



HEALTH, SOCIAL CARE AND WELL BEING SCRUTINY COMMITTEE 23RD OCTOBER 2018

SUBJECT: BUDGET MONITORING REPORT (MONTH 5)

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 2018/19 financial year.
- 1.2 To update Members on the progress made against the savings targets built in to the 2018/19 revenue budget for the Directorate.

2. SUMMARY

- 2.1 The report summarises the projected financial position for the Social Services Directorate for the 2018/19 financial year based on information available as at month 5 (August 2018). It identifies budget pressures relating to services for adults with learning disabilities and highlights the financial successes achieved by the Children's Services division despite an increase in the numbers of looked after children. Full details are attached at Appendix 1.
- 2.2 The report also identifies the savings targets that have been factored into the Directorate's budget for 2018/19 and highlights the good progress made towards achieving those targets.

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 Based on known commitments as at the end of August 2018, the Social Services revised budget of £87.797m for 2018/19 is forecast to be underspent by around £1,027k. However, this does not account for the costs of transport of Social Services service users which is funded through a budget held by the Integrated Transport Unit within the Directorate of Communities. This budget for transport costs amounts to £1.465m and is forecast to be overspent by around £130k giving a forecasted net underspend of £897k when offset against the £1,027k underspend within the Social Services Directorate.

Division	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Children's Services	23,342	22,245	(1,097)
Adult Services	62,388	62,523	135
Service Strategy & Business Support	2,067	2,002	(65)
Sub Total Directorate of Social Services	87,797	86,770	(1,027)
Transport Costs	1,465	1,595	130
Grand Total	89,262	88,365	(997)

4.2 Children's Services

- 4.2.1 The Children's Services Division is currently projected to underspend its budget by £1,097k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,067	7,740	(327)
Residential Care Including Secure Accommodation	5,420	4,775	(645)
Fostering & Adoption	7,724	7,791	67
Youth Offending	395	395	0
Families First	64	26	(38)
After Care Support	786	633	(153)
Other Costs	886	885	(1)
Totals: -	23,342	22,245	(1,097)

Management, Fieldwork and Administration

- 4.2.2 A prudent approach to recruitment to back office posts and difficulties in recruiting to social work posts has resulted in a potential staffing underspend of £327k across the division.

Residential Care Including Secure Accommodation

- 4.2.3 There has been a reduction of 2 expensive secure accommodation placements since the 2018/19 budget was set. This has been partially offset by an increase of 1 less expensive residential placement resulting in a net underspend of £443k. One-off slippage against staff costs during recruitment to posts within our second in-house residential home has added a further underspend of £202k bringing the total projected underspend for residential care to £645k. However, it is important to acknowledge that the situation is volatile and just one additional standard residential placement could cost up to £250K per year.

Fostering and Adoption

- 4.2.4 Since the beginning of the financial year, the division has seen an increase of 8 Special Guardianship places and a net increase of 11 foster placements. However, the division has experienced some recent success in recruiting in-house foster carers, while support received through the MIST Therapeutic Fostering Service has enabled more challenging children to be supported by in-house carers. This has enabled a reduction of 5 independent foster care placements, thereby mitigating a large part of the financial impact of the overall increase in demand and restricting the potential overspend to around £67k. Again, it is important to acknowledge that the situation is volatile.
- 4.2.5 The introduction of the MIST Therapeutic Fostering Service and a revised fee structure for in-house foster carers has achieved early successes in mitigating the cost of increasing numbers of looked after children. However, both of these initiatives will be funded from reserves throughout 2018/19 so it should be noted that additional funding may be required to fund these arrangements beyond 31st March 2019 unless further reductions in residential placements and independent fostering placements can be achieved. These 2 initiatives are likely to cost in the order of £900k in 2019/20.

Families First

- 4.2.6 The £38k underspend in respect of Families First is largely due to vacancies within the core staff team.

Aftercare

- 4.2.7 An overspend of £153k 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

- 4.2.8 There has been no inflationary increase in the costs of supporting the 2 unaccompanied asylum seeking children placed with foster care agencies since 2017/18, resulting in a small underspend of £1k in respect of other children's services costs.

4.3 **Adult Services**

- 4.3.1 The Adult Services Division is currently projected to overspend its budget by £226k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,199	8,003	(196)
Own Residential Care and Supported Living	6,017	5,900	(117)
Own Day Care	4,211	4,094	(117)
Supported Employment	68	68	0
Aid and Adaptations	789	737	(52)
Gwent Frailty Programme	2,252	2,239	(13)
Supporting People (net of grant funding)	0	0	0
External Residential Care	14,503	14,970	467
External Day Care	1,327	1,438	111
Home Care (In-House and Independent Sector)	10,835	10,990	155
Other Domiciliary Care	11,861	12,593	732
Resettlement	(1,020)	(1,020)	0
Services for Children with Disabilities	1,480	1,296	(184)
Other Costs	1,866	1,215	(651)
Totals: -	62,388	62,523	135

Management, Fieldwork and Administration

- 4.3.2 An underspend of £196k is currently projected in respect of Management, Fieldwork and Administration costs. However, this assumes around £256k of vacancy savings can be achieved in the remaining 7 months of the financial year.

Own Residential Care and Supported Living

- 4.3.3 A combination of reduced vacancy levels and increasing costs of staff cover in July and August has reduced the projected underspend within in our residential homes and supported living homes to £117k, a reduction of £117k when compared with the £234k underspend reported in month 3.

Own Day Care

- 4.3.4 Vacancy levels in our own day care services have increased over the last 2 months thereby increasing the projected underspend in this area to £117k from the £66k underspend reported in month 3.

Aids and Adaptations

- 4.3.5 The £52k underspend is due to a repayment from the Gwent Wide Integrated Community Equipment Service (GWICES) in respect of unspent funding from 2017/18.

External Residential Care

- 4.3.6 An overspend of £418k was forecast in month 3 in respect of external residential care which was largely due to the 7 additional placements for people with learning disabilities. This potential overspend has now increased to £467k mainly as a result of increased demand for placements for older people.

External Day Care

- 4.3.7 The projected overspend of £111k in respect of external day care can be attributed to an increase in service users with learning disabilities since the start of the financial year.

Home Care (In-House and Independent Sector)

- 4.3.8 Actual costs incurred in recent months suggest the number of hours paid to in-house carers has returned to budgeted levels after a recent recruitment campaign, resulting in a reduction in the projected underspend in respect of the in-house service to £106k. This has been partially offset by a reduction in the over commitment in respect of domiciliary care commissioned through the independent sector to £261k. This leaves a net over commitment of £155k which is due to the inclusion of a £264k savings target within the 2018/19 budget. This would suggest that £109k of the savings target has been achieved to date.

Other Domiciliary Care

- 4.3.9 An overspend of £732k is projected in respect of other domiciliary care costs. However, around £680k of this can be attributed to the cost of care packages that were previously funded through the Welsh Independent Living Grant. This grant funding transferred into the Revenue Support Grant in April 2018 and a core budget of £872k was earmarked within the Social Services Other Costs budget to fund the ongoing cost of this care. Many of the service users that were previously receiving care funded through this grant have been reviewed in line with Welsh Government requirements and the care has been absorbed in to wider packages of support including supported living, direct payments and shared lives arrangements. This has caused a shift in costs of £680k from Other Costs to Other Domiciliary Care. Once all the necessary reviews have been completed budgets will need to be transferred to reflect these

changes.

- 4.3.10 After adjusting for the impact of the Welsh Independent Living Grant changes the projected net overspend in respect of Other Domiciliary Care amounts to around £52k which can be attributed to the replacement of flat rate supporting people tariff funding with individual needs assessments. This has led to a reduction in supporting people grant contributions towards many care packages without the corresponding reduction in the total cost of the packages that had been anticipated. The overspend in this area would have been higher had it not been for the projected additional £186k in service user contributions based on current income levels.

Other Costs

- 4.3.11 An underspend of £651k has been forecast in respect of Other Costs but after adjusting for the Welsh Independent Living grant changes highlighted above, this becomes an overspend of £29k. This is largely attributable to staffing cover within the Telecare Service.

Children with Disabilities

- 4.3.12 With effect from 1st April 2018, the budget for services for Children with Disabilities transferred from the Children's Services budget to the Adult Services budget to reflect a change in management reporting lines. These services now fall within the portfolio of the service manager with responsibility for services for adults with disabilities in order to minimise the impact on service users of transitioning from childhood in to adulthood. An underspend of £184k is currently forecast against this budget, largely as a result of a reduction in foster care placements.

4.4 **Service Strategy & Business Support**

- 4.4.1 The service area is currently projected to underspend by £65k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management and Administration	861	829	(32)
Office Accommodation	224	213	(11)
Office Expenses	172	178	6
Other Costs	810	782	(28)
Totals: -	2,067	2,002	(65)

- 4.4.3 The underspend of £65k in respect of Business Support is largely attributable to vacancies and spinal point savings within Financial Services and savings delivered in advance of the Medium Term Financial Plan requirements.

4.5 **Transport Costs**

- 4.5.1 In addition to the £87.797m budget managed within the Directorate of Social Services, the Directorate of Communities manages a budget of £1.465m for the purposes of transporting Social Services service users. An overspend of £130k is currently forecast against this budget including £80k which is reflective of the increasing numbers of children in foster care placements and £50k largely due to increased taxi journeys commissioned on behalf of Adult Services service users.

4.6 **Progress Made Against the 2018/19 Revenue Budget Savings Targets**

4.6.1 The 2018/19 budget for Social Services included a savings target of £1,328k. The following table provides a summary of how this saving was to be achieved:-

Paragraph Number	Targeted Area of Service	Savings Target (£000s)
4.6.2	Children's Services staffing	335
4.6.3	Children's Services voluntary sector contracts	50
4.6.4	Adult Services voluntary sector contracts	202
4.6.5	Implications of the Social Services & Wellbeing (Wales) Act	264
4.6.6	Contract for extra care services	26
4.6.7	Domiciliary care service user contributions	75
4.6.8	In-House day services	200
4.6.9	Vacant posts within residential homes	96
4.6.10	Respite care	30
4.6.11	Office accommodation	10
4.6.12	Business Support Services staffing	40
4.6.1	TOTAL SOCIAL SERVICES SAVINGS TARGET 2018/19	1,328

- 4.6.2 The potential underspend of £327k identified in paragraph 4.2.2 would suggest that the £335k savings target from reviewing Children's Services staffing structures has been exceeded. However, this underspend is partially due to temporary vacancies, secondments and career breaks so further work is required to identify further posts that can be permanently deleted from the structure to achieve a recurring saving.
- 4.6.3 The £50k savings target in respect of Children's Services voluntary sector contracts has been achieved in full through a combination of realigning budgets with contract values and reviewing contracts that were approaching their end dates.
- 4.6.4 Of the £202k savings target in respect of Adults Services voluntary sector contracts, £56k has been achieved through a review of existing contracts and £134k has been achieved through decommissioning. The remaining £12k was to be achieved through the decommissioning of 2 luncheon club contracts from April 2018 however it has become necessary to extend funding into 2018/19 while alternative funding is sourced. As a result, there is likely to be a £6k shortfall against this target in 2018/19 but the full target will be achieved for future years.
- 4.6.5 An amount of £264k was deducted from the Adult Services budget for 2018/19 as it was felt that savings could be achieved through signposting potential service users to other agencies or other low cost services. The Home Care budget is currently overcommitted by around £155k which would suggest that around £109k of this target has been achieved at this point. However, demographic changes are likely to have increased costs in this area so it could be argued that this target has been fully achieved and the over-commitment is due to demographic changes.
- 4.6.6 The £26k savings target in respect of extra care services has been achieved in full through realigning budgets with contract values.
- 4.6.7 The £75k savings target in respect of domiciliary care service user contributions was to be achieved by realigning the budget to reflect the additional levels of service user contributions that were experienced throughout 2017/18. The levels of contributions experienced in the first quarter of 2018/19 would suggest that this target will be exceeded.
- 4.6.8 Some of the contractual changes required to achieve the £200k savings target for in-house day services have taken a little longer to achieve than anticipated but a number of temporary vacancies within the service have more than compensated for this in 2018/19 and a full year effect of the contractual changes can be expected in 2019/20.

- 4.6.9 A small number of posts within our homes for older people have remained vacant for some time and have therefore been removed from the structure on a permanent basis in order to deliver the savings target of £96k with no impact on residents.
- 4.6.10 The £30k savings target in respect of respite care has been achieved in full through realigning budgets to reflect actual expenditure levels in recent years.
- 4.6.11 The budget for I.T. and telephony costs at the North Resource Centre has been realigned to reflect the actual level of recharges from the Aneurin Bevan University Health Board experienced over the last two financial years. This has enabled the £10k savings target in respect of office accommodation to be achieved in full.
- 4.6.12 The termination of the South East Wales IT Shared Service has meant that the savings target of £40k in respect of Business Support Services staffing has been exceeded and an additional £23k saving has been earmarked as a saving in advance of the Medium Term Financial Plan requirements. The support previously received from this shared service will in future be received from the regional WCCIS support service which will be funded through Integrated Care Fund grant.

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 underspend of £1,027k against the Directorate's budget for 2018/19 and the projected overspend of £124k against the Directorate of Communities' transport budget for 2018/19.
- 10.2 Members are asked to note the progress made towards delivering the savings target of £1.328m that was included in the Directorate's budget for 2018/19.

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.

Author: Mike Jones, Interim Financial Services Manager
E-mail: jonesmj@caerphilly.gov.uk Tel: 01443 864618

Consultees: Social Services Senior Management Team
Nicole Scammell (Head of Corporate Finance)
Stephen Harris (Interim Head of Business Improvement Services)

Appendices: Appendix 1 - Social Services 2018/19 Budget Monitoring Report (Month 5)