



## HEALTH, SOCIAL CARE & WELLBEING SCRUTINY COMMITTEE - 11TH FEBRUARY 2014

**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 Directorate for the 2013/14 financial year.

### 2. SUMMARY

- 2.1 The report summarises the projected financial position for the Social Services Directorate based on information available as at month 9 of the 2013/14 financial year. 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.

### 4. THE REPORT

- 4.1 The 2013/14 month 9 position is a projected Directorate underspend of £1,935k as summarised in the table below: -

Division	2013/14 Current Budget (£000's)	2013/14 Projection/ Commitment (£000's)	2013/14 Over/(Under) Spend (£000's)
Children's Services	19,750	18,657	(1,093)
Adult Services	52,764	52,088	(676)
Service Strategy & Business Support	3,028	2,862	(166)
<b>Totals: -</b>	<b>75,542</b>	<b>73,607</b>	<b>(1,935)</b>

- 4.2 Members will be aware of the significant cuts in funding for future years as set out in the 2014/15 Local Government Financial Settlement. Officers have been mindful of this and in anticipation of the poor settlement, expenditure has been curtailed in a number of areas to support Medium Term Financial Plan (MTFP) savings requirements. This prudent approach has resulted in projected underspends being higher than would normally be the case.

4.3 Full details of the month 9 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 projected position for the Children's Services Division is summarised in the following table: -

	<b>2013/14 Current Budget (£000's)</b>	<b>2013/14 Projection/ Commitment (£000's)</b>	<b>2013/14 Over/(Under) Spend (£000's)</b>
Management, Fieldwork & Administration	8,430	7,767	<b>(663)</b>
External Residential Care	1,082	915	<b>(167)</b>
Fostering & Adoption	7,407	7,293	<b>(114)</b>
Youth Offending	427	339	<b>(88)</b>
Other Costs	2,404	2,343	<b>(61)</b>
<b>Totals: -</b>	<b>19,750</b>	<b>18,657</b>	<b>(1,093)</b>

*Management, Fieldwork and Administration*

4.4.2 An underspend of £663k is projected in Management, Fieldwork and Administration. As at month 9 the vacancy level stands at 8.73% against a budgeted level of 2.67%. Current projections assume that vacancies will remain at 8.73% for the remainder of the financial year.

4.4.3 Members should note that some vacant posts within Children's Services totalling £230k have been identified as savings in advance for the 2014/15 financial year. There will also be a need to redeploy staff whose posts are being removed as part of other savings proposals for the Division. This will require a detailed review of all vacant posts to identify potential redeployment opportunities.

*External Residential Care*

4.4.4 Members will be aware that this is a highly volatile budget area and significant variations against budget often occur due to changes in demand and the high cost of some placements. The projected underspend of £167k reflects current committed placements and is net of financial contributions from Health and Education.

4.4.5 The Divisional Management Team closely monitors the External Residential Care budget throughout the financial year to ensure that appropriate action is taken to manage the financial impact of fluctuations in demand.

*Fostering and Adoption*

4.4.6 The projected underspend of £114k reflects current commitments but is also due to professional fees being projected to underspend by £59k, which is reversing the trend of overspends in this area in recent years.

*Youth Offending*

4.4.7 This budget reflects Caerphilly Social Services' contribution to the Caerphilly and Blaenau Gwent Youth Offending Team and shows a projected underspend of £88k from the budgeted level. This is a one-off underspend arising from the Local Management Board's decision to release surpluses accumulated by the Youth Offending Service and as such cannot be relied upon for future financial years.

## Other Costs

4.4.8 One-off funding was received from the Welsh Government at the end of the 2010/11 financial year and this was set-aside and ring-fenced to meet the cost of the Immediate Response Team. The projected cost for the Team for the 2013/14 financial year is £177k but due to the current level of underspend within Children's Services this is being funded from the revenue budget rather than drawing on the ring-fenced funding. This additional cost is being offset by projected underspends in Equipment and Adaptations, Section 17 budgets, Aftercare and Respite Care. Furthermore, a bad debt provision was made at the end of the 2012/13 financial year in relation to sums due to the Authority for a particular placement but payment has now been received resulting in the provision being reversed in the current financial year. The net projected position for Other Costs is an overall underspend of £61k.

## 4.5 **Adult Services**

4.5.1 The Adult Services Division is currently projected to underspend by £676k as summarised in the following table: -

	2013/14 Current Budget (£000's)	2013/14 Projection/ Commitment (£000's)	2013/14 Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,170	7,973	(197)
Own Residential Care	6,048	5,889	(159)
External Residential Care	12,171	11,608	(563)
Own Day Care	4,443	4,256	(187)
External Day Care	944	991	47
Sheltered Employment	72	71	(1)
Aid and Adaptations	1,072	972	(100)
Home Assistance and Reablement	11,523	11,641	118
Other Domiciliary Care	7,813	7,868	55
Resettlement	(1,020)	(1,020)	0
Supporting People	380	379	(1)
Other Costs	1,148	1,460	312
<b>Totals: -</b>	<b>52,764</b>	<b>52,088</b>	<b>(676)</b>

4.5.2 The most significant variations against budget are in Management, Fieldwork & Administration, Own Residential Care, External Residential Care, Own Day Care and Other Costs.

### *Management, Fieldwork & Administration*

4.5.3 The projected underspend of £197k in Management, Fieldwork and Administration is due to actual vacancy levels being at 4.76% against the budgeted level of 2.04%. Vacant posts within Adult Services totalling £160k have been identified as savings in advance for the 2014/15 financial year.

### 4.5.4 *Own Residential Care*

£134k of the projected underspend of £159k for Own Residential Care is due to actual staffing costs being lower than the budgeted level. These budgets have been reviewed in detail and 'budget realignment' proposals are being put forward as part of the 2014/15 savings requirement for Social Services.

### *External Residential Care*

4.5.5 Within External Residential Care the projected underspend on Older People placements has increased to £706k, which is due to a general reduction in placements and a number of

individuals being awarded Continuing Healthcare (CHC) funding. Members should note that whilst there is a significant projected underspend on Older People residential/nursing placements much of this is being offset by a corresponding increase in Home Care packages. This supports the Authority's strategy of helping people to maintain their independence and remain in their own homes.

- 4.5.6 There is also a projected underspend of £170k for Learning Disabilities placements, which is being offset by overspends on other placements budgets, in particular in relation to Mental Health.

*Own Day Care*

- 4.5.7 There is a projected underspend of £187k for Own Day Care and budgets in this area are also being reviewed in detail to identify 'budget realignment' proposals to support ongoing savings requirements.

*Other Costs*

- 4.5.8 The most significant elements of the projected overspend of £312k in Other Costs are additional one-off costs of £143k arising from the need to engage Agency workers to back-fill staff dealing with the closure of Mill View Nursing Home; and dilapidations costs of £99k in relation to the termination of the lease at Enterprise House.

**4.6 Service Strategy & Business Support**

- 4.6.1 Service Strategy and Business Support is currently projected to underspend by £166k as summarised in the following table: -

	<b>2013/14 Current Budget (£000's)</b>	<b>2013/14 Projection/ Commitment (£000's)</b>	<b>2013/14 Over/(Under) Spend (£000's)</b>
Management and Administration	1,437	1,356	<b>(81)</b>
Office Accommodation	345	359	<b>14</b>
Office Expenses	231	225	<b>(6)</b>
Other Costs	1,015	922	<b>(93)</b>
<b>Totals: -</b>	<b>3,028</b>	<b>2,862</b>	<b>(166)</b>

- 4.6.2 The projected underspend of £81k in Management & Administration is due to a small number of vacancies in Business Support Teams.

- 4.6.3 The projected underspend of £93k in Other Costs is due in the main to the Directorate successfully securing Association of Directors for Social Services (ADSS) one-off funding in 2013/14 for the costs incurred in 2012/13 on the proposed integration project with Blaenau Gwent.

**4.7 Outlook for 2014/15 and Future Years**

- 4.7.1 As part of the Medium-Term Financial Plan (MTFP) Social Services will be required to deliver savings of £2,062k in the 2014/15 financial year. Of this total, savings of £1,035k have already been achieved in advance and this is the main contributory factor to the reported projected underspend for the 2013/14 financial year. Members should note that there will also be a need to redeploy staff whose posts are being removed as part of other 2014/15 savings proposals in the Directorate. This will require a detailed review of all remaining vacant posts to identify potential redeployment opportunities.

- 4.7.2 It is also worth noting that £556k of the underspend in the 2013/14 financial year is due to one-off events that cannot be used to balance the budget in future years.

4.7.3 An assessment has been undertaken of current commitments across key areas of service provision and this has revealed that budgets in these areas will be fully committed in the 2014/15 financial year just to maintain the level of service currently provided. Social Services will receive additional funding of £1,200k in 2014/15 as part of the proposed budget strategy. This funding will be required to meet anticipated increases in demand and to fund other unavoidable cost pressures facing the Directorate.

4.7.4 Members will be aware that the Authority needs to identify further savings of circa £13m for 2015/16 and 2016/17. Social Services will be required to identify additional savings to help meet this target and reports outlining further proposals will be presented to the Scrutiny Committee during the coming months.

## **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 contents of this report.

## **10. REASONS FOR THE RECOMMENDATIONS**

10.1 To ensure that the Directorate can deliver a balanced budget for 2013/14.

## **11. STATUTORY POWER**

11.1 Local Government Acts 1972 and 2000.

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Appendices:

Appendix 1 – Social Services 2013/14 Budget Monitoring Report (Month 9)