

THE VALE OF GLAMORGAN COUNCIL

CABINET: 17TH OCTOBER, 2016

REFERENCE FROM HEALTHY LIVING AND SOCIAL CARE SCRUTINY
COMMITTEE: 12TH SEPTEMBER, 2016

“313 REVENUE AND CAPITAL MONITORING FOR THE PERIOD 1ST APRIL TO
31ST JULY, 2016 (DSS) –

The Operational Manager for Accountancy presented the report, the purpose of which was to advise Members of the position in respect of revenue and capital expenditure for the period 1st April to 31st July, 2016 regarding those revenue and capital budgets which formed the Committee’s remit.

Council, on 2nd March, 2016 (minute nos. 885 and 884 respectively) approved the Revenue and Capital Budgets for 2016/17. Reports monitoring expenditure are brought to this Committee on a regular basis.

In setting the Social Services budget for 2016/17, the use of £970,000 from the Social Services Fund was approved.

It was currently projected that the Social Services budget would outturn with an adverse variance of around £1m.

A table and graph setting out the variance between profiled budget and actual expenditure to date and the projected position at year end were 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 – It was projected that the Community Care Package budget could outturn with a variance of up to £1m by year end. This budget was extremely volatile and had been adversely affected this year by the increase in the cost of packages commissioned as a result of the introduction of the National Living Wage, the continued pressure of the budget from demographic growth and clients having increasingly complex needs. The final outturn was, however, difficult to predict. Final negotiations regarding fee levels were being concluded with service providers but proposed increases were already above the level of inflation provided for within the budget.

The annual deferred income budget for 2016/17 had been set at £747,000 and, as at 31st July, 2016, income received to date was £145,000 over-recovered. It was currently being projected that this budget would outturn at £100,000 under budget by year-end and this favourable variance was included as part of the projected overspend for care packages.

The service would strive to manage growing demand and try to mitigate this position and some initiatives may be funded via regional grants in the current financial year. It was proposed that up to £1m be used this year from the Social Services Legislative Changes fund to cover the shortfall. Committee would be provided with further details during the course of the year.

Leisure Services – There was currently an adverse variance of £41,000 to the profiled budgets as a result of high repair costs for vehicles during the start of the Grounds Maintenance season. It was however anticipated that this would reduce over the winter months and therefore it was currently projected that the overall budget would outturn on target.

Appendix 2 to the report showed the projected outturn this year for the savings targets for this Committee.

Within Adult Services, £100,000 of the full year saving generated from the Hafod Homes transfer had been offset against the £300,000 saving for Residential Services. Currently, there were no other approved plans in place to find the remaining £200,000 of this saving. Further consideration would have to be given to the way in which the saving can be fully achieved during the year. With regard to the Care Package Budget Reduction, 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.

In relation to the Social Services Programme, the 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
2019/20	330	330	0	186
TOTAL	2,257	2,443		

Appendix 3 provided an update on the individual areas of saving within the Social Services Budget Programme.

In order to respond to the level of savings required as a result of the projected reductions in funding from Welsh Government, the Council had instigated its Reshaping Services change programme. Cabinet acknowledged that the Social Services Directorate already had two major initiatives underway – the Collaborative Working Programme and the Budget Programme. These programmes already contained projects which were progressing the opportunities identified as part of the Reshaping Services Programme. Included in Appendix 3, the Reshaping Services logo had been 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 the financial progress on the Capital Programme as at 31st July, 2016.

A new capital scheme to the value of £219,000 had been approved from the Intermediate Care Fund (ICF) for two “step-down” units at Longmeadow Court. It had been requested that the Capital Programme be increased accordingly.

For Parks and Grounds Asset Renewal, the Visible Services Asset Renewal budget had been agreed by Cabinet on 22nd February, 2016, Minute No. C3080. Recommendation 3 stated “That delegated authority be granted to the Managing Director and the Head of Finance, in consultation with the Cabinet Member responsible for Finance, to make additions, deletions or transfers to or from the 2016/17 to 2020/21 Asset Renewal budgets as appropriate”. This delegated authority had been used to allocate the budget and £150,000 had been allocated to Parks and Grounds Maintenance.

In terms of Asset Renewal, it had been requested that £50,000 be transferred from the Visible Services Reserve in order to fund works at the Salisbury Road Play Area, which was in line with the project brief and community expectations. This funding was set aside as part of the closing report in 2015/16. In addition, delegated authority had been used to apportion a further £20,000 for this scheme from the Barry Regeneration Project Development Fund as well as allocating £1,000 for the Alexandra Gardens Play Area.

Appendix 5 provided non-financial information on capital construction schemes. From this Appendix, it was reported that most of the previous year’s schemes had now commenced and some were complete. Start dates had also been provided for new schemes for this financial year and these would be monitored closely to identify if capital schemes began to slip and to identify if further action needed to be taken.

A Committee Member asked for further clarification around the projected £1m budget shortfall for Community Care Packages. In reply, the Operational Manager stated this related to challenges highlighted at previous Committee meetings, such as the

National Living Wage, increased demand for services and the financial cap on the weekly charge for domiciliary care services.

The Chairman noted that building works for a number of capital projects had yet to commence and he queried progress around these. In reply, the Head of Adult Services stated that he would need to clarify the progress in relation to Rhoose Road, while works at Cartref Porthceri, to address subsidence, would be completed by the end of the financial year.

In reply to a query relating to the progress made for capital projects within Leisure Services, the Operational Manager for Leisure stated that the information presented was correct up to 31st July, 2016 and so the actual spend to date would be greater to that shown in the report.

In answer to a question around progress on savings targets within Adult Services, the Head of Adult Services stated that within the area of care packages, savings had been made following input from the review team, but it was a challenge to meet targets where demand for services was increasing. With regard to residential services, he advised Members that savings would be progressed through the Reshaping Services programme, although he stated that it would be a challenge to achieve the remaining £200,000 budget savings. In terms of the other Reshaping Services projects, the status of these were red because individual projects had not been identified around which further work was still ongoing.

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 and be referred to Cabinet for its consideration.

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.”

Attached as Appendix - [Report to Healthy Living and Social Care Scrutiny Committee: 12th September, 2016](#)