



HEALTH, SOCIAL CARE AND WELL BEING SCRUTINY COMMITTEE - 12TH SEPTEMBER 2017

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 Social Services Directorate for the 2017/18 financial year.
- 1.2 To update Members on the progress made against the savings targets built in to the 2017/18 revenue budget for the Directorate.

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 3 (June 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 The 2017/18 month 3 position is a projected Directorate overspend of £1.163m. 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	21,318	23,048	1,730
Adult Services	57,087	56,617	(470)
Service Strategy & Business Support	2,594	2,497	(97)
Totals: -	80,999	82,162	1,163

4.2 **Children's Services**

4.2.1 The Children's Services Division is currently projected to overspend its budget by £1,730k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,767	8,481	(286)
External Residential Care	2,398	4,503	2,104
Fostering & Adoption	7,293	7,378	85
Youth Offending	395	395	0
Families First	75	13	(61)
After Care Support	745	631	(114)
Other Costs	1,645	1,647	2
Totals: -	21,318	23,048	1,730

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 £286k against Management, Fieldwork and Administration posts within the Division.

Child Care Placement Costs

4.2.3 An overall overspend of £2.189m is projected in respect of residential placements, fostering and adoption support. This reflects the demographic changes and additional cost pressures experienced within the financial year with more children presenting with more complex and challenging behaviour than in previous years. This projected overspend includes a relatively small number of very expensive residential care packages, which for the purposes of this projection have been assumed to continue throughout the financial year. However, every effort is being made to identify alternative care packages that are more cost effective in order to reduce this potential overspend.

Families First

4.2.4 The £61k 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 underspend of £114k is projected in respect of Aftercare Services and reflects the numbers of 16 to 18 year olds currently in receipt of leaving care services.

Other Costs

- 4.2.6 The projected £2k overspend for 'Other Costs' includes overspends in respect of disability equipment (£23k) and direct payments (£13k) offset by underspends in respect of voluntary sector contracts (£14k) and Unaccompanied Asylum Seeking Children (£20k).

4.3 Adult Services

- 4.3.1 The Adult Services Division is currently projected to underspend its revised budget by £470k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	7,636	7,340	(296)
Own Residential Care and Supported Living	5,923	5,846	(77)
External Residential Care	13,567	13,545	(22)
Own Day Care	4,344	4,180	(164)
External Day Care	1,163	1,230	67
Supported Employment	71	68	(3)
Aid and Adaptations	783	652	(131)
Home Assistance and Reablement (excl. Frailty)	10,981	11,253	272
Gwent Frailty Programme	2,274	2,199	(75)
Other Domiciliary Care	11,225	11,606	381
Resettlement	(1,020)	(1,020)	0
Supporting People	0	145	145
Other Costs	713	623	(90)
Social Care Workforce Grant	(573)	(1,050)	(477)
Totals: -	57,087	56,617	(470)

Management, Fieldwork and Administration

- 4.3.2 The £296k 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 £77k underspend in this area is largely attributable to staffing vacancies at Min y Mynydd Residential Home 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.

Own Day Care

- 4.3.4 Around £53k of the underspend of £164k 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 £131k 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 £75k reduction in the contribution required from Caerphilly Social Services.

Supporting People

- 4.3.7 Increasing demand for services linked to homelessness, mental health issues and substance misuse has led to an increase in supporting people committed costs while Welsh Government grant funding remained at the 2016/17 level. This has contributed to a potential overspend of £145k

Costs of Care Packages

- 4.3.8 An overall overspend of £221k 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	13,545	(22)
External Day Care	1,163	1,230	67
Home Assistance and Reablement (excl. Frailty)	10,981	11,253	272
Other Domiciliary Care	11,225	11,606	381
Social Care Workforce Grant	(573)	(1,050)	(477)
Totals: -	36,363	36,584	221

- 4.3.9 The overall cost of care packages for adults has increased by £698k since the budget was set at the beginning of the year but this has been partially offset by a second tranche of Welsh Government Social Care Workforce Grant funding resulting in the net overspend of £221k.
- 4.3.10 Demand for these services is difficult to predict and can fluctuate significantly, particularly through the winter months and with an ageing population it is quite possible that this overspend could increase throughout the financial year.

Other Costs

- 4.3.11 An underspend of £90k is predicted against other Adult Services budgets. This includes £37k as a result of the maximisation of the Wales Independent Living Grant with the remainder being largely as a result of the Mencap Family Sitting Service contract coming to an end.

Integrated Care Fund Grant

- 4.3.12 A number of posts introduced into the Adult Services Division within the 2016/17 financial year attracted grant funding through the Intermediate Care Fund in 2016/17. This grant has been replaced by the Integrated Care Fund Grant in 2017/18 and the financial forecasts included in this report assume that all posts that attracted grant funding in 2016/17 will continue to attract grant funding throughout 2017/18. There is currently some doubt as to whether this will be the case and the worst case scenario could result in a funding shortfall of around £491k which is not included in this report. If any of this income is not forthcoming then some existing services may have to withdraw to mitigate the loss of income.

4.4 Service Strategy & Business Support

- 4.4.1 This service area is currently projected to underspend by £97k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management and Administration	1,124	1,088	(36)
Office Accommodation	467	431	(36)
Office Expenses	169	169	0
Other Costs	834	809	(25)
Totals: -	2,594	2,497	(97)

4.4.2 The underspend of £97k in respect of Business Support includes a £54k underspend resulting from vacancy savings and salary spinal point savings and a £32k underspend resulting from vacating office space at De Clare Court in Caerphilly. The remainder of the underspend is attributable to the Joint Workforce Development Team.

4.5 **Progress Made Against the 2017/18 Revenue Budget Savings Targets**

4.5.1 The 2017/18 budget for Social Services included a savings target of £563k. The following actions have now been successfully implemented and have delivered the savings target in full and on a recurring basis:-

ACTION TAKEN	SAVING ACHIEVED £000s
Review of staffing structures across Children's Services	218
Review of staffing structures across Adult Services	176
Review of business support staffing across the directorate	95
Review of staffing structures across Financial Services	54
Realignment of Office Accommodation budgets	20
	563

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 projected overspend of £1,163k against the Directorate's budget for 2017/18.
- 10.2 Members are asked to note the potential increases in costs resulting from further increases in demand and the potential loss of Integrated Care Fund Grant while recognising the efforts being made by officers to reduce placement costs.

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.

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Appendices:
Appendix 1 - Social Services 2017/18 Budget Monitoring Report (Month 3)