



## **SOCIAL SERVICES SCRUTINY COMMITTEE 10TH SEPTEMBER 2019**

**SUBJECT: BUDGET MONITORING REPORT (MONTH 3)**

**REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES AND HOUSING**

---

### **1. PURPOSE OF REPORT**

- 1.1 To inform Members of projected revenue expenditure for the Social Services Directorate for the 2019/20 financial year.
- 1.2 To update Members on the progress made against the savings targets built in to the 2019/20 revenue budget for the Directorate.

### **2. SUMMARY**

- 2.1 The report will identify the reasons behind a projected underspend of £339k for Social Services in 2019/20, despite a significant increase in demand for residential care placements for children since the beginning of the financial year.
- 2.2 It will also identify the progress that has been made to date towards achieving the £2.261million savings target that was included in the Social Services budget for 2019/20.

### **3. RECOMMENDATIONS**

- 3.1 Members are asked to note the budget virement of £190k from the Social Services budget to the Education budget in respect of the Education Safeguarding Team.
- 3.2 Members are asked to note the projected underspend of £339k against the Social Services budget for 2019/20, inclusive of transport costs.
- 3.3 Members are asked to note the progress made to date towards delivering the £2.261million savings target that was included in the Social Services budget for 2019/20.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure Members are apprised of the latest financial position of the Directorate.

### **5. THE REPORT**

#### **5.1 Directorate Overview**

- 5.1.1 The 2019/20 original budget for social services of £90,333,115 included £190,867 in respect

of the team responsible for overseeing the safeguarding of children within educational settings. Line management for this team subsequently transferred from the Directorate of Social Services and Housing to the Directorate of Education and Corporate Services and the budget for the team has been vired accordingly. As a result the revised budget for Social Services currently stands at £90,142,248.

5.1.2 Information available as at 30th June 2019 suggests a potential underspend of £389k against this revised budget. However, this does not include the costs of transport for 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 £1,434,468 and is forecast to be overspent by around £50k. This is due to a Medium Term Financial Plan savings target included in the 2019/20 budget which is unlikely to be delivered in 2019/20.

5.1.3 This overspend against transport costs would partially offset the underspend forecast against the Social Services budget resulting in a net underspend of £339k as shown in the following table:-

<b>Division</b>	<b>Revised Budget (£000's)</b>	<b>Projection/ Commitment (£000's)</b>	<b>Over/(Under) Spend (£000's)</b>
Children's Services	23,502	24,335	833
Adult Services	64,531	63,329	(1,202)
Service Strategy & Business Support	2,109	2,089	(20)
<b>Sub Total Directorate of Social Services</b>	<b>90,142</b>	<b>89,753</b>	<b>(389)</b>
Transport Costs	1,434	1,484	50
<b>Grand Total</b>	<b>91,576</b>	<b>91,237</b>	<b>(339)</b>

## 5.2 Children's Services

5.2.1 The Children's Services Division is currently projected to overspend its budget by £833k as summarised in the following table: -

	<b>Revised Budget (£000's)</b>	<b>Projection/ Commitment (£000's)</b>	<b>Over/(Under) Spend (£000's)</b>
Management, Fieldwork & Administration	8,727	8,442	(285)
Residential Care Including Secure Accommodation	4,671	6,137	1,466
Fostering & Adoption	8,313	8,080	(233)
Youth Offending	395	395	0
Families First	47	4	(43)
After Care Support	658	590	(68)
Other Costs	691	687	(4)
<b>Totals: -</b>	<b>23,502</b>	<b>24,335</b>	<b>833</b>

### *Management, Fieldwork and Administration*

5.2.2 Difficulties in recruiting social workers and delays in backfilling secondments to fixed term, grant aided posts has led to a potential underspend of £285k in respect of management, fieldwork and administrative posts within the Children's Services Division.

### Residential Care Including Secure Accommodation

5.2.3 The Children's Services Division has seen a 29% increase in the number of children in residential placements since the 2019/20 budget was set. This amounts to 5 additional placements resulting in a potential overspend of £1,466k for 2019/20. The division continues to make every effort to identify more cost effective placements which could help to reduce this potential overspend but due to the unpredictable nature of demand for such placements it has been assumed that any savings that can be achieved will be counteracted by further increases in demand.

*Fostering and Adoption*

5.2.4 The division has also experienced an increase in demand for foster placements since the 2019/20 budgets was set. However, it has been possible to accommodate a greater proportion of these placements with Caerphilly's in-house foster carers which are less expensive than placements made through independent fostering agencies. As a result, an underspend of £233k is forecast despite the overall increase in services provided.

*Families First*

5.2.5 Following a cut in specific grant funding in 2018/19, the Children's Services budget has been used to underwrite a funding shortfall of £47k across the Families First Programme. However, a number of projects have reported potential underspends at the end of the first quarter of 2019/20 so it is expected that only £4k will need to be underwritten by Children's Services. The resultant underspend of £43k would not reduce the amount of Welsh Government grant funding claimable.

*Aftercare*

5.2.6 An underspend of £68k is projected in respect of Aftercare Services and reflects the numbers of young people aged 16 plus currently in receipt of leaving care services.

**5.3 Adult Services**

5.3.1 The Adult Services Division is currently projected to underspend its budget by £1,202k as summarised in the following table: -

	<b>Revised Budget (£000's)</b>	<b>Projection/ Commitment (£000's)</b>	<b>Over/(Under) Spend (£000's)</b>
Management, Fieldwork & Administration	8,036	8,126	90
Own Residential Care and Supported Living	6,594	6,062	(532)
Own Day Care	4,064	3,976	(88)
Supported Employment	69	69	0
Aid and Adaptations	772	774	2
Gwent Frailty Programme	2,367	2,295	(72)
Supporting People (net of grant funding)	0	96	96
External Residential Care	15,432	14,695	(737)
External Day Care	1,409	1,525	116
Home Care (In-House and Independent Sector)	11,439	11,444	5
Other Domiciliary Care	13,139	13,052	(87)
Resettlement	(1,020)	(1,020)	0
Services for Children with Disabilities	1,312	1,302	(10)
Other Costs	918	933	15
<b>Totals: -</b>	<b>64,531</b>	<b>63,329</b>	<b>(1,202)</b>

### *Management, Fieldwork and Administration*

- 5.3.2 The Adult Services budget for 2019/20 included a savings target of £550k to be achieved through a review of staffing across the division. As of 30<sup>th</sup> June 2019, 7.69 full time equivalent posts have been removed from the division delivering savings of £349k. The shortfall of £201k has been partially offset by temporary vacancy savings resulting in a net overspend in 2019/20 of around £90k in respect of management, fieldwork and administrative posts.

#### *Own Residential Care and Supported Living*

- 5.3.3 If the level of vacancies and staff replacement costs that were experienced in the first 3 months of the financial year are maintained throughout the year then an underspend of £281k can be expected in respect of staff costs within this service area. However, at this early stage in the financial year it is difficult to predict the extent of staff cover that will be required during the summer holiday period. The remainder of the £532k underspend within this service area can be attributed to an increase in income received from service users. This income is dependent upon the relative wealth of the cohort of service users at any point in time and as such is subject to fluctuation throughout the year.

#### *Own Day Care*

- 5.3.4 The underspend of £88k forecast against our own day care services also assumes vacancy levels and replacement costs will be maintained at existing levels throughout the financial year

#### *Gwent Frailty Programme*

- 5.3.5 The underspend of £72k in respect of the Gwent Frailty Programme is attributable to a combination of Reablement Support Worker vacancies within Caerphilly and centrally held pooled budget underspends.

#### *Supporting People*

- 5.3.6 An overspend of £96k is forecast in respect of Supporting People Services which is largely attributable to increases in demand for support for people with mental health issues.

#### *External Residential Care*

- 5.3.7 The Adult Services Division has experienced a large drop-off in demand for residential care since the budget for 2019/20 was set. This has resulted in a potential underspend of £737k for all adult residential and nursing care provision. This is largely attributable to provision for older people (£508k).

#### *External Day Care*

- 5.3.8 The Adult Services budget for 2019/20 included a savings target of £205k to be achieved through a review of external day care provision. An overspend of £116k is currently forecast in this service area which would indicate that savings of £89k have been achieved to date. Work is ongoing to identify more cost effective services for a number of existing service users that could deliver the savings target in full by the end of the financial year.

#### *Home Care (In-House and Independent Sector)*

- 5.3.9 Actual costs incurred in the first 3 months of the financial year suggest a reduction of around 400 hours per week paid to in-house carers, contributing to a projected underspend of £311k in respect of the in-house service. This reduction of 400 paid hours per week equates to around 320 hours of contact with service users. However, this is more than offset by an over commitment of £315k in respect of domiciliary care commissioned through the independent

sector, resulting in a net overspend of £5k.

*Other Domiciliary Care*

5.3.10 The underspend of £87k projected in respect of other domiciliary care costs can largely be attributed to the termination of direct payments to a single individual.

*Children with Disabilities*

5.3.11 An overspend of £57k in respect of staff cover at Ty Hapus resource Centre has been more than offset by an underspend in respect of foster care provision for children with disabilities, resulting in a net underspend of £10k in this service area.

*Other Costs*

5.3.12 A net overspend of £15k has been forecast in respect of Other Costs for Adult Services but this includes an underspend of £36k in respect of staffing vacancies within the Telecare Service. This leaves an overspend of around £51k which is largely attributable to shared care respite services. The Social Services budget for 2019/20 included a £50k savings target to be achieved through a retendering of the contract for this respite service but this has not been possible to date. However, it is anticipated that this re-tendering will be completed by the end of the financial year in order to achieve the full year saving in 2020/21.

**5.4 Service Strategy and Business Support**

5.4.1 The service area is currently projected to underspend by £20k as summarised in the following table: -

	<b>Revised Budget (£000's)</b>	<b>Projection/Commitment (£000's)</b>	<b>Over/(Under) Spend (£000's)</b>
Management and Administration	888	891	3
Office Accommodation	218	217	(1)
Office Expenses	169	160	(9)
Other Costs	834	821	(13)
<b>Totals: -</b>	<b>2,109</b>	<b>2,089</b>	<b>(20)</b>

5.4.2 The underspend of £20k in respect of Business Support is attributable to a combination of reduced printing costs, insurance premiums frozen at 2018/19 prices and the end of the national "Making the Connections" project to which the Directorate has previously subscribed.

**5.5 Progress Made Against the 2019/20 Revenue Budget Savings Targets**

5.5.1 The 2019/20 budget for Social Services included a savings target of £2,261k. As of 30<sup>th</sup> June 2019, actions have been implemented which will deliver around 84% of this target, with work still ongoing to deliver the remaining 16% by the end of the current financial year. Therefore, it is anticipated that the £2,261k target will be achieved in full in time for the start of the 2020/21 financial year.

5.5.2 The 2019/20 budget for Social Services Transport which is managed by the Integrated Transport Unit within the Directorate of Communities included a further savings target of £50k. No savings have been identified to date and it is possible that any efficiency savings that can be achieved will be negated by increasing demand. Therefore, a comprehensive review of the situation has commenced to determine whether this saving is deliverable.

## 5.6 **Conclusion**

The Directorate is progressing well towards delivery its savings target for 2019/20. However, increasing demand for residential placements for children is a cause for concern along with transport costs. Underspends due to staffing vacancies and reduced demand for residential care for adults are mitigating these concerns in the current financial year but it is too early to predict whether the reduction in demand for adult care is indicative of a longer term trend or just a short term phenomenon. Therefore, efforts remain focused upon reducing the need for residential care for children and providing more cost effective placements where they are necessary.

## 6. **ASSUMPTIONS**

6.1 The projections contained in this report assume that demand for services will remain at existing levels for the remainder of the financial year unless there is strong evidence to suggest otherwise.

## 7. **LINKS TO RELEVANT COUNCIL POLICIES**

7.1 The provision of budget monitoring information is required as part of the budgetary control requirements contained within the Council's Financial Regulations.

### 7.2 **Corporate Plan 2018-2023**

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 objectives.

## 8 **WELL-BEING OF FUTURE GENERATIONS**

8.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-Being and Future Generations (Wales) Act 2015 are met.

## 9. **EQUALITIES IMPLICATIONS**

9.1 An Equality Impact Assessment is not needed because the issues covered are for information purposes only, therefore the Council's full EIA process does not need to be applied.

## 10. **FINANCIAL IMPLICATIONS**

10.1 As detailed throughout the report.

## 11. **PERSONNEL IMPLICATIONS**

11.1 There are no direct personnel implications arising from this report.

## 12. **CONSULTATIONS**

12.1 All consultation responses have been incorporated into this report.

### 13. STATUTORY POWER

#### 13.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

Author: Mike Jones, Interim Financial Services Manager, [jonesmj@caerphilly.gov.uk](mailto:jonesmj@caerphilly.gov.uk)

Consultees: David Street, Corporate Director for Social Services, [street@caerphilly.gov.uk](mailto:street@caerphilly.gov.uk)  
Jo Williams, Assistant Director for Adult Services, [willij6@caerphilly.gov.uk](mailto:willij6@caerphilly.gov.uk)  
Gareth Jenkins, Assistant Director for Children's Services, [jenkig2@caerphilly.gov.uk](mailto:jenkig2@caerphilly.gov.uk)  
Stephen Harris, Interim Head of Business Improvement, [harris@caerphilly.gov.uk](mailto:harris@caerphilly.gov.uk)  
Cllr. Carl Cuss, Cabinet Member for Social Services, [cusscj@caerphilly.gov.uk](mailto:cusscj@caerphilly.gov.uk)  
Cllr. Lyndon Binding, Chair, [bindil@caerphilly.gov.uk](mailto:bindil@caerphilly.gov.uk)  
Cllr. John Bevan, Vice Chair, [bevanj@caerphilly.gov.uk](mailto:bevanj@caerphilly.gov.uk)

Appendices: Appendix 1 - Social Services 2019/20 Budget Monitoring Report (Month 3)  
Appendix 2 - Social Services Medium Term Financial Plan Savings in 2019/20