



HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE - 14TH MAY 2013

**SUBJECT: 2013/14 REVENUE BUDGET & MEDIUM-TERM FINANCIAL PLAN
UPDATE**

REPORT BY: ACTING CORPORATE DIRECTOR SOCIAL SERVICES

1. PURPOSE OF REPORT

- 1.1 To provide Members with details of the 2013/14 revenue budget for the Directorate of Social Services and an update on the Medium-Term Financial Plan.

2. SUMMARY

- 2.1 The report provides details of the 2013/14 revenue budget for service areas within Social Services and an update on the Directorate's Medium-Term Financial Plan.

3. LINKS TO STRATEGY

The budget reflects the agreed 2013/14 financial strategy for the Authority.

The detailed allocation of the budget across service areas will ensure that the Directorate is well placed to deliver its objectives, which in turn will support the achievement of the Authority's stated aims.

4. THE REPORT

4.1 2013/14 Revenue Budget

- 4.1.1 The Welsh Government's Revenue Support Grant (RSG) settlement for Caerphilly County Borough Council for the 2013/14 financial year after adjusting for new responsibilities is an uplift of 1.08%, which represents a cash increase of £2.773m on the previous year.
- 4.1.2 As in previous years, the Welsh Government have, through the RSG formula, placed a requirement on Local Authorities to include 1% protection above the percentage applied by Central Government to the Welsh Government's block grant for Schools and Social Care. For 2013/14 this protection equates to £1.5m for Social Services. However, this has been reduced to £1.250m to allow for funding allocated in advance to Social Services as part of the 2012/13 budget settlement. As part of the budget strategy agreed by Council in February 2013 further additional funding of £1.2m was allocated to Social Services for 2013/14 to meet the cost of increasing demand on services.
- 4.1.3 The approved 2013/14 budget for the Directorate of Social Services totals £75,081,848 and full details are provided in Appendix 1. The following table provides a summary of the key

movements from the 2012/13 budget: -

	Children's Services £	Adult Services £	Business Support £	Total £
Original Budget 2012/13	19,503,510	48,112,365	2,962,010	70,577,885
In-Year Virements	(16,320)	15,759	46,501	45,940
Revised Budget 2012/13	19,487,190	48,128,124	3,008,511	70,623,825
Movements: -				
Transfers into RSG		1,846,855		1,846,855
Welsh Government 1% Protection	251,846	971,930	26,224	1,250,000
Additional Growth		1,200,000		1,200,000
Living Wage	450	33,141	221	33,812
Redirection of Savings from Enterprise House		100,000		100,000
Other Miscellaneous Adjustments	10,489	24,335	(7,468)	27,356
Original Budget 2013/14	19,749,975	52,304,385	3,027,488	75,081,848

- 4.1.4 The transfers into RSG relate to funding previously received in the form of specific grants for Learning Disabilities Resettlement (£1,821,226) and the Blue Badge Scheme (£25,629).
- 4.1.5 The Welsh Government 1% Protection funding of £1.250m has been used to budget for a pay uplift of 1% (£369,455), an uplift of 1.5% on non-pay budgets (£509,997) and £370,997 has been set-aside to part-fund cost pressures in Learning Disabilities Supported Living.
- 4.1.6 The £1.2m additional growth monies allocated to the Directorate are being used to fund increased demand in a number of service areas, in particular Domiciliary Care & Sitting, Day Care, Supported Living and Supporting People. Some budgets have also been transferred within Adult Services to ensure that resources are targeted at those areas where increased demand is most prevalent.
- 4.1.7 The lease at Enterprise House is due to terminate at the end of September 2013 and this will result in a full year saving of £200k. In line with proposals previously agreed by Council this saving is being pass-ported to Social Services (part-year transfer of £100k for 2013/14).
- 4.1.8 The Scrutiny Committee will receive regular budget monitoring reports throughout the financial year highlighting any issues arising and providing details of full-year projected spend.

4.2 Medium-Term Financial Plan Update

- 4.2.1 The indicative RSG from the Welsh Government for Caerphilly CBC for 2014/15 is an uplift of 0.63%. In the absence of any indicative figures for 2015/16 the budget paper presented to Council on the 27th February 2013 assumed a 0% uplift, which requires savings of £6.099m to be achieved by 31 March 2016.
- 4.2.2 The Welsh Government requirement to protect Schools continues until the end of the 2014/15 financial year and for Social Care the requirement is until 31st March 2014. However, the Medium-Term financial strategy agreed by Council in February 2013 extends these protections for both Schools and Social Services up to and including 31 March 2016.
- 4.2.3 As a consequence of this the Directorate of Social Services will not be required to contribute to the Council savings requirement of £6.099m but will be required to manage expenditure within allocated budgets. There will be significant demand on Social Care services in coming years due to demographic change and the Directorate's Medium-Term Financial Plan

assumes new demand cost pressures of £1.5m in both 2014/15 and 2015/16. This results in an indicative savings requirement of £1.845m for 2014/15 and £1.427m for 2015/16. In addition to this, proposals arising from the review of Residential and Nursing Care Home fees will result in an additional savings requirement of circa £541k from 2014/15.

- 4.2.4 In recent years the Directorate of Social Services has made significant savings and efficiencies to contribute towards the Medium-Term Financial Plan and to manage cost pressures arising from demographics and the increasing demand for services. These savings and efficiencies have been delivered with no adverse impact on front-line service delivery or staff redundancies and have been achieved through a range of actions including the review and restructuring of staffing requirements, the reconfiguration of services, rationalisation of office accommodation and a reduction in back office costs. A summary is provided in the following table: -

Financial Year	Savings/ Efficiencies (£)
2009/10	3,581,998
2010/11	1,880,838
2011/12	2,014,561
Total: -	7,477,397

- 4.2.5 In addition to the above savings the Directorate has also been involved in a range of cost avoidance initiatives which have resulted in resources being used more effectively. A report on these initiatives will be presented to the Scrutiny Committee in due course.
- 4.2.6 The Directorate is now actively reviewing budgets to identify updated proposals to meet the indicative savings requirements for 2014/15 and 2015/16. Details of these proposals will be presented to the Scrutiny Committee over the coming months.

5. EQUALITIES

- 5.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.
- 5.2 Equality Impact Assessments will be undertaken for all service reconfiguration proposals agreed as part of the Directorate's Medium-Term Financial Plan.

6. FINANCIAL IMPLICATIONS

- 6.1 As identified throughout the report.

7. PERSONNEL IMPLICATIONS

- 7.1 The personnel implications of agreed service reconfiguration proposals will be carefully managed and where relevant staff will be fully supported to identify appropriate redeployment opportunities.

8. CONSULTATIONS

- 8.1 All Senior Managers and budget holders within the Directorate have been fully consulted during the process of finalising the 2013/14 budget.

9. RECOMMENDATION

9.1 That Scrutiny Committee notes the content of this report.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure that the Scrutiny Committee is fully informed on the 2013/14 revenue budget for the Directorate of Social Services and indicative medium-term savings requirements.

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2000.

Author: - Stephen Harris, Acting Head of Corporate Finance
Email: harrisr@caerphilly.gov.uk, tel: 01443 863022

Consultees: - Social Services Senior Management Team
Cllr. R. Woodyatt, Cabinet Member for Social Services
Cllr. L. Ackerman, Chair of HSC&WB Scrutiny Committee
Cllr. B. Jones, Vice-Chair of HSC&WB Scrutiny Committee
Nicole Scammell, Acting Director of Corporate Services and S151 Officer

Appendices:

Appendix 1 Social Services Budget 2013/14