Agenda Item No.

THE VALE OF GLAMORGAN COUNCIL

CABINET: 20TH MARCH, 2017

REFERENCE FROM HEALTHY LIVING AND SOCIAL CARE SCRUTINY COMMITTEE: 13TH FEBRUARY, 2017

" REVENUE AND CAPITAL MONITORING FOR THE PERIOD 1ST APRIL TO 31ST DECEMBER 2016 (DSS) –

The Operational Manager for Accountancy presented the report, the purpose of which was to advise the Scrutiny Committee of the position in respect of revenue and capital expenditure for the period 1st April to 31st December, 2016.

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

The projected outturn for the Social Services Directorate was an adverse variance of £600,000 when compared to the amended budget.

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's Services – It was projected that this service would outturn with an underspend of £400,000. Work had been ongoing to ensure that children were placed in the most appropriate and cost effective placements. This had included the Council's success in significantly reducing the number of children placed in residential care, from an average of 23 in 2014/15 to a current average of 10. It should however be noted that the number of Looked After Children had increased during the course of the year, placing considerable pressure on the Council's in-house fostering resources and increasing the Council's reliance on independent fostering placements. Given this pressure and the complexity of some of these children, the outturn position could fluctuate with a change in the number of Looked After Children and / or their need for independent fostering or residential placements.

Adult Services – It was projected that the Community Care Package budget could outturn with a variance of up to £1 million 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 on the budget from demographic growth and clients having increasingly complex needs. The final outturn was, however, difficult to predict. The increase in fee levels was 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 detailed in the report, income received up to the 31st December 2016, was £58,000 above the annual budget. The Operational Manager for Accountancy was able to advise the Committee that the latest position in relation to deferred income was £191,000 over the annual budget for the year.

The projected overspend for care packages currently included a favourable variance of £100,000 relating to deferred income. It was likely that this income would increase in the last three months of the year and therefore would improve the overall position of the care packages budget.

Leisure Services – There was currently an adverse variance of £2,000 to the profiled budgets. The main reason was high repair costs for vehicles during the start of the Grounds Maintenance season. It was anticipated that this would reduce over the winter months and therefore it was currently projected that the overall budget would outturn on target.

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

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 could 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.

Appendix 3 to the report showed the projected outturn this year for the savings targets for this Committee as a whole. Leisure Services were reviewing their vehicle requirements and were not anticipating the achievement of the full saving this year. Also, the saving to be achieved via Bowling Greens would not be achieved this year however discussions were ongoing with various sports clubs.

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

Southway Electrical Upgrade – This scheme was now complete and it had been requested to carry forward £5,000 to 2017/18 for retention.

St. Paul's Church – At present, the way forward for the property was being determined and a report updating Members would be brought to Cabinet in the near future. It had therefore been requested that the budget of £233,000 be carried forward into the 2017/18 Capital Programme.

Appendix 5 provided non-financial information on capital construction schemes. From this Appendix, it could be seen that most of the previous year's scheme had now commenced and some were complete. 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 reply to a question regarding the relative numbers of direct payments, the Head of Adult Services stated that information on this would be sent to Members via e-mail. He advised that approximately £100,000 had been saved this year and somewhere in the region of 10% of social care users would be in receipt of a direct payment. In detailing how direct payments differed from council commissioned care, he added that this was complex, but in essence was about individuals deciding how best to manage their care budget. It provided greater choice. He also added that the Dewis Centre for Independent Living currently provided support to individuals who had chosen the direct payment route. As a general guide, direct payments would be less likely for people with dementia and reduced mental capacity and more likely for those with longer term care needs and the ability to oversee their care needs. Going forward, it was planned that the use of direct payments would increase, but there would always be individuals whose care needs would be managed by the Local Authority.

The Chairman queried progress in relation to the commissioning of outcome based domiciliary care. In reply, the Interim Head of Business Management and Innovation stated that it was still at an early stage but that positive feedback had been provided by service users. She added that the intent of the new approach would be to achieve savings and it would also allow greater flexibility around how domiciliary care was provided to individuals.

A Committee Member queried progress regarding savings around Council Bowling Greens. In reply, the Operational Manager – Leisure stated that one Community Asset Transfer had progressed to Stage 2 and it was hoped that further proposals would come forward during the summer.

In referring to saving project C11 around foster carers, the Chairman noted that four foster carers had been recruited which would be short of the year's target of eight. In reply, the Head of Children and Young People Services confirmed this was the case and confirmed that a number of assessments that has started had not concluded due to prospective carers withdrawing from the process. It also follows a reduction in the number of carers being recruited last year; six against a target of eight, which reflects national challenges in recruitment. In relation to this the Director of Social Services added that, looking at the evidence, there has been a reduction in the number of placements across Wales, which was why the National Fostering Framework was being developed.

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 noted and referred to Cabinet for consideration.

Reasons for recommendations

(1) That Members are aware of the position with regard to the 2016/17 revenue and capital monitoring relevant to the 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: 13th February, 2017