



## HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE - 10TH FEBRUARY 2015

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

**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 for the 2014/15 financial year based on information available as at month 9 (December 2014). 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 9 position is a projected Directorate underspend of £2,984k as summarised in the table below: -

Division	2014/15 Current Budget (£000's)	2014/15 Projection/ Commitment (£000's)	2014/15 Over/(Under) Spend (£000's)
Children's Services	19,591	18,459	(1,132)
Adult Services	52,673	50,877	(1,796)
Service Strategy & Business Support	3,025	2,969	(56)
<b>Totals: -</b>	<b>75,289</b>	<b>72,305</b>	<b>(2,984)</b>

- 4.2 Full details of the month 9 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 a 3.4% cut in Welsh Government funding for the authority for 2015/16 which is likely to translate into a savings target in excess of £3m for the directorate for the year ahead.

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

- 4.4.1 The Children's Services Division is currently projected to underspend by £1.132m as summarised in the following table: -

	2014/15 Current Budget (£000's)	2014/15 Projection/ Commitment (£000's)	2014/15 Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,381	7,973	(408)
External Residential Care	1,099	1,150	51
Fostering & Adoption	7,334	6,870	(464)
Youth Offending	421	330	(91)
Other Costs	2,356	2,136	(220)
<b>Totals: -</b>	<b>19,591</b>	<b>18,459</b>	<b>(1,132)</b>

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

- 4.4.2 A structural review has been undertaken within the Children's Services Division in order to deliver the required savings for 2014/15 and beyond while minimising the impact on frontline services and reducing the risk of redundancies. As a result, a number of vacant posts within the Division have remained unfilled for significant periods to pave the way for any redeployment of staff that may be necessary in moving to a new structure. This prudent approach has led to a projected underspend of £408k against Management, Fieldwork and Administration posts within the Division.

##### *External Residential Care*

- 4.4.3 The projected overspend of £56k reflects current committed placements and shows an upward movement of £26k since period 5.

##### *Fostering and Adoption*

- 4.4.4 The projected underspend of £464k reflects current commitments and includes a contingency to meet anticipated future pressures on placement budgets. A focus on early intervention and the promotion of Special Guardianship Orders and Residence Orders instead of foster care placements appears to be limiting the numbers of looked after children within the authority in contrast to national trends. 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 Service has been agreed at £366k for 2014/15 which is £54k less than the funding set aside by the Division. Furthermore, the Division has received a refund from the Youth Offending Services in respect of surpluses built up in earlier years. This has resulted in a total underspend of £91k for 2014/15. 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 £220k underspend for 'Other Costs' includes a projected underspend of £116k in respect of aftercare services and reflects the strong financial management within the 16 Plus Team. It also includes a projected underspend of £57k resulting from a review of voluntary sector contracts and £21k in respect of speech and language equipment for which there has been no demand to date. Again, these underspends 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 £1,796k as summarised in the following table: -

	2014/15 Current Budget (£000's)	2014/15 Projection/ Commitment (£000's)	2014/15 Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	7,512	7,691	179
Own Residential Care	6,038	5,706	(332)
External Residential Care	11,396	11,179	(217)
Own Day Care	4,420	4,563	143
External Day Care	1,079	841	(238)
Sheltered Employment	69	69	0
Aid and Adaptations	1,089	870	(219)
Home Assistance and Reablement	12,237	11,559	(678)
Other Domiciliary Care	8,562	7,903	(659)
Resettlement	(1,020)	(1,020)	0
Supporting People	257	596	339
Other Costs	1,034	920	(114)
<b>Totals: -</b>	<b>52,673</b>	<b>50,877</b>	<b>(1,796)</b>

### *Management, Fieldwork and Administration*

4.5.2 The £179k 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. A further £81k of this overspend is attributable to staff expenses, particularly within those teams that provide a county-wide service. 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 £332k 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 £217k reflects a falling demand for residential and nursing care for older people as more people are supported in their own homes. The underspend for older people's services has enabled additional resources to be invested in short term substance misuse residential placements. The underspend in this area does not include any contingency for additional demand for placements that may occur throughout the winter period or if we fail to maintain the current levels of Continuing Health Care funding.

#### *Own Day Care*

- 4.5.5 The overspend of £143k 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 £238k reflects current commitments and is largely due to the end of a small number of expensive care packages for people with learning disabilities.

#### *Aids and Adaptations*

- 4.5.7 The underspend of £219k 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 £678k is largely attributable to services for older people. An additional £1m was invested in this service for 2014/15 in anticipation of increasing demand from an ageing population. The anticipated rate of increase has not transpired resulting in this sizable underspend. A number of strategies have been deployed within the Adult Services Division in order to counteract the potential increasing demand, such as the introduction of the S.T.A.R.T. Team and Community Connectors along with the continuation of Reablement Services. However, it is too early to determine whether these strategies will be successful in the longer term or simply delay the impact of demographic changes. Furthermore, pressures to minimise delayed transfers of care during the winter months could increase demand for services during the remainder of the year.

#### *Other Domiciliary Care*

- 4.5.9 The projected underspend of £659k includes £406k 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.

#### *Supporting People*

- 4.5.10 An overspend of £339k is currently projected against the Supporting People budget. This is largely attributable to a restructuring of the contract with Valley Support and an increased demand for floating support.

#### *Other Costs*

- 4.5.11 An underspend of £114k is predicted against other Adult Services budgets. This includes a non-recurring underspend of £48k in respect of staff costs within Telecare Services. It also includes £20k in respect of luncheon clubs that have been disbanded, and £46k in respect of agreements with voluntary organisations which have been included in the savings proposals included in the Directorate's budget strategy for 2015/16.

#### 4.6 Service Strategy & Business Support

4.6.1 This service area is currently projected to underspend by £56k as summarised in the following table: -

	2014/15 Current Budget (£000's)	2014/15 Projection/ Commitment (£000's)	2014/15 Over/(Under) Spend (£000's)
Management and Administration	1,447	1,406	(41)
Office Accommodation	482	435	(47)
Office Expenses	236	219	(17)
Other Costs	860	909	49
<b>Totals: -</b>	<b>3,025</b>	<b>2,969</b>	<b>(56)</b>

4.6.2 The knock on effect of the back fill arrangements for senior officer posts have led to savings within the Financial Services Team resulting in an underspend of £41k in respect of Management and Administration .

4.6.3 The underspend of £47k in respect of Office Accommodation includes a refund of service charges in respect of Hawtin Park. While the £49k 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 £000s	Achieved in 2014/15 £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 post 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.

Ref:	Description	Savings Target £000s	Achieved in 2014/15 £000s	Details
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 against this post 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 post deleted
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 have been developed to deliver the remainder of this saving but are dependent on the restructuring of day services.
SS22	Review number of social workers	221	180	6 vacant posts deleted in 2014/15. A further saving of £41k will be delivered in 2015/16 as a result of the full year effect of these 6 posts.
SS23	Charge ABHB for brokerage services	135	135	ABUHB have begun to re-commission this service but in the meantime, ICF grant will be used to fund the residual service provided by Social Services

Ref:	Description	Savings Target £000s	Achieved in 2014/15 £000s	Details
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 within the direct care management structure which can be delivered in 2015/16 if the proposed restructuring of day services is implemented.

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 £2,984k 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 manages its budget effectively.

## **11. STATUTORY POWER**

11.1 Local Government Acts 1972 and 2000.

Author: Mike Jones, Interim Financial Services Manager  
E-mail: [jonesmj@caerphilly.gov.uk](mailto:jonesmj@caerphilly.gov.uk) Tel: 01443 864618  
Consultees: Social Services Senior Management Team

Appendices:  
Appendix 1 – Social Services 2014/15 Budget Monitoring Report (Month 9)