Agenda Item No.

THE VALE OF GLAMORGAN COUNCIL

CABINET: 4^{TH} JULY, 2016

REFERENCE FROM HEALTHY LIVING AND SOCIAL CARE SCRUTINY COMMITTEE: 13^{TH} JUNE, 2016

"82 REVENUE AND CAPITAL MONITORING FOR THE PERIOD 1^{ST} APRIL TO 30^{TH} APRIL 2016 (DSS) –

The Operational Manager – Accountancy presented the report, the purpose of which was to present revenue and capital expenditure for the period 1^{st} to 30^{th} April, 2016.

On 2^{nd} March, 2016, Council had approved the Revenue and Capital Budgets for 2016/17. The report advised that in setting the Social Services Budget for 2016/17, the use of £970,000 from the Social Services Fund had been approved.

As it was very early in the financial year, the forecast for Social Services was for a balanced budget. However, there would be great pressure on the service in the coming year and this position may not be achieved. A table and graph setting out the variance between profiled budget and actual expenditure to date and the projected position at year end was attached at Appendix 1 to the report.

With regard to Children and Young People Services, the major issue concerning this service area for the coming year would be the continued pressure on the children's placements budgets. Work would continue to ensure that children were placed in the most appropriate and cost effective placements. However, it should be noted that, due to the potential high cost of each placement, the outturn position could fluctuate with a change in the number of Looked After Children.

In terms of Adult Services, the major issue concerning the service for the coming year would be continued pressure on Community Care Packages budget. This budget was extremely volatile and was influenced by legislative changes such as the National Living Wage and the Social Services and Well-being (Wales) Act 2014, which both came into force in April 2016. It was considered that this budget would overspend by year end but, at this early stage of the year, the level was difficult to predict. Final negotiations regarding fee levels had yet to be concluded with some service providers, but proposed increases were already above the level of inflation provided for within the budget. The service also continued to be affected by the pressures of continued demographic growth and the Community Care Packages budget would have to achieve savings this year of £300,000. The service would strive to manage growing demand and some of these initiatives may be funded via regional grants in the current financial year. However, the level of grant funding for the year had yet to be fully determined and it was not necessarily guaranteed on an ongoing basis.

The Social Services and Well-being (Wales) Act 2014 came into effect on 6th April 2016 and set a whole range of new challenges and service user entitlements. With no additional resources from the Welsh Government, apart from £420,000 Delivery Transformation grant for transitional / transformational funding, there would be increased financial pressures on the service. The implications of the Act would be closely monitored during the year to assess the full financial impact of these changes.

The report advised that the Directorate would again this year bid to receive funding for joint initiatives. Revenue funding of £6.4m and capital funding of £1.2m had been allocated to the University Health Board for the Intermediate Care Fund (ICF). Funding for individual schemes to be under undertaken by the Vale of Glamorgan Council was currently being finalised. If successful, the 2016/17 funding would continue to support initiatives in relation to supporting older people to maintain their independence and remain at home, avoiding unnecessary hospital admissions and delayed discharges. In addition, Welsh Government had extended the scope of the integration agenda this year in order to develop integrated services for people with learning disabilities, an integrated autism service in Wales and an integrated service for children with complex needs.

With respect to Leisure Services, as it was early in the financial year, it was projected the service would outturn within budget at year end.

In relation to the 2016/17 savings targets, attached at Appendix 2 was a full list of savings to be monitored by the Committee, which now included Leisure Services.

The Directorate was currently required to find savings totalling £2.257m by the end of 2019/20. Current calculations indicated a surplus of £186,000 which was a result of the Foster Carer Recruitment Project, which was being developed in addition to the required savings targets. This surplus could be used to mitigate any increase in savings to be found in future years.

Year	**Savings Required £000**	**Savings Identified £000**	**In Year Surplus / (Shortfall) £000**	**Cumulative Surplus / (Shortfall) £000**
Savings Brought Forward		110	110	110
2016/17	1,002	1,078	76	186
2017/18	605	605	0	186
2018/19	320	320	0	186
2019/20	330	330	0	186
TOTAL	**2,257**	**2,443**		

The report informed that the savings of £270,000, due to be achieved in 2016/17 through changes in the procurement of Domiciliary Care, had been deferred to 2017/18.

For Children's Services, it was now proposed that the £100,000 Staff Review savings would be saved through a Managed Budget Reduction process and it was proposed that C16 would be moved into C12.

For Adult Services, there was £100,000 of the full year saving generated from the Hafod Homes transfer to offset against the £300,000 saving for Residential Savings shown at A6. Currently, there were no other formalised plans in place to find the remaining £200,000 of savings. Further consideration would have to be given to the way in which the saving could be achieved during the year. With regard to the Care Package Budget Reduction at A3, while there was significant pressure on this budget, schemes had been put in place to deliver savings in this area by transferring domiciliary care clients to direct payments, by putting in place additional reablement capacity and by establishing a review team.

Appendix 3 provided an update on the individual areas of savings within the Social Services Budget Programme. Included in Appendix 3 was a Reshaping Services logo, shown against specific projects which had a specific alignment with the objectives of the Reshaping Services strategy. The whole of the Social Services Budget Programme reported into the Reshaping Services governance arrangements.

With regard to capital expenditure, Appendix 4 detailed financial progress on the Capital Programme as at 30th April, 2016. Members were asked to note that Appendix 4 did not include requests for unspent committed expenditure to be slipped from 2015/16 into 2016/17. A request for this slippage would be included in the Closing Down report to be presented to a future Cabinet meeting.

Delegated Authority had been used to allocate the £200,000 Asset Renewal budget to schemes and they were now fully detailed in Appendix 4.

Concern was raised by the Committee at the end of the last financial year that progress had not been made on several capital schemes. Appendix 5 provided non-financial information on capital construction schemes. From this Appendix, it could be seen that most of the previous year's schemes had now commenced. Start dates had also been provided for new schemes for this financial year and these would be monitored closely to identify if capital schemes started to slip and to identify if further actions needed to be taken.

The Chairman queried the £300,000 savings in relation to residential services as shown under saving target A6. In reply, the Head of Adult Services advised that this was very challenging and that £100,000 of savings had been generated from the Hafod Homes transfer. Further work on the structure of residential services was still ongoing and it was planned that this could be progressed through the Reshaping Services Strategy.

In answer to a query on the capital project for St. Paul's Church, the Operational Manager for Leisure explained that the Project Board was still discussing the strategy for this but a report on options would be presented to Cabinet shortly.

With regard to the monitoring of capital projects which had slipped, the Head of Adult Services stated that there were now better arrangements in place with Building Services. Specifically in relation to Hen Goleg, contract workers were currently on site.

A Committee Member queried the savings target related to residential placements for Looked After Children. In reply, the Head of Children and Young People Services advised that the target was equivalent to the cost of one residential placement a year. A report on the Children and Young People Annual Placement Review due for the next Scrutiny Committee in July would provide Members with more detailed information with regard to the challenges and the progress achieved.

In reply to a query regarding the number of savings targets that were currently categorised as red, the Director of Social Services explained that this was due to a recalibration of the savings targets undertaken at the start of each financial year. Because savings were difficult to achieve in the face of growing demand for services, the Service must be cautious in categorising the risk of not achieving them and it helped to ensure appropriate monitoring.

RECOMMENDED –

(1) T H A T the position with regard to the 2016/17 revenue and capital monitoring be noted.

(2) T H A T the progress made in delivering the Social Services Budget Programme be noted and be referred to Cabinet for consideration.

(3) T H A T the proposed changes to the 2016/17 programme be endorsed and referred to Cabinet for approval.

Reasons for recommendations

(1) That Members are aware of the position with regard to the 2016/17 revenue and capital monitoring relevant to this Scrutiny Committee.

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

(3) That the proposed amendments to the programme are approved."

Attached as Appendix - Report to Healthy Living and Social Care Scrutiny Committee: 13th June, 2016