



HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE – 24TH OCTOBER 2017

SUBJECT: BUDGET MONITORING REPORT (MONTH 5)

REPORT BY: CORPORATE DIRECTOR, SOCIAL SERVICES AND PUBLIC PROTECTION

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 5 (August 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 5 position is a projected Directorate overspend of £1.520m. This equates to an increase of £357k since the month 3 position was reported to Members on 12th September 2017 which can be attributed almost entirely to a net increase in Child Care placements. 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	23,492	2,174
Adult Services	57,087	56,515	(572)
Service Strategy & Business Support	2,594	2,512	(82)
Totals: -	80,999	82,519	1,520

4.2 Children's Services

4.2.1 The Children's Services Division is currently projected to overspend its budget by £2,174k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,767	8,517	(250)
External Residential Care	2,398	4,930	2,532
Fostering & Adoption	7,293	7,515	222
Youth Offending	395	395	0
Families First	75	13	(62)
After Care Support	745	672	(73)
Other Costs	1,645	1,450	(195)
Totals: -	21,318	23,492	2,174

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 £250k against Management, Fieldwork and Administration posts within the Division.

Child Care Placement Costs

4.2.3 An overall overspend of £2,754m is projected in respect of residential placements, fostering and adoption support. Members will be aware of one particular residential placement that was included in the forecasts reported to the HSC&Wb Scrutiny Committee on 12th September at a weekly cost of £16,500 per week. While an alternative placement has since been identified for this individual saving around £220k, additional children with challenging behaviour have entered residential placements resulting in a net increase in forecasted costs of £355k since the month 3 position was reported to members in September. This forecast assumes that all current placements will remain in place throughout the financial year but every effort will continue to be made to identify more cost effective arrangements.

Families First

4.2.4 The £62k 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 £73k 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 £195k underspend for 'Other Costs' is largely the result of maximising the Edge of Care Grant funding from Welsh Government. The work of the Immediate Response Team has been re-focused towards achieving the objectives of this specific grant funding and therefore the cost of the team will be funded through this grant.

4.3 **Adult Services**

4.3.1 The Adult Services Division is currently projected to underspend its revised budget by £572k as summarised in the following table: -

	Revised Budget (£000's)	Projection/Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	7,636	7,148	(488)
Own Residential Care and Supported Living	5,923	5,761	(162)
External Residential Care	13,567	13,535	(32)
Own Day Care	4,344	4,160	(184)
External Day Care	1,163	1,218	55
Supported Employment	71	68	(3)
Aid and Adaptations	783	654	(129)
Home Assistance and Reablement (excl. Frailty)	10,981	11,081	100
Gwent Frailty Programme	2,274	2,167	(107)
Other Domiciliary Care	11,225	11,522	297
Resettlement	(1,020)	(1,020)	0
Supporting People	0	472	472
Other Costs	713	649	(64)
Additional Social Care Workforce Costs	0	240	240
Social Care Workforce Grant	(573)	(1,140)	(567)
Totals: -	57,087	56,515	(572)

Management, Fieldwork and Administration

4.3.2 The £488k 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 £162k underspend in this area includes around £85k in respect of Clos Tir y Pwll Supported Living Home. This home is currently under occupied and staffing levels have been adjusted as a result. The remainder of this underspend can be attributable to staffing vacancies at Min y Mynydd and Beatrice Webb Residential Homes 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 £61k of the underspend of £184k 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 £128k 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 £107k reduction in the contribution required from Caerphilly Social Services.

Supporting People

- 4.3.7 Demand for services linked to homelessness, mental health issues, substance misuse and floating support arrangements has continued to grow throughout the financial year while Welsh Government grant funding has remained at the 2016/17 level. This has contributed to a potential overspend of £472k.

Costs of Care Packages

- 4.3.8 An overall overspend of £93k 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	13,535	(32)
External Day Care	1,163	1,218	55
Home Assistance and Reablement (excl. Frailty)	10,981	11,081	100
Other Domiciliary Care	11,225	11,522	297
Additional Social Care Workforce Costs	0	240	240
Social Care Workforce Grant	(573)	(1,140)	(567)
Totals: -	36,363	36,456	93

- 4.3.9 The overall cost of care packages for adults has increased by £660k since the budget was set at the beginning of the year mainly resulting from fee increases aimed at resolving workforce issues within the independent sector. These pressures have largely been offset by a second tranche of Welsh Government Social Care Workforce Grant funding targeted at tackling these workforce issues which has resulted in the net overspend of £93k.
- 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 £64k is predicted against other Adult Services budgets largely as a result of a review of voluntary sector contracts which will help the Division meet its Medium Term Financial Plan savings targets.

4.4 Service Strategy & Business Support

- 4.4.1 This service area is currently projected to underspend by £82k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
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Management and Administration	1,124	1,081	(43)
Office Accommodation	467	448	(19)
Office Expenses	169	169	0
Other Costs	834	814	(20)
Totals: -	2,594	2,512	(82)

4.4.2 The underspend of £82k in respect of Business Support includes a £43k underspend resulting from vacancy savings and salary spinal point savings and a £19k underspend resulting from office re-locations. 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. At the HSC&Wb Scrutiny Committee held on 12th September, members were made aware that the following actions have 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 £1,520k 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 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 5)