



## **SOCIAL SERVICES SCRUTINY COMMITTEE 4TH FEBRUARY 2020**

**SUBJECT: BUDGET MONITORING REPORT (MONTH 9)**

**REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES**

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### **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 £976k for Social Services in 2019/20, despite an increase to 24 independent residential placements for children from the 17 placements that were funded at 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 £976k 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 Since the revised budget of £90,142,248 was reported to Members in October 2019, a dedicated Carers Support Team has been created within the Adult Services Division providing support to carers of both adults and children. Posts from the Information, Assistance and Advice Team and the Contracting and Quality Assurance Team have been transferred to create this new team, requiring a budget virement of £34k from Children's Services to Adult Services. While the line management for these posts has changed the roles have not.

5.1.2 Information available as at 31<sup>st</sup> December 2020 suggests a potential underspend of £976k against this revised budget but this does not include the costs of transport for Social Services service users which is funded through a budget held within the Directorate of Communities. On 22<sup>nd</sup> October 2019, a potential overspend of £50k was reported to Members in respect of these transport costs. However, since then a number of travel arrangements have been reviewed which has led to a reduction in the use of taxis and has eradicated any potential overspend.

5.1.3 The projected total net underspend of £976k is summarised in the following table:-

Division	Budget as at October 2019 (£000's)	Carers Support Team (£000's)	Revised Budget (£000's)	Projection (£000's)	Over/ (Under) Spend (£000's)
Children's Services	23,502	(34)	23,468	24,419	951
Adult Services	64,531	34	64,565	62,696	(1,869)
Service Strategy & Business Support	2,109		2,109	2,051	(58)
<b>Sub Total Directorate of Social Services</b>	<b>90,142</b>	<b>0</b>	<b>90,142</b>	<b>89,166</b>	<b>(976)</b>
Transport Costs	1,434		1,434	1,434	0
<b>Grand Total</b>	<b>91,576</b>	<b>0</b>	<b>91,576</b>	<b>90,600</b>	<b>(976)</b>

## 5.2 Children's Services

5.2.1 The Children's Services Division is currently projected to overspend its budget by £951k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,693	8,372	(321)
Residential Care Including Secure Accommodation	4,671	6,204	1,533
Fostering & Adoption	8,313	8,036	(277)
Youth Offending	395	395	0
Families First	47	3	(44)
After Care Support	658	776	118
Other Costs	691	633	(58)
<b>Totals: -</b>	<b>23,468</b>	<b>24,419</b>	<b>951</b>

### *Management, Fieldwork and Administration*

5.2.2 A potential underspend of £261k in respect of management, fieldwork and administrative posts within the Children's Services Division was reported to Members in October 2019. This potential underspend has since increased to £321k, largely as a result of temporary vacancies resulting from secondments into I.C.F. grant aided posts.

### Residential Care Including Secure Accommodation

5.2.3 The projected overspend in respect of residential placements for children has increased by around £74k to £1,533k since the month 5 position was reported to Members. However, the position has improved since month 7 and is expected to improve further in the coming months as the new in-house residential facilities become fully operational.

### *Fostering and Adoption*

- 5.2.4 There has been a decrease in the number of foster care placements since the month 5 position was reported to Members, largely as a result of 4 children becoming adopted, 2 children moving in to Ty Ni Residential Home and 1 child moving in to independent living. As a result, projected costs have reduced by around £89k giving a potential underspend of £277k.

### *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 third quarter of 2019/20 so it is expected that only £3k will need to be underwritten by Children's Services. The resultant underspend of £44k would not reduce the amount of Welsh Government grant funding claimable.

### *Aftercare*

- 5.2.6 Despite a net increase of 1 independent living placement since the month 5 position was reported to Members in October 2019 there has been a small reduction in the projected overspend to £117k due to a reduction in the projected average cost of these placements.

### 5.2.7 Other Costs

An underspend of £58k is forecast in respect of other children's services costs. Around £11k of this underspend relates to the receipt of Welsh Government grant funding in respect staff training related to Unaccompanied Asylum Seeking Children. The remainder of the underspend relates to the core children's services budgets for prevention and support. Further Welsh Government investment in the St. David's Day Fund in 2019/20 has led to reduction in the immediate demands on these core budgets.

## 5.3 **Adult Services**

- 5.3.1 The Adult Services Division is currently projected to underspend its budget by £1,869k 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	8,164	8,109	(55)
Own Residential Care and Supported Living	6,594	6,006	(588)
Own Day Care	3,996	3,915	(81)
Supported Employment	69	69	0
Aid and Adaptations	772	757	(15)
Gwent Frailty Programme	2,367	2,284	(83)
Supporting People (net of grant funding)	0	0	0
External Residential Care	15,432	14,552	(880)
External Day Care	1,409	1,479	70
Home Care (In-House and Independent Sector)	11,428	11,383	(45)
Other Domiciliary Care	13,149	12,845	(304)
Resettlement	(1,020)	(1,020)	0
Services for Children with Disabilities	1,312	1,390	78
Other Costs	893	927	34
<b>Totals: -</b>	<b>64,565</b>	<b>62,696</b>	<b>(1,869)</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 31st August 2019, 13.86 full time equivalent posts have been removed from the division during the current financial year in order to deliver this savings in full for the 2020/21 financial year. These savings will only be achieved in part during the current financial year but other temporary in-year vacancies are likely to result in an underspend of around £55k in 2019/20 in respect of management, fieldwork and administrative posts.

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

- 5.3.3 An underspend of £588k is projected within this service area. Around £95k of is due to income from other local authorities and the Health Board who are supporting placements made within Caerphilly CBC residential homes. The remainder of the underspend 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 £81k 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 underspend by around £15k during 2019/20 based on demand for aids to daily living experienced between April and December 2019.

#### *Gwent Frailty Programme*

- 5.3.6 The underspend of £83k 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 £880k 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 £70k is currently forecast in this service area for 2019/20 with the full year impact of this overspend likely to be in excess of £200k in 2020/21. This would indicate that the savings target set for 2019/20 will not be achieved.

achieved. However, given the significant drop off in residential and nursing care experienced in 2019/20 it will be possible to transfer this saving requirement from the external day care budget to the external residential care budget moving forward.

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

5.3.10 There has been an increase in the average hours of care delivered by the in house home care service since month 5 but actual costs incurred in the first 9 months of the financial year suggest that actual hours provided still fall short of budgeted hours by around 200 contact hours resulting in a projected underspend of £286k in respect of the in-house service.

5.3.11 However, the reduction in in-house contact hours has been more than offset by an increase in domiciliary care commissioned through the independent sector. The hourly cost of this independent sector provision is lower than the cost of in-house provision so despite a net increase in hours, a net underspend of £45k is forecast in respect of home care provision.

*Other Domiciliary Care*

5.3.12 The underspend of £304k projected in respect of other domiciliary care costs includes an underspend of around £229k due to a reduced take up of direct payments and refunds from direct payment recipients following audits of recipients' accounts and an underspend of around £314k in respect of sitting services due to a combination of reduced demand and any remaining service now being delivered through the new domiciliary care tender. These underspends are partially offset by an increase in demand for supported living placements particularly for people with learning disabilities.

*Children with Disabilities*

5.3.13 An overspend of £20k in respect of staff cover at Ty Hapus Resource Centre coupled with an increase in foster care and respite provision for children with disabilities, has resulted in a potential overspend of £78k in this service area.

*Other Costs*

5.3.14 A net overspend of £34k has been forecast in respect of Other Costs for Adult Services. This includes an overspend of £9k 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 1<sup>st</sup> 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 £58k 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	872	(16)
Office Accommodation	218	212	(6)
Office Expenses	169	146	(23)
Other Costs	834	821	(13)
<b>Totals: -</b>	<b>2,109</b>	<b>2,051</b>	<b>(58)</b>

5.4.2 The underspend of £58k in respect of Business Support includes around £16k in respect of temporary staffing vacancies within the Financial Services Team. The remainder of the underspend is attributable to a combination of reduced printing costs following the introduction of a more accurate recharging process linked to staff identity cards, reduced mobile phone charges, 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 31st December 2019, actions have been implemented which will deliver around 91% of this target. The remaining 9% relates to a review of external day care packages. This review has been undertaken and delivered some savings but new demand for day care packages has meant that the planned saving of £205k will not be achieved.

5.5.2 However, there has been a significant reduction in demand for residential and nursing care during 2019/20. Therefore, the proposed saving from the review of external day care provision can be replaced with a saving in external residential care provision thereby ensuring the Directorate’s total saving target for 2019/20 of £2,261k can be delivered in full.

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. A review of some transport arrangements has led to a reduction in the use of taxis and appears to have delivered the required saving for 2019/20.

## 5.6 **Conclusion**

The Directorate has delivered its £2,261k savings target for 2019/20 in full. However, increasing demand for residential placements for children continues to be a cause for concern. 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. This reduced demand for services for adults and increased contributions from service users is likely to continue to mitigate the increasing costs of residential placements for children in to the 2020/21 financial year.

## 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, [streed@caerphilly.gov.uk](mailto:streed@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, [harrisr@caerphilly.gov.uk](mailto:harrisr@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 9)  
Appendix 2 - Social Services Medium Term Financial Plan Savings in 2019/20