

THE VALE OF GLAMORGAN COUNCIL

CABINET: 5TH SEPTEMBER, 2016

REFERENCE FROM HEALTHY LIVING AND SOCIAL CARE SCRUTINY
COMMITTEE: 18TH JULY, 2016

“181 REVENUE AND CAPITAL MONITORING FOR THE PERIOD 1ST APRIL TO
31ST MAY 2016 (DSS) –

The purpose of the report was to bring to the attention of the Scrutiny Committee the position in respect of revenue and capital expenditure for the period 1st April to 31st May, 2016.

Council, on 2nd March, 2016 (Minute Nos. 885 and 884 respectively) approved the Revenue and Capital Budgets for 2016/17. In setting the Social Services Budget for 2016/17, the use of £970,000 from the Social Services Fund had been approved.

Following changes to the remit of the Scrutiny Committees, Leisure, Parks, Sport and Play budgets were now included in the regular monitoring framework.

With regard to the Social Services Revenue Budget, as it was still early in the financial year, the forecast for Social Services was shown as a balanced budget. 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.

Children and Young People Services – The major issue concerning this service for the coming year would be the continued pressure on the children’s placements budget. Work continued 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. This budget would be closely monitored during the year.

Adult Services – The major issue concerning this service for the coming year would continue to be the pressure on the 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 Wellbeing (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 further savings this year of £300,000. Further details regarding the potential overspend would be assessed and provided to Committee in the next monitoring report. 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. Committee would be provided with further details as they become clearer through the year.

Leisure Services – It was early in the financial year and it was projected that this service would outturn within budget at year end.

The Social Services Directorate was currently required to find savings totalling £2.257m by the end of 2019/20 and this target was analysed by year in the following table. The surplus shown and the savings brought forward figures were as 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
20/19/20	330	330	0	186
TOTAL	2,257	2,443		

Appendix 2 provided an update on the individual areas of saving within the Social Services Budget Programme.

Within 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 Services shown at A6. Currently, there were no other formalised plans in place to find the remaining £200,000 of this saving. Further consideration would have to be given to the way in which this saving could be fully 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 to the report detailed the savings required to be achieved this year in Leisure Services.

Appendix 4 detailed financial progress on the Capital Programme as at 31st May, 2016.

Cemetery Approach – Cabinet, on 15th June, 2015, approved this £500,000 scheme, funded by £250,000 from the Council and the other £250,000 from a contribution to be made by Barry Town Council. The Additional Highways / Environmental Improvement scheme was not fully committed and it had been requested that £100,000 be vired to this scheme to allow for new road resurfacing to be undertaken as part of the works. During 2015/16, expenditure of £45,000 was incurred on this scheme therefore the 2016/17 budget would be £555,000 following the virement.

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 monitoring closely to identify if capital schemes started to slip and to identify if further action needed to be taken.

In clarifying the future layout of the reports, the Committee agreed that information regarding Leisure Services savings would be provided on a quarterly basis and that it should be split up between leisure and grounds maintenance.

The Chairman raised concern in relation to the £270,000 savings for the domiciliary care budget. In reply, the Operational Manager (Accountancy) explained that the savings had been agreed by Cabinet and that these would be reviewed as part of the budget settlement process for next year. There would be opportunity to discuss the savings target later on in the year.

In reply to a query regarding the number of saving projects that had a red flag status, the Head of Adult Services advised that saving targets for this year included some severe challenges, such as the National Minimum Wage. He added that for savings target A3 (Care Packages Budget reduction), it was planned that savings could be achieved by increased use of direct payments and also through reablement services. He also advised that he was confident that savings could be achieved in this area, but he was concerned about the ability to meet increased demand. He also said that savings for residential services (saving target A6) were challenging. The current position was that only £100k of the £300k saving on this line would be achieved. However a review of provision was underway which, if considered viable, would require extensive consultation with staff and trade unions.

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 progress made in delivering the Social Services Budget Programme be referred to Cabinet for its consideration.

(3) T H A T Cabinet be informed of the Scrutiny Committee's concerns that the budget, as presently constituted, is not sufficient to meet service demand and costs.

Reasons for recommendations

(1) In order 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) In order to inform Cabinet of the Committee's concerns in relation to the Social Services budget.”

Attached as Appendix – [Report to Healthy Living and Social Care Scrutiny Committee](#): 18th July, 2016