



SOCIAL SERVICES SCRUTINY COMMITTEE - 22ND OCTOBER 2019

SUBJECT: BUDGET MONITORING REPORT (MONTH 5)

REPORT BY: CORPORATE DIRECTOR FOR 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 £457k 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 projected underspend of £457k against the Social Services budget for 2019/20, inclusive of transport costs.
- 3.2 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 31st August 2019 suggests a potential underspend of £507k 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 £457k as shown in the following table:-

Division	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Children's Services	23,502	24,585	1,083
Adult Services	64,531	62,972	(1,559)
Service Strategy & Business Support	2,109	2,078	(31)
Sub Total Directorate of Social Services	90,142	89,635	(507)
Transport Costs	1,434	1,484	50
Grand Total	91,576	91,119	(457)

5.2 Children's Services

- 5.2.1 The Children's Services Division is currently projected to overspend its budget by £1,083k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,727	8,466	(261)
Residential Care Including Secure Accommodation	4,671	6,130	1,459
Fostering & Adoption	8,313	8,125	(188)
Youth Offending	395	395	0
Families First	47	4	(43)
After Care Support	658	778	120
Other Costs	691	687	(4)
Totals: -	23,502	24,585	1,083

Management, Fieldwork and Administration

- 5.2.2 The social worker vacancies that were experienced early in the year have now been filled but many of these appointments have been made towards the bottom end of the grade resulting in a projected underspend in respect of these post. This has been compounded by delays in backfilling secondments to fixed term, grant aided posts, increasing the potential underspend in respect of management, fieldwork and administrative posts within the Children's Services Division to £261k.

Residential Care Including Secure Accommodation

- 5.2.3 The Children's Services Division has achieved a saving of around £250k in respect of residential placements for children since the month 3 position was reported to Members. This has been through a combination of a net reduction in placements by 1 child, delays in appointing staff at the Ty Isaf Residential Home and identifying a more cost effective placement for 1 other child. Unfortunately, these savings have been largely offset by an increase of around £243k due to a net increase of 2 parent and baby placements. As a result, the forecasted overspend in this area remains similar to the position reported in month 3, at £1,459k.

Fostering and Adoption

- 5.2.4 The division has continued to experience an increase in demand for foster care placements. However, with the success of the ongoing foster care recruitment campaign it has been possible to accommodate a greater proportion of these placements with Caerphilly's in-house foster carers. These placements are less expensive than placements made through independent fostering agencies and as a result an underspend of £188k 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 Three more care leavers currently receive support to live independently than when the month 3 position was reported to Members in September 2019. These additional arrangements are expected to cost over £200k within the current financial year resulting in a projected overspend of £120k.

5.3 **Adult Services**

- 5.3.1 The Adult Services Division is currently projected to underspend its budget by £1,559k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,130	8,185	55
Own Residential Care and Supported Living	6,594	6,142	(452)
Own Day Care	3,996	3,946	(50)
Supported Employment	69	69	0
Aid and Adaptations	772	783	11
Gwent Frailty Programme	2,367	2,283	(84)
Supporting People (net of grant funding)	0	0	0
External Residential Care	15,432	14,835	(597)
External Day Care	1,409	1,497	88
Home Care (In-House and Independent Sector)	11,428	11,034	(394)
Other Domiciliary Care	13,149	12,901	(248)
Resettlement	(1,020)	(1,020)	0

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Services for Children with Disabilities	1,312	1,384	72
Other Costs	893	933	40
Totals: -	64,531	62,972	(1,559)

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 30th June 2019, 7.69 full time equivalent posts had been removed from the division delivering savings of £349k. Since then a further 6.17 full time posts have been earmarked for deletion which will ensure the full savings target will be achieved in preparation for the 2020/21 financial year. However as these savings will only be achieved in part during the current financial year, a net overspend of around £55k is projected in 2019/20 in respect of management, fieldwork and administrative posts.

Own Residential Care and Supported Living

- 5.3.3 An underspend of £452k is projected within this service area. This can largely be attributed to an increase in income received from service users. The level of this income is subject to individual financial assessments of each service user which can be significantly influenced by the value of property owned by the service users accommodated within our care homes at any point in time. As a result this forecast can fluctuate significantly over time depending on the relative wealth of service users at the time that forecasts are made.

Own Day Care

- 5.3.4 The underspend of £50k forecast against our own day care services assumes staffing vacancy levels and replacement costs will be maintained at existing levels throughout the financial year

Aids and Adaptations

- 5.3.5 Forecasts provided by the Gwent Wide Integrated Community Equipment Service (GWICES) suggest that Caerphilly CBC could overspend by around £11k during 2019/20 based on demand for aids to daily living experienced between April and August 2019.

Gwent Frailty Programme

- 5.3.6 The underspend of £84k 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

- 5.3.7 A review of supporting people contracts has been undertaken since the month 3 position identified a potential overspend of £96k. Following that review it is anticipated that Supporting People Services will be delivered within budget during 2019/20.

External Residential Care

- 5.3.8 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 £597k for all adult residential and nursing care provision.

External Day Care

- 5.3.9 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 £88k is currently forecast in this service area which would indicate that savings of £117k 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)

- 5.3.10 Actual costs incurred in the first 5 months of the financial year suggest a reduction of around 300 hours per week paid to in-house carers, contributing to a projected underspend of £342k in respect of the in-house service. This reduction of 300 paid hours per week equates to around 240 hours of contact with service users.
- 5.3.11 The reduction in in-house contact hours has been more than offset by an increase of around 325 hours per week in domiciliary care commissioned through the independent sector at a cost of £270k. This increase in hours has been coupled with an increase in the rates charged by independent providers following a re-tendering of contracts with effect from 1st October 2019 at a cost of £282k. Around £266k of Welsh Government Grant funding had been earmarked in preparation for the impact of the re-tendering exercise resulting in a projected net overspend of £286k in respect of independent sector domiciliary care provision.
- 5.3.12 Welsh Government grant funding had also been earmarked to partially fund an increase in demand for residential care for people with learning disabilities and for the MyST fostering service. However, as underspends are forecast for these services in 2019/20, £338k of Welsh Government Grant will be re-directed to fund the increased demand for independent sector domiciliary care for older people and adults with disabilities.
- 5.3.13 The overall impact of the issues covered in paragraphs 5.3.10 to 5.3.12 is a net projected underspend of £394k in respect of home care services.

Other Domiciliary Care

- 5.3.14 The underspend of £248k projected in respect of other domiciliary care costs can largely be attributed to a combination of reduced take up of direct payments and refunds from direct payment recipients following audits of recipients' accounts.

Children with Disabilities

- 5.3.15 An overspend of £31k in respect of staff cover at Ty Hapus Resource Centre coupled with an increase in foster care provision for children with disabilities, has resulted in a potential overspend of £72k in this service area.

Other Costs

- 5.3.16 A net overspend of £40k has been forecast in respect of Other Costs for Adult Services. This includes an overspend of £14k due to an under-provision for unsocial hours enhancements within the Telecare budget and £11k in respect of mental health capacity assessments. The remainder of the overspend is 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. Unfortunately, the revised contract did not take effect until 1st October 2019 and therefore, the savings will not be achieved in full within the current financial year. However, the full year impact of the revised contract is expected to achieve the full £50k savings target.

5.4 **Service Strategy and Business Support**

- 5.4.1 The service area is currently projected to underspend by £31k as summarised in the following table: -

	Revised Budget (£000's)	Projection/Commitment (£000's)	Over/(Under) Spend (£000's)
Management and Administration	888	889	1
Office Accommodation	218	214	(4)
Office Expenses	169	154	(15)
Other Costs	834	821	(13)
Totals: -	2,109	2,078	(31)

- 5.4.2 The underspend of £31k 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 30th June 2019, actions had been implemented which would deliver around 84% of this target. Since that position was reported to Members in September, further actions have been implemented which will deliver a further 12% of the target. Work is ongoing to deliver the remaining 4% (£88k) of the targeted savings to ensure 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 delivering its savings target for 2019/20. However, increasing demand for residential placements for children (including parent and baby placements) is a cause for concern along with transport costs. Underspends due to temporary staffing vacancies, reduced demand for services for adults and increased contributions from service users accommodated in our own residential homes are mitigating these concerns in the current financial year but it is too early to predict whether the reduction in demand for adult care and the increased service user contributions are indicative of a longer term trend or just a short term phenomenon. This should become clearer as we move in to the winter months. In the meantime, 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.

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Appendices: Appendix 1 - Social Services 2019/20 Budget Monitoring Report (Month 5)
Appendix 2 - Social Services Medium Term Financial Plan Savings in 2019/20