



HEALTH, SOCIAL CARE AND WELL BEING SCRUTINY COMMITTEE 9TH FEBRUARY 2016

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 2015/16 financial year.
- 1.2 To update Members on the progress made against the savings targets built in to the 2015/16 revenue budget for the Directorate.

2. SUMMARY

- 2.1 The report summarises the projected financial position for the Social Services Directorate for the 2015/16 financial year based on information available as at month 9 (December 2015). Full details are attached at Appendix 1.
- 2.2 The report identifies the progress that has been made towards delivering the targeted savings that were included in the 2015/16 budget.

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 2015/16 month 9 position is a projected Directorate underspend of £714k as summarised in the table below: -

| Division | 2015/16 Current Budget (£000's) | 2015/16 Projection/ Commitment (£000's) | 2015/16 Over/(Under) Spend (£000's) |
|-------------------------------------|--|--|--|
| Children's Services | 19,146 | 18,905 | (241) |
| Adult Services | 52,419 | 51,945 | (474) |
| Service Strategy & Business Support | 2,785 | 2,786 | 1 |
| Totals: - | 74,350 | 73,636 | (714) |

- 4.2 This equates to a net movement of £390k from the £324k projected underspend that was reported to the Health, Social Care and Wellbeing Scrutiny Committee on 20th October as part of the Month 5 Budget Monitoring Report.
- 4.3 Around £365k of this net movement can be attributed to a review of Supporting People contracts. This review was necessitated by a cut in Welsh Government grant funding for 2015/16 of around £359k coupled with additional cost pressures in respect of tenancy support and homelessness.
- 4.4 Full details of the month 9 budgets and projections are provided in Appendix 1 and the following paragraphs summarise the key issues arising.

4.5 **Children's Services**

- 4.5.1 The Children's Services Division is currently projected to underspend by £241k as summarised in the following table: -

| | 2015/16 Current Budget (£000's) | 2015/16 Projection/ Commitment (£000's) | 2015/16 Over/(Under) Spend (£000's) |
|---|--|--|--|
| Management, Fieldwork & Administration | 8,638 | 8,108 | (530) |
| External Residential Care, Fostering & Adoption | 8,186 | 8,553 | 367 |
| Youth Offending | 402 | 380 | (22) |
| Other Costs | 1,920 | 1,864 | (56) |
| Totals: - | 19,146 | 18,905 | (241) |

Management, Fieldwork and Administration

- 4.5.2 In response to the anticipated reductions in Welsh Government funding over the forthcoming financial years, a prudent approach to vacancy management has been adopted. A number of vacant posts have now been withheld for the remainder of the current financial year pending consultation in respect of the 2016/17 corporate budget strategy. This has contributed to a projected underspend of £530k against Management, Fieldwork and Administration posts within the Division.

Child Care Placement Costs

- 4.5.3 An overall overspend of £367k is projected in respect of residential placements, fostering and adoption which amounts to an increase of £119k since the Month 5 position. Around £75k of this increase relates to adoption inter-agency fees associated with finding adoptive placements outside of the local authority boundaries.

Youth Offending Service

- 4.5.4 An underspend of £22k is projected in respect of the Youth Offending Service (YOS) as a result of a decision taken by the YOS Local Management Board to redistribute an element of the partnership's reserves back to partners.

Other Costs

- 4.5.5 The projected £56k underspend for 'Other Costs' can be attributed to rigorous management of budgets for prevention and support.

4.6 Adult Services

4.6.1 The Adult Services Division is currently projected to underspend by £474k as summarised in the following table: -

| | 2015/16 Current Budget (£000's) | 2015/16 Projection/ Commitment (£000's) | 2015/16 Over/(Under) Spend (£000's) |
|---|--|--|--|
| Management, Fieldwork & Administration | 7,634 | 7,422 | (212) |
| Own Residential Care | 5,884 | 5,684 | (200) |
| Own Day Care | 4,402 | 4,166 | (236) |
| Sheltered Employment | 71 | 68 | (3) |
| Aid and Adaptations | 967 | 903 | (64) |
| Costs of Care Packages | | | |
| - <i>External Residential Care</i> | 11,159 | 11,209 | 50 |
| - <i>External Day Care</i> | 879 | 831 | (48) |
| - <i>Home Assistance and Reablement</i> | 12,335 | 12,017 | (318) |
| - <i>Other Domiciliary Care</i> | 8,938 | 8,897 | (41) |
| - <i>Resettlement S28a Income</i> | (1,020) | (1,020) | 0 |
| Supporting People | 211 | 556 | 345 |
| Other Costs | 959 | 1,212 | 253 |
| Totals: - | 52,419 | 51,945 | (474) |

Management, Fieldwork and Administration

4.6.2 The £212k underspend in Management, Fieldwork and Administration reflects the prudent approach to vacancy management that has been adopted across the directorate. The savings achieved through vacancy management more than offset projected overspends attributable to additional temporary staff within the Mental Health Team and the continued pilot of systems thinking.

Own Residential Care

4.6.3 The underspend of £200k within our Own Residential Care service is largely due to additional income from residents in our own homes for older people. The level of this income is dependent upon the financial means of the cohort of service users in care at any time and the occupancy rates within our homes. As a result, income levels can fluctuate over time but it is likely that this additional income will be achieved in future years which will provide the opportunity to realign the budget for 2016/17.

Own Day Care

4.6.4 The underspend of £236k within our own day care services is largely due to the early delivery of the reconfiguration of the service including an element of one-off savings through vacancy management in preparation for the reconfiguration.

Aids and Adaptations

4.6.5 The underspend of £64k is due to a repayment from GWICES in respect of unspent funding passed to the service by Adult Services in 2014/15.

Supporting People

- 4.6.6 An overspend of £345k is currently projected against the Supporting People budget. This amounts to a reduction of £365k from the position reported to the Health, Social Care and Wellbeing Scrutiny Committee on 20th October. This has been achieved through a renegotiation of contracts part way through the current financial year in response to the cut in Welsh Government Grant funding that was announced earlier in the current financial year. The full year effect of these negotiations will help to deliver a balanced budget in 2016/17.

Costs of Care Packages

- 4.6.7 The table included in paragraph 4.6.1 separately identifies the position in respect of the budgets for external residential care, external day care, home assistance and reablement and other domiciliary services. The net position in respect of these costs of care packages is a projected underspend of £357k.
- 4.6.8 This underspend can be attributed to additional income from service users in respect of non-residential care. The level of this income is dependent on the financial means of each service user but it is felt that the current income levels are largely reflective of changes in charging policies rather than a short term fluctuation in service users' financial means. As such, this additional income could help to deliver the longer term savings required as part of the Medium Term Financial Plan.
- 4.6.9 If this additional income from service users is discounted then the projected costs of current care packages would exceed the budget by around £45k. Members will be aware that demand for care packages can be particularly volatile throughout the winter months so this position will require close monitoring throughout the remainder of the financial year.

Other Costs

- 4.6.10 In light of the projected underspends within adult services that are identified in paragraphs 4.6.2 to 4.6.9 it has been decided to make a revenue contribution of £293k towards the installation of solar panels at 5 of our residential homes. While this has contributed to the £235k overspend reported against other costs for the current financial year, it will result in a longer term reduction in energy bills at the 5 homes and should be viewed as an invest to save project.

4.7 Service Strategy & Business Support

- 4.7.1 This service area is currently projected to overspend by £1k as summarised in the following table: -

| | 2015/16 Current Budget (£000's) | 2015/16 Projection/ Commitment (£000's) | 2015/16 Over/(Under) Spend (£000's) |
|-------------------------------|--|--|--|
| Management and Administration | 1,281 | 1,358 | 77 |
| Office Accommodation | 444 | 466 | 22 |
| Office Expenses | 239 | 216 | (23) |
| Other Costs | 821 | 746 | (75) |
| Totals: - | 2,785 | 2,786 | 1 |

Management and Administration

- 4.7.2 The 2015/16 budget settlement for the Directorate included a savings target of £220k in respect of back office staff. Specific full year savings of around £173k have been identified to date but further savings amounting to £47k for a full year will need to be identified during the remainder of the current financial year. Much of the £173k full year savings that have been identified will only deliver a part year effect in 2015/16 resulting in a total projected overspend of £77k against Management and Administration.

Office Accommodation

- 4.7.3 The £22k projected overspend against Office Accommodation is due to the final settlement in respect of dilapidation costs associated with the Hawtin Park Offices vacated by Social Services in 2009/10.

Office Expenses

- 4.7.4 Expenditure incurred between April 2015 and December 2015 in respect of photocopying and mobile phone usage suggests that we can expect an underspend of around £23k in respect of office expenses for the current financial year.

Other Costs

- 4.7.5 The underspend of £75k against Other Costs includes a projected underspend of £101k relating to a provision set aside in the Social Services budget in respect of potential overspending within the Integrated Transport Unit (ITU). This provision had been set aside because prior to 2014/15 a recurring overspend had been experienced by the ITU in respect of Social Services transport costs. However, changes in criteria and working practices were implemented in 2014/15 which resulted in a small underspend within the ITU in 2014/15. As a result it is anticipated that this budget provision will no longer be required.
- 4.7.6 The £101k underspend identified in paragraph 4.7.5 is partially offset by a projected one off overspend of £33k in respect of office furniture costs resulting from a number of office relocations linked to the corporate accommodation strategy.

4.8 Progress Made Against the 2015/16 Revenue Budget Savings Targets

- 4.8.1 The 2015/16 revenue budget settlement for Social Services included targeted savings of £2.084m. 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 £2.084m is summarised in the following table and accompanying paragraphs:-

| Ref: | Description | Savings Target | Savings Achieved to Date £000s | Further Savings Required £000s | Details |
|-------|---|----------------|-----------------------------------|-----------------------------------|--|
| Soc01 | Review of shopping services | 40 | 40 | 0 | Shopping services are only approved in exceptional circumstances |
| Soc02 | Review of meals on wheels service (50p per meal increase) | 44 | 44 | 0 | 50p increase has been implemented |

| Ref: | Description | Savings Target | Savings Achieved to Date £000s | Further Savings Required £000s | Details |
|----------------------|--|----------------|--------------------------------|--------------------------------|--|
| Soc03 | Review of day centre provision | 128 | 128 | 0 | further in-year savings have been achieved as a result of the early implementation of this review |
| Soc21 | Reduction of 3 social workers per division with the intention to achieve by vacancy management | 219 | 219 | 0 | All 6 posts have been vacated |
| Soc22 | Review of domiciliary care provision | 85 | 85 | 0 | A small underspend was previously predicted against adult care packages which suggests that this target has been achieved. However, demand for these services has since grown. |
| Soc4-20 and Soc23-27 | General savings that have no direct impact on service users | 1,568 | 1,521 | 47 | Further back office savings to be identified by Senior Management Team. |
| | | 2,084 | 2,037 | 47 | |

4.8.2 Of the £2.084m directorate savings target for 2015/16, £2.037m (98%) has now been achieved. This leaves just £47k of savings that the Senior Management Team will need to identify during the remainder of the current financial year.

4.8.3 The remaining saving target of £47k is £154k less than the £201k reported to the Health, Social Care and Wellbeing Scrutiny Committee on 20th October. This reduction has been achieved by withholding 2 vacant posts within the Information, Advice and Assistance Team (£53k), the voluntary severance of a post holder in the Review Team (£33k), finalisation of the review direct care administrative support (£18k) and a review of supporting people contracts (£50k).

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 £714k for 2015/16.

9.2 Members are asked to note the progress made against the savings targets included in the 2015/16 budget settlement for the Directorate.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure that the Directorate manages its budget effectively.

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2000.

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Appendices:
Appendix 1 – Social Services 2015/16 Budget Monitoring Report (Month 9)