



## HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE - 21ST OCTOBER 2014

**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 Directorate for the 2014/15 financial year.
- 1.2 To update Members on the progress made against the savings targets built in to the 2014/15 revenue budget for the Directorate.

### 2. SUMMARY

- 2.1 The report summarises the projected financial position for the Social Services Directorate based on information available as at month 5 of the 2014/15 financial year. Full details are attached at Appendix 1.
- 2.2 The report also identifies the 2014/15 savings targets that have been achieved by the Directorate and identifies the progress that has been made towards delivering the targeted savings that have not yet been achieved.

### 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.

### 4. THE REPORT

- 4.1 The 2014/15 month 5 position is a projected Directorate underspend of £2,131k as summarised in the table below: -

| Division                            | 2014/15<br>Current<br>Budget<br>(£000's) | 2014/15<br>Projection/<br>Commitment<br>(£000's) | 2014/15<br>Over/(Under)<br>Spend<br>(£000's) |
|-------------------------------------|--|--|--|
| Children's Services                 | 19,258                                   | 18,594   | (664)  |
| Adult Services                      | 53,006                                   | 51,565   | (1,441)                                      |
| Service Strategy & Business Support | 3,025                                    | 2,999  | (26)   |
| <b>Totals: -</b>                    | <b>75,289</b>                            | <b>73,158</b>                                    | <b>(2,131)</b>                               |

- 4.2 Full details of the month 5 budgets and projections are provided in Appendix 1 and the following paragraphs summarise the key issues arising.
- 4.3 This projected underspend must be viewed in the context of an anticipated cut in W.G. funding for the forthcoming financial year which is likely to restrict the amount of additional funding available to meet demographic pressures in 2015/16 and require budget cuts within the directorate.

#### 4.4 **Children's Services**

- 4.4.1 The Children's Services Division is currently projected to underspend by £664k as summarised in the following table: -

|  | 2014/15<br>Current<br>Budget<br>(£000's) | 2014/15<br>Projection/<br>Commitment<br>(£000's) | 2014/15<br>Over/(Under)<br>Spend<br>(£000's) |
|--|--|--|--|
| Management, Fieldwork & Administration | 8,040                                    | 7,940  | (100)  |
| External Residential Care              | 1,099                                    | 1,124  | 25   |
| Fostering & Adoption                   | 7,334                                    | 7,000  | (334)  |
| Youth Offending                        | 420                                      | 366  | (54)   |
| Other Costs                            | 2,365                                    | 2,164  | (201)  |
| <b>Totals: -</b>                       | <b>19,258</b>                            | <b>18,594</b>                                    | <b>(664)</b>                                 |

##### *Management, Fieldwork and Administration*

- 4.4.2 An underspend of £181k is projected against Management, Fieldwork and Administration posts within Children's Services. However, this is offset by an overspend of £81k in respect of Adoption Services as the predicted cost of the new Gwent wide joint service is higher than the budget that transferred from the previous in-house team. The underspend includes a number of vacant posts that will assist the division in delivering structural savings in future years

##### *External Residential Care*

- 4.4.3 The projected overspend of £25k reflects current committed placements and shows an upward movement of £81k since period 3.

##### *Fostering and Adoption*

- 4.4.4 The projected underspend of £334k reflects current commitments and includes a contingency to meet anticipated future pressures on placement budgets. This projected underspend has accrued as a result of early intervention by the Immediate Response Team and through the promotion of Special Guardianship Orders and Residence Orders instead of foster care placements. The success of these strategies can assist the Directorate in developing its medium term financial plan although Members will be aware of the volatility in demand for these services.

##### *Youth Offending*

- 4.4.5 Caerphilly Social Services' contribution to the Caerphilly and Blaenau Gwent Youth Offending Team has been agreed at £366k for 2014/15 which is £54k less than the funding set aside by the Division. The contributions for 2015/16 and 2016/17 have been agreed at £395k which means that the Division can contribute £25k of savings towards the Authority's medium term financial plan in 2015/16.

##### *Other Costs*

- 4.4.6 The projected £201k underspend for 'Other Costs' includes a projected underspend of £103k in respect of aftercare services and reflects the strong financial management within the 16

Plus Team and a projected underspend of £57k resulting from a review of voluntary sector contracts. Again, these underspend will assist in developing the medium term financial plan.

#### 4.5 **Adult Services**

4.5.1 The Adult Services Division is currently projected to underspend by £1,441k as summarised in the following table: -

|  | <b>2014/15<br/>Current<br/>Budget<br/>(£000's)</b> | <b>2014/15<br/>Projection/<br/>Commitment<br/>(£000's)</b> | <b>2014/15<br/>Over/(Under)<br/>Spend<br/>(£000's)</b> |
|--|--|--|--|
| Management, Fieldwork & Administration | 7,844  | 7,943  | <b>99</b>  |
| Own Residential Care                   | 6,038  | 5,790  | <b>(248)</b>   |
| External Residential Care              | 11,396   | 11,011   | <b>(385)</b>   |
| Own Day Care                           | 4,420  | 4,593  | <b>173</b>   |
| External Day Care                      | 1,079  | 981  | <b>(98)</b>  |
| Sheltered Employment                   | 69   | 69   | <b>0</b>   |
| Aid and Adaptations                    | 1,089  | 865  | <b>(224)</b>   |
| Home Assistance and Reablement         | 12,237   | 11,995   | <b>(242)</b>   |
| Other Domiciliary Care                 | 8,562  | 7,912  | <b>(650)</b>   |
| Resettlement                           | (1,020)  | (1,020)  | <b>0</b>   |
| Supporting People                      | 323  | 522  | <b>199</b>   |
| Other Costs                            | 969  | 904  | <b>(65)</b>  |
| <b>Totals: -</b>                       | <b>53,006</b>                                      | <b>51,565</b>  | <b>(1,441)</b>   |

#### *Management, Fieldwork and Administration*

4.5.2 The £99k overspend in Management, Fieldwork and Administration includes a £77k overspend in respect of structural savings targets for the division that have not yet been delivered within the current financial year. The remainder of the overspend in this area can be attributed to the payment of market supplements to social workers within mental health services.

#### *Own Residential Care*

4.5.3 The underspend of £248k within our Own Residential Care service is largely due to additional income from residents in our own homes for older people. The projections indicate that the average income of the current cohort of residents is higher than those that were resident at the time that the budget was set.

#### *External Residential Care*

4.5.4 The projected underspend of £385k reflects current committed placements only and does not include any contingency for additional demand for placements that may occur throughout the winter period.

#### *Own Day Care*

4.5.5 The overspend of £173k includes £140k of revenue contributions towards capital outlay. These contributions will be used to fund the replacement of the ageing boilers at Brooklands Day Centre and Ystrad Mynach Day Centre.

#### *External Day Care*

4.5.6 The projected underspend of £98k reflects current commitments and includes a contingency of £15k to meet anticipated future pressures.

### *Aids and Adaptations*

- 4.5.7 The underspend of £224k includes a repayment of £86k from GWICES in respect of unspent funding passed to the service by Adult Services in 2013/14. Most of the balance of the reported underspend is also attributable to the GWICES agreement. The budget earmarked by Adult Services for their contribution towards GWICES for 2014/15 is £735k. However, in light of the underspend experienced in 2013/14, the actual contribution by Adult Services towards GWICES for 2014/15 has been agreed at £603k. This can be a permanent reduction and can assist the Directorate to deliver against its Medium Term Financial Plan.

### *Home Assistance & Reablement*

- 4.5.8 The projected underspend of £242k reflects current commitments and includes a contingency of £95K to meet anticipated future pressures on placement budgets. This contingency is intended to provide for a steady increase in demand throughout the financial year, in line with the annual increase in demand experienced over recent years. However, it is likely that this increase in demand will not manifest itself steadily throughout the year but will be more prominent during the winter period. As a result, it is likely that the reported underspend will have reduced before year-end.

### *Other Domiciliary Care*

- 4.5.9 The projected underspend of £650k includes £287k in respect of additional non-residential charges. This additional income is a result of recommendations from a Members' Task and Finish Group on Non-Residential Charging and an increase in the maximum charge for non-residential care imposed by W.G. The remainder of the underspend reflects current commitments in respect of supported living placements, direct payments and extra care and includes a contingency of £78k to meet anticipated future pressures on placement budgets. For the same reasons explained in paragraph 4.5.8, it is likely that this underspend will reduce before year-end.

### *Supporting People*

- 4.5.10 An overspend of £199k is currently projected against the Supporting People budget. This includes £81k in respect of a new contract with United Welsh to provide floating support for older people. The remaining overspend is largely attributable to a restructuring of the contract with Valley Support.

### *Other Costs*

- 4.5.11 An underspend of £65k is predicted against other Adult Services budgets. This includes £20k in respect of luncheon clubs that have been disbanded, £24k in respect of staff costs within Telecare Services and £21k in respect of agreements with voluntary organisations.

## **4.6 Service Strategy & Business Support**

- 4.6.1 This service area is currently projected to underspend by £26k as summarised in the following table: -

|                               | <b>2014/15<br/>Current<br/>Budget<br/>(£000's)</b> | <b>2014/15<br/>Projection/<br/>Commitment<br/>(£000's)</b> | <b>2014/15<br/>Over/(Under)<br/>Spend<br/>(£000's)</b> |
|-------------------------------|--|--|--|
| Management and Administration | 1,447  | 1,452  | <b>5</b>   |
| Office Accommodation          | 482  | 419  | <b>(63)</b>  |
| Office Expenses               | 236  | 228  | <b>(8)</b>   |
| Other Costs                   | 860  | 900  | <b>40</b>  |
| <b>Totals: -</b>              | <b>3,025</b>                                       | <b>2,999</b>   | <b>(26)</b>  |

4.6.2 The underspend of £63k in respect of Office Accommodation includes a refund of service charges in respect of Hawtin Park. While the £40k overspend in respect of Other Costs includes a £67k revenue contribution to capital outlay which will be used to upgrade the social services vehicle fleet.

#### 4.7 **Progress Made Against the 2014/15 Revenue Budget Savings Targets**

4.7.1 The 2014/15 revenue budget settlement for Social Services included targeted savings of £2.062m. The projected overspends and underspends discussed in the above paragraphs take account of these savings targets. However, for ease of reference, the progress made against the individual savings targets included in the £2.062m is summarised in the following table and paragraph 4.7.2 below:-

| Ref: | Description   | Savings Target<br>£000s | Achieved<br>in 2014/15<br>£000s | Details  |
|------|---|-------------------------|---------------------------------|--|
| SS1a | Review of HART structure                                  | 299                     | 299                             | Vacant posts removed   |
| SS1b | Transfer of home care hours to independent sector         | 31                      | 31                              | Budget realigned accordingly   |
| SS3  | Review of Independent Reviewing Officer Service.          | 23                      | 23                              | Vacant posts removed   |
| SS6  | Retender for Cefn Glas & Plas Hyfryd Extra Care           | 70                      | 70                              | Tender completed   |
| SS7a | Increase Meals on Wheels charges                          | 20                      | 20                              | Price increase implemented   |
| SS8a | Cease domestic support (supporting people contract)       | 183                     | 137                             | Contract terminated w.e.f. 30 <sup>th</sup> June. A further saving of £46k will be delivered in 2015/16.               |
| SS12 | Review of staff rotas for short break service             | 48                      | 48                              | Rotas only reviewed w.e.f. August due to needs of 1 child but additional funding secured from ABUHB for April to July. |
| SS13 | Combine Adult Services and Children's Services front door | 54                      | 41                              | Team manager post vacated in June. A further saving of £13k will be delivered in 2015/16.                              |
| SS14 | Review of Fostering Teams.                                | 92                      | 69                              | Team manager and Market analyst post vacated in June. A further saving of £23k will be delivered in 2015/16.           |
| SS15 | Establish a cross-Directorate Commissioning Team          | 92                      | 92                              | Vacant posts deleted   |
| SS16 | Review of Children's Services Locality Team structure.    | 78                      | 78                              | Posts identified for deletion w.e.f. 1 <sup>st</sup> October that will deliver savings of £78k in 2014/15.             |
| SS17 | Review of Administrative support across the Directorate   | 101                     | 101                             | Vacant posts deleted   |
| SS18 | Review of Performance Management function                 | 50                      | 50                              | Vacant posts deleted   |
| SS19 | Review senior management structure                        | 96                      | 96                              | Vacant posts deleted   |
| SS20 | Review Children's Rights Service                          | 54                      | 54                              | Vacant posts deleted   |

| Ref: | Description  | Savings Target<br>£000s | Achieved<br>in 2014/15<br>£000s | Details  |
|------|--|-------------------------|---------------------------------|--|
| SS21 | Review Direct Care Management Structure  | 97                      | 19                              | 1 vacant post deleted in 14/15. Second post earmarked for deletion in 2015/16. A further £48k saving will be delivered in 15/16 as a result of these deletions. Proposals are being developed to deliver the remainder of this saving.   |
| SS22 | Review number of social workers  | 221                     | 180                             | 6 vacant posts earmarked for deletion in 2014/15. A further saving of £41k will be delivered in 2015/16.   |
| SS23 | Charge ABHB for brokerage services   | 135                     | 135                             | ABUHB plan to re-commission this service but in the meantime, ICF grant will be used to fund the service provided by Social Services   |
| SS25 | Termination of contract with Cancercareline.   | 19                      | 6                               | Contract initially terminated w.e.f. 1 <sup>st</sup> April but was later re-negotiated at the request of ABUHB. Remaining £13k saving will be replaced by the termination of the Woodlands Day Project which ended 31 <sup>st</sup> July |
| SS27 | Review voluntary sector contracts  | 99                      | 99                              | Contracts re-negotiated  |
| SS28 | Withdrawal of the provision of staff meals in Community Support Services for Adults with a Learning Disability | 11                      | 11                              | Provision withdrawn  |
| SS29 | Review of staffing budgets in Older People Residential & Day Care Establishments                               | 89                      | 89                              | Budgets re-aligned from 1 <sup>st</sup> April  |
| SS31 | Full Year Effect of Enterprise House Closure   | 100                     | 100                             | Building no longer in use  |
|      | <b>TOTAL</b>   | <b>2,062</b>            | <b>1,848</b>                    |  |

4.7.2 Of the £2.062m directorate savings target for 2014/15, £1.848m will be delivered in 2014/15 with a further £0.184m delivered in 2015/16 as a result of actions already taken. This leaves just £30k of savings to be identified within the direct care management structure.

4.7.3 Even though the actual savings delivered in 2014/15 fall short of the £2.062m target, there will be no need to draw upon service reserves as other underspends are anticipated in 2014/15.

## 5. EQUALITIES IMPLICATIONS

5.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

## **6. FINANCIAL IMPLICATIONS**

6.1 As identified throughout the report.

## **7. PERSONNEL IMPLICATIONS**

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

## **8. CONSULTATIONS**

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

## **9. RECOMMENDATION**

9.1 Members are asked to note the projected underspend of £2,131k for 2014/15.

9.2 Members are asked to note the progress made against the savings targets included in the 2014/15 budget settlement for the Directorate.

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

10.1 To ensure that the Directorate can deliver a balanced budget for 2014/15.

## **11. STATUTORY POWER**

11.1 Local Government Acts 1972 and 2000.

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Appendices:  
Appendix 1 – Social Services 2014/15 Budget Monitoring Report (Month 5)