



## HEALTH SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE – 16TH OCTOBER 2014

**SUBJECT: SAVINGS PROPOSALS FOR 2015/16**

**REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES**

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

- 1.1 The purpose of this report is to provide details of a range of 2015/16 savings proposals within the Directorate of Social Services to support the Authority's Medium-Term Financial Plan (MTFP).

### **2. SUMMARY**

- 2.1 The report provides details of savings proposals for Members to consider prior to details being presented to Cabinet.

### **3. LINKS TO STRATEGY**

- 3.1 The budget strategy agreed by Council in February 2014 required estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17. This estimate has since been revised following advice from the Minister for Local Government that Local Authorities should model scenarios based on a cut in Welsh Government funding of up to 4.5%, rather than the previously notified indicative cut of 1.5%. This has the potential to increase the savings requirement to £15.1m for 2015/16 and £15.0m for 2016/17.

### **4. THE REPORT**

- 4.1 The Divisional Management Teams and Senior Management Team within Social Services have reviewed budgets in detail to identify a range of savings options to support the MTFP. The savings proposals that are presented in this report relate specifically to the 2015/16 financial year and have been categorised into the following areas: -

- Discretionary Service Reviews
- Budget Realignment
- Structural Reviews
- Service Redesign
- Demand Management

#### **4.2 Discretionary Service Reviews**

- 4.2.1 Members will be aware that three reports were presented to a special meeting of the Health, Social Care and Wellbeing Scrutiny Committee on 17<sup>th</sup> July 2014. These reports identified

options in respect the future of three discretionary services provided through the Social Services Directorate including shopping services, meals on wheels and day care services. Members recognised that to continue to provide these services in their current form is not an affordable option but requested that officers consider further options for the future of these services.

- 4.2.2 The supplementary reports to be considered by this committee present these further options for the future of the three discretionary services. The savings achievable from this review will depend on the option chosen but could deliver the following savings in 2015/16:-

Service Area	Ref. No.	Saving (£000's)
Shopping Service	Soc01	40
Meals on Wheels	Soc02	88
Day Care Services	Soc03	255
<b>Total: -</b>		<b>383</b>

#### 4.3 Budget Realignment

- 4.3.1 A detailed review of budgets has been undertaken to identify areas where actual expenditure has recently been lower than the budgeted level. Following this exercise budget reductions are proposed for the following areas that will have no detrimental effect upon service levels currently provided. However, it is important to note that after this budget realignment, the directorate will be left with little scope to respond to fluctuations in demand: -

Description	Ref. No.	Saving (£000's)
Fostering and adoption miscellaneous support costs	Soc04	34
Contribution towards the Youth Offending Service	Soc05	25
Youth Offending Service contribution to remand costs	Soc06	30
Disability equipment	Soc07	157
Aftercare	Soc08	50
Contracts with voluntary organisations	Soc09	57
Transport	Soc10	45
Chronically sick and disabled telephones	Soc11	6
Income from service users	Soc12	245
Luncheon club rentals	Soc13	20
Foster care placements	Soc14	200
<b>Total: -</b>		<b>869</b>

#### 4.4 Structural Reviews

- 4.4.1 In order to deliver against the 2014/15 budget strategy, Members approved a range of structural reviews. These reviews have identified opportunities for savings over and above those required to meet 2014/15 targets which can contribute towards 2015/16 targets. These reviews are identified below with savings being delivered through the deletion of vacant posts.

Description	Ref. No.	Saving (£000's)
Adult Services and Children's Services joint front door	Soc15	53
Review of independent reviewing officer service	Soc16	45
Review of Children's Services locality team structure	Soc17	81
Review of fostering teams	Soc18	45

<b>Total: -</b>		<b>224</b>

- 4.4.2 A number of other structural reviews are under consideration within the directorate. These reviews will be the subject of separate reports but the Senior Management Team consider the following to be reasonable estimates of the savings that can be achieved:-

Description	Ref. No.	Saving (£000's)
Review of back office functions	Soc19	170
Review of direct care management structure	Soc20	100
Review of the numbers of social workers	Soc21	219
<b>Total: -</b>		<b>489</b>

#### 4.5 Service Redesign

- 4.5.1 While the authority has a statutory obligation to provide or commission services to meet the social care needs of our citizens, statute does not necessarily dictate the form that those services should take. Therefore the directorate will review services currently provided by domiciliary care providers and other voluntary sector organisations with a view to developing more cost effective service models which can meet the same levels of need within less resources. These reviews will be the subject of separate reports but the Senior Management Team consider the following to be reasonable estimates of the savings that can be achieved in 2015/16: -

Description	Ref. No.	Saving (£000's)
Domiciliary care services	Soc22	85
Services provided through voluntary sector contracts	Soc23	58
<b>Total: -</b>		<b>143</b>

#### 4.6 Demand Management

- 4.6.1 While every effort will be made to deliver savings through efficiency gains, a number of budget reductions are under consideration that will lead to a reduction in the levels of services provided. The directorate intends to manage demand for these services by redirecting potential services users to low or no cost alternatives within the community. However, if alternatives can not be identified, there is a possibility that the following proposed budget reductions could lead to delays in responding to service users' needs: -

Description	Ref. No.	Saving (£000's)
Preventative and support services for families	Soc24	19
Respite care for children with disabilities	Soc25	11
Residential respite care for older people	Soc26	17
Supporting people services	Soc27	50
<b>Total: -</b>		<b>97</b>

#### 4.7 Cost Pressures

- 4.7.1 In developing its budget strategy for 2015/16, the directorate can not lose sight of a number of cost pressures that could be faced in the near future. These pressures include demographic

changes, inflationary pressures from care providers in both adult services and children's services, the implications of the Health, Social Care and Wellbeing (Wales) Act and the potential ending of certain specific funding streams.

- 4.7.2 The Medium Term Financial Plan that was agreed by Members covering the financial years 2014/15 to 2016/17 included £1m of growth money in each year to respond to demographic changes. However, as a result of the anticipated cut in Welsh Government funding the growth previously earmarked for 2015/16 is unlikely to be affordable.

## 5. EQUALITIES IMPLICATIONS

- 5.1 No equalities implications have been identified at this time.

## 6. FINANCIAL IMPLICATIONS

- 6.1 The proposed savings in this report total £2,205k as summarised in the table below with further details provided throughout the report and in appendix 1: -

Description	Low Impact (£000's)	Medium Impact (£000's)	High Impact (£000's)	Total (£000's)
Discretionary Service Reviews		383		383
Budget Realignment	669	200		869
Structural Reviews (delivered in 14/15)	224			224
Structural Reviews (to be considered)		270	219	489
Service Redesign	58	85		143
Demand Management	97			97
<b>Total: -</b>	<b>1,048</b>	<b>938</b>	<b>219</b>	<b>2,205</b>

- 6.2 It is likely that the £1m anticipated growth that was previously earmarked for Social Services in 2015/16 will no longer be available as a result of the anticipated cut in Welsh Government funding.

## 7. PERSONNEL IMPLICATIONS

- 7.1 The personnel implications of agreed savings will be carefully managed and staff will be fully supported.

## 8. CONSULTATIONS

- 8.1 There are no consultation responses that have not been reflected in this report.

## 9. RECOMMENDATIONS

- 9.1 Members of the Scrutiny Committee are asked to consider and comment upon the range of savings proposals outlined in this report.
- 9.2 Members of the Scrutiny Committee are asked to note the anticipated withdrawal of demographic growth funding for 2015/16.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To ensure that the views of the Scrutiny Committee are considered prior to savings proposals being presented to Cabinet.

## **11. STATUTORY POWER**

- 11.1 Local Government Acts 1972 and 2000.

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Appendices:

Appendix 1 : Social Services – Potential Savings and Efficiencies Deliverable in 2015/16