014/15 Current Budget (£000's)	2014/15 Projection/ Commitment (£000's)	2014/15 Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	7,825	7,868	43
Own Residential Care	6,057	5,959	(98)
External Residential Care	11,396	11,137	(259)
Own Day Care	4,420	4,585	165
External Day Care	1,079	985	(94)
Sheltered Employment	69	69	(0)
Aid and Adaptations	1,089	865	(224)
Home Assistance and Reablement	12,237	11,958	(279)
Other Domiciliary Care	8,562	8,108	(454)
Resettlement	(1,020)	(1,020)	0
Supporting People	323	649	326
Other Costs	969	958	(11)
Totals: -	53,006	52,121	(885)

Management, Fieldwork and Administration

- 4.5.2 The £43k overspend in Management, Fieldwork and Administration includes a £207k overspend in respect of structural savings targets for the division that have not yet been delivered within the current financial year. This is largely offset by £146k of Intermediate Care Fund Grant, which is a Welsh Government Grant introduced in 2014/15 to promote collaborative working between Local Authorities and Health Boards.

Own Residential Care

- 4.5.3 The underspend of £98k within our Own Residential Care service is largely due to additional income from residents in our own homes for older people. The projections indicate that the average income of the current cohort of residents is higher than those that were resident at the time that the budget was set.

External Residential Care

- 4.5.4 The projected underspend of £259k reflects current committed placements only and does not include any contingency for additional demand for placements that may occur throughout the winter period.

Own Day Care

- 4.5.5 The overspend of £165k includes £140k of proposed revenue contributions towards capital outlay. These contributions will be used to fund the replacement of the ageing boilers at Brooklands Day Centre and Ystrad Mynach Day Centre.

External Day Care

- 4.5.6 The projected underspend of £94k reflects current commitments and includes a contingency of £24k to meet anticipated future pressures.

Aids and Adaptations

- 4.5.7 The underspend of £224k includes a repayment of £86k from GWICES in respect of unspent funding passed to the service by Adult Services in 2013/14. Most of the balance of the reported underspend is also attributable to the GWICES agreement. The budget earmarked by Adult Services for their contribution towards GWICES for 2014/15 is £735k. However, in light of the underspend experienced in 2013/14, the actual contribution by Adult Services towards GWICES for 2014/15 has been agreed at £603k. This can be a permanent reduction and can assist the Directorate to deliver against its Medium Term Financial Plan.

Home Assistance & Reablement

- 4.5.8 The projected underspend of £279k reflects current commitments and includes a contingency of £147K to meet anticipated future pressures on placement budgets. This contingency is intended to provide for a steady increase in demand throughout the financial year, in line with the annual increase in demand experienced over recent years. However, it is likely that this increase in demand will not manifest itself steadily throughout the year but will be more prominent during the winter period. As a result, it is likely that the reported underspend will have reduced before year-end.

Other Domiciliary Care

- 4.5.9 The projected underspend of £445k reflects current commitments in respect of supported living placements, direct payments and extra care and includes a contingency of £137k to meet anticipated future pressures on placement budgets. For the same reasons explained in paragraph 4.5.8, it is likely that this underspend will reduce before year-end.

Supporting People

- 4.5.10 An overspend of £326k is currently projected against the Supporting People budget. This includes £81k in respect of a new contract with United Welsh to provide floating support for older people and £133k in respect of a new contract with Village Domestic Services. The remaining overspend is largely attributable to a restructuring of the contract with Valley Support.

Other Costs

4.5.11 A small underspend of £11k is predicted against other Adult Services budgets.

4.6 Service Strategy & Business Support

4.6.1 This service area is currently projected to underspend by £35k as summarised in the following table:-

	2014/15 Current Budget (£000's)	2014/15 Projection/ Commitment (£000's)	2014/15 Over/(Under) Spend (£000's)
Management and Administration	1,447	1,450	3
Office Accommodation	482	404	(78)
Office Expenses	236	236	0
Other Costs	860	900	40
Totals: -	3,025	2,990	(35)

4.6.2 The underspend of £78k in respect of Office Accommodation relates to a refund of service charges in respect of Hawtin Park. While the £40k overspend in respect of Other Costs includes a proposed £67k revenue contribution to capital outlay which will be used to upgrade the social services vehicle fleet.

4.7 Progress Made Against the 2014/15 Revenue Budget Savings Targets

4.7.1 The 2014/15 revenue budget settlement for Social Services included targeted savings of £2.062m. 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 £2.062m is summarised in the following table and paragraph 4.7.2 below:-

Ref:	Description	Savings Target £000s	Achieved in 2014/15 £000s	Details
SS1a	Review of HART structure	299	299	Vacant posts removed
SS1b	Transfer of home care hours to independent sector	31	31	Budget realigned accordingly
SS3	Review of Independent Reviewing Officer Service.	23	23	Vacant posts removed
SS6	Retender for Cefn Glas & Plas Hyfryd Extra Care	70	70	Tender completed
SS7a	Increase Meals on Wheels charges	20	20	Price increase implemented
SS8a	Cease domestic support (supporting people contract)	183	137	Contract terminated w.e.f. 30 th June. A further saving of £46k will be delivered in 2015/16.
SS12	Review of staff rotas for short break service	48	48	Rotas only reviewed w.e.f. August due to needs of 1 child but additional funding secured from ABUHB for April to July.

Ref:	Description	Savings Target £000s	Achieved in 2014/15 £000s	Details
SS13	Combine Adult Services and Children's Services front door	54	41	Team manager post vacated in June. A further saving of £13k will be delivered in 2015/16.
SS14	Review of Fostering Teams	92	69	Team manager and Market analyst post vacated in June. A further saving of £23k will be delivered in 2015/16.
SS15	Establish a cross-Directorate Commissioning Team	92	92	Vacant posts deleted
SS16	Review of Children's Services Locality Team structure	78	0	It is hoped to implement the proposed changes w.e.f. 1 st October that will deliver savings of £78k in 2014/15.
SS17	Review of Administrative support across the Directorate	101	101	Vacant posts deleted
SS18	Review of Performance Management function	50	50	Vacant posts deleted
SS19	Review senior management structure	96	96	Vacant posts deleted
SS20	Review Children's Rights Service	54	54	Vacant posts deleted
SS21	Review Direct Care Management Structure	97	0	Proposals are being developed to deliver this saving
SS22	Review number of social workers	221	0	Proposals are being developed to deliver these savings but due to the delayed implementation the full target is unlikely to be realised in 14/15
SS23	Charge ABHB for brokerage services	135	135	ABUHB plan to re-commission this service but in the meantime, ICF grant will be used to fund the service provided by Social Services
SS25	Termination of contract with Cancercareline.	19	6	Contract initially terminated w.e.f. 1st April but was later re-negotiated at the request of ABUHB.
SS27	Review voluntary sector contracts	99	99	Contracts re-negotiated
SS28	Withdrawal of the provision of staff meals in Community Support Services for Adults with a Learning Disability	11	11	Provision withdrawn
SS29	Review of staffing budgets in Older People Residential & Day Care Establishments	89	89	Budgets re-aligned from 1st April
SS31	Full Year Effect of Enterprise House Closure	100	100	Building no longer in use
	TOTAL	2,062	1,571	

4.7.2 It is pleasing to note that at this early stage in the financial year £1.571m (76%) of the savings target has been achieved and that work is progressing to deliver the balance of the savings target.

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 £1,558k for 2014/15.

9.2 Members are asked to note the progress made against the savings targets included in the 2014/15 budget settlement for the Directorate.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure that the Directorate can deliver a balanced budget for 2014/15.

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2000.

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

Consultees: Social Services Senior Management Team
Cllr. R. Woodyatt, Cabinet Member for Social Services
Cllr. L. Ackerman, Chair of HSC&WB Scrutiny Committee
Cllr. P. Cook, Vice-Chair of HSC&WB Scrutiny Committee
Steve Harris, Interim Head of Corporate Finance

Appendices:
Appendix 1 Social Services 2014/15 Budget Monitoring Report (Month 3)