Agenda Item No.

THE VALE OF GLAMORGAN COUNCIL

CABINET: 22ND FEBRUARY, 2016

REFERENCE FROM SCRUTINY COMMITTEE (SOCIAL CARE AND HEALTH): 1ST FEBRUARY, 2016

" REVENUE AND CAPITAL MONITORING REPORT FOR THE PERIOD 1ST APRIL TO 31ST DECEMBER 2015 (DSS) –

The Operational Manager, Accountancy, presented the report, the purpose of which was to update Members on the position in respect of revenue and capital expenditure for the period 1st April to 31st December, 2015.

The report outlined that the currently forecast for Social Services at year end was an overspend of £100,000 which showed an improved picture from the £300,000 overspend reported in the previous month. A graph and table setting out the variance between the profiled budget and actual expenditure to date and the projected position at year end were attached at Appendix 1 to the report.

In terms of Children and Young People Services, the service was anticipated to outturn £462,000 under budget at year end. The key issue for this service continued to be managing demand for the Joint Budget for Residential Placements for Looked After Children. Currently, it was forecast to outturn with a £250,000 underspend at year end. There were other potential underspends elsewhere in Children's Services of £65,000 on staffing budgets and £135,000 on alternative means of provision and accommodation costs required for the current cohort of children. In addition, the Business Management and Innovation division was anticipated to underspend at year end and part of this variance was apportioned to the service areas; therefore, £12,000 of the underspend would be allocated to Children's Services.

For Adult Services, it was current anticipated that this budget would outturn £617,000 over budget at year end. This overspend was due to a projected overspend on Community Care Packages of £850,000 as a result of continuing demand for services, particularly for frail older clients. The report advised that there was continued pressure on this area of the service to manage demand, not only to avoid a further increase in the overspend but also to achieve a reduction.

The annual deferred income budget for 2015/16 in Adult Services had been set at £739,000. As at 31st December, 2015 income received was £155,000 under recovered. It was currently being projected that this budget would outturn at £100,000 over budget by year end and this adverse variance was included as part of the projected overspend for care packages. It was also anticipated that there would be underspends of £200,000 elsewhere in the budget which could offset part of the overspend with £165,000 from staffing, £15,000 from Transport and £20,000 from Premises. In addition, the Business Management and Innovation division was anticipated to underspend at year end and part of this variance was apportioned to the service area; therefore, £33,000 of the underspend would be allocated to Adult Services.

With regard to Business Management and Innovation, the report stated that this budget was anticipating an underspend at year end of £100,000. This was made up of an underspend on staffing of £80,000 and £20,000 on Transport. Part of this budget would be recharged to Children's and Adult Services, therefore, the underspend on this heading was shown as £55,000 with the remaining £45,000 being recharged thus resulting in the reduced internal recharge to Children's and Adult Services.

For the 2015/16 Budget Programme, the Directorate was currently required to find savings totalling £3.568m by the end of 2019/20. At present, the Budget Programme showed a surplus of £186,000 which was as a result of the Foster Carer recruitment project. Appendix 4 to the report provided an updated on the individual areas of savings.

In relation to the capital expenditure, Appendix 2 to the report detailed financial progress on the Capital Programme as at 31st December, 2015. The report advised that for the Cartref Porthceri Electrical Upgrade / Southway Electrical Upgrade, the Social Services Lift Refurbishment scheme and the Residential Homes Call and Assistance Systems scheme were anticipated to underspend by £67,000. It was therefore proposed that this underspend be used to carry out further electrical works required at the homes.

In terms of the Hen Goleg Works, this scheme would be tendered in February 2016 and tenders would be due back in the middle of March 2016. Work was anticipated to start on the site late April 2016 and was anticipated to be completed in August 2016. It would therefore be requested that £221,000 of this budget be carried forward into the 2016/17 Capital Programme.

For the ICT Infrastructure project, further investigative works had been carried out for this scheme, to align it with the introduction of the Welsh Community Care Information System (WCCIS) which would allow information to be shared between different Health Boards and Social Services departments instantly. The new system would enable Social Services (Adult and Children) and a range of community health services to more effectively plan, co-ordinate and deliver services and support for individuals, families and communities. It would support information sharing requirements, case management and workflow for health and social care organisations across Wales. A carry forward of £400,000 into the 2016/17 Capital Programme was therefore requested.

Appendix 3 to the report provided non-financial information on capital construction schemes. For all schemes where it was evident that the full year's budget would not be spent during the year, relevant officers were required to provide an explanation for the shortfall and this should be taken to the earliest available Cabinet meeting.

The Chairman, in referring to the £67,000 underspend related to the Cartref Porthceri Electrical Upgrade / Southway Electric Upgrade, queried as to why there was such a large underspend. In response, Members were advised that the initial identification of the work required had not highlighted that repairs as opposed to replacement was possible.

A Committee Member, in referring to the savings target B9 in relation to contract arrangements for domiciliary care, queried the impact following the increase in the National Living Minimum Wage. In response, the Interim Head of Business Management and Innovation stated that the working group was still meeting to discuss the savings target and it had been recognised that the Living Wage would impact on agencies and care providers. Negotiation was still ongoing.

In reply to a Member's query regarding savings target A23 in relation to the Reshaping Services Strategy, the Head of Adult Services stated that the status of this target was red as it was spread over three years so this meant that the service could not say with any total certainty that the savings target would be achieved. The Committee Member also queried the status of savings target A3 in relation to care packages and the Member questioned how would this be improved. In reply, the Head of Adult Services explained that the only budgets available to reduce costs were the most difficult areas. The service was trying to target those contracts in which the Authority could reduce costs such as those around Learning Disability Residential Placements. The work revolved around improving the independence of service users and to work with them to find solutions. He also alluded to the demographic pressures that were present in the Vale, particularly around the number of older people coming into the service, which represented a real challenge. Further to this query, the Committee noted that feedback from individuals had been generally positive and the service had recognised that it was a very complex undertaking and wanted to work with service users on an individual basis to find solutions that best suited their needs.

A Committee Member asked for an update around the number of foster carers recruited for this financial year. In reply, the Head of Children and Young People Services stated that the target for this year was for eight new foster carers of which so far five had been recruited and three were in the process of being interviewed by the Panel in February or March. Therefore the service was aiming to hit its target, but not exceed it.

At this point, the Director of Social Services relayed to the Committee some of his thoughts around the savings targets. He stated that a main objective of the service, particularly in relation to domiciliary care contracts, was not to sacrifice the level and quality of care provided. He also alluded to the impact of the cap on the charge for domiciliary care services which affected the Vale of Glamorgan more than other Local Authorities in Wales and for which Welsh Government had indicated that no further adjustments would be made.

RECOMMENDED –

(1) T H A T the position with regard to the 2015/16 revenue and capital monitoring be noted.

(2) T H A T the progress made in delivering the Social Services Budget Programme be noted.

(3) T H A T the report be referred to Cabinet for its consideration and to highlight the progress in delivering the Social Services Budget Programme.

Reasons for recommendations

(1) That Members are aware of the position with regard to the 2015/16 revenue and capital monitoring relevant to this Scrutiny Committee.

(2) That Members are aware of progress made to date on the Social Services Budget Programme.

(3) That Cabinet are kept informed of the progress made to date on the Social Services Budget Programme."

Attached as Appendix – Report to Scrutiny Committee (Social Care and Health): 1st February, 2016