

The Vale of Glamorgan Council

Healthy Living and Social Care Scrutiny Committee: 4th December 2018

Report of the Director of Social Services

Initial Revenue Budget Proposals 2019/20 and Revised Budget 2018/19

Purpose of the Report

1. To submit for consultation the initial revenue budget proposals for 2019/20 and to inform Scrutiny Committee of the amended original budget for 2018/19 for services which form part of this Committee's remit.

Recommendations

It is recommended that:

1. The amended revenue budget for 2018/19 as set out in Appendix 1 be noted.
2. The initial revenue budget proposals for 2019/20 be considered and any recommendations, including those relating to cost pressures and savings, be passed to the Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee.

Reasons for the Recommendations

1. To advise Committee of amendments to the 2018/19 budget.
2. In order that Cabinet be informed of the recommendations of Scrutiny Committees before making a final proposal on the budget.

Background

2. The Council's budget is determined largely by the Revenue Support Grant (RSG) settlement set by the Welsh Government (WG). The provisional RSG settlement was received from WG on 9th October 2018, with the final settlement due to be received on 19th December 2018.
3. The Council is required under statute to fix the level of Council Tax for 2019/20 by 11th March 2019 and in order to do so, will have to agree a balanced revenue budget by the same date. To be in a position to meet the statutory deadlines and the requirements for consultation set out in the Council's Constitution, much of the work

on quantifying the resource requirements of individual services needs to be carried out before the final RSG settlement is notified to the Council.

Revised Budget 2018/19

4. Appendix 1 to this report sets out the amended budget for 2018/19 for this Committee, together with the necessary adjustments to be made to the original budget.
5. Asset Rents, International Accounting Standard (IAS) 19, Transfers and Recharges - These adjustments have no overall effect on the net budget of the Council. These are accounting adjustments largely outside the control of services. They reflect charges for the use of capital assets, changes to inter-service recharges and transfers and pensions adjustments to comply with accounting standards.
6. The following table compares the amended budget with the projected outturn for 2018/19. The forecast for Social Services is shown as a balanced budget. However, there will be considerable pressure on this service in the current year and this position may not be achieved and a drawdown from reserves may be required as shown in the table below.

| Service | 2018/19 | 2018/19 | 2018/19 | Variance |
|---|--------------------------|-------------------------|----------------------------|---------------------------------------|
| | Original Budget £'000 | Amended Budget £'000 | Projected Outturn £'000 | (+)Favourable (-) Adverse £'000 |
| Children and Young People | 15,235 | 15,477 | 15,977 | -500 |
| Unplanned use of reserves to fund overspend | 0 | 0 | (500) | +500 |
| Adult Services | 46,644 | 46,271 | 46,271 | 0 |
| Resource Management & Safeguarding | 201 | 277 | 277 | 0 |
| Leisure Services | 1,324 | 1,349 | 1,349 | 0 |
| Total | 63,404 | 63,374 | 63,374 | 0 |

7. Children and Young People Services - The major issue concerning this service for the current year is the pressure on the children's placements budget given the complexities of the children currently being supported and the high cost placements some of these children require to meet their needs. Work continues to ensure that children are placed in the most appropriate and cost effective placements, however in the context of the complexity of need and the national challenges in identifying placements, it is currently anticipated that this budget will overspend. 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 children looked after and/or the complexity of need. The service holds a reserve that could be accessed at year end to fund high cost placements if required, however a drawdown from reserves of £500k is currently being shown.

8. Adult Services - The major issue concerning this service for the coming year will continue to be the pressure on the Community Care Packages budget. This budget is extremely volatile and is influenced by legislative changes such as the National Living Wage. The outturn position is difficult to predict. The service also continues to be affected by the pressures of continued demographic growth, an increase in the cost of service provision and the Community Care Packages budget will have to achieve further savings this year. The service will strive to manage growing demand and will develop savings initiatives which may be funded via regional grants. WG has continued to provide Intermediate Care Fund (ICF) grant to Cardiff and Vale University Health Board to allow collaborative working between Health and Cardiff and the Vale Councils however the level of grant funding is not guaranteed on an ongoing basis.

Savings 2018/19

9. As part of the Final Revenue Budget Proposals for 2018/19, a savings target of £6.298m was set for the Authority. Attached at Appendix 2 is a statement detailing the projected progress against savings targets for 2018/19 for this Committee.
10. Each savings target has been given a RAG status. Green indicates that it is anticipated that the target will be achieved in full within the year, amber indicates that it is considered that the saving in the year will be within 20% of the target and red indicates that the saving to be achieved in year will be less than 80% of the target.
11. It is anticipated that at year end all savings for this Committee will be achieved.

Budget Strategy 2019/20

12. Cabinet approved the Budget Strategy for 2019/20 on the 16th July 2018, min no. C366.
13. The Budget Strategy for 2019/20 outlines that in order to establish a baseline, services should prepare initial revenue budgets based on the cost of providing the current level of service and approved policy decisions and including the existing savings target.
14. Increases to budgets approved during the course of a financial year can restrict the freedom the Council has to allocate its resources to priorities during the following budget cycle when it is aware of all the competing demands. Consequently:
 - Supplementary estimates will only increase the base budget if Council has given specific approval to this effect. Increases met by virement within a year will not be treated as committed growth.
 - Directors should find the cost of increments and staff changes from their base budget unless the relevant specific approval has been given for additional funding.
 - The effect of replacing grant from outside bodies that has discontinued will not be treated as committed growth. In addition, before any project or initiative that is to be met either wholly or partly by way of grant may proceed, the exit strategy must be approved.
 - Certain items of unavoidable committed growth will continue and these include the effect of interest changes and the financing cost of the Capital Programme, increases in taxes, increases in levies and precepts charged by outside bodies and changes to housing benefits net expenditure.

- Services will be expected to achieve savings already approved by Cabinet as part of the 2018/19 final budget proposals and Directors are asked to continue work on achieving their Reshaping Services savings targets.
 - It is envisaged that the costs of service development will need to be met from within the respective directorates.
15. Having regard to the above, it is therefore proposed in respect of the 2019/20 Budget Process that Directors be instructed to prepare initial revenue budgets in accordance with a timetable agreed by the Head of Finance. Preparation should be on the following basis:
- Capital charges, central accommodation costs and central support costs to be estimated centrally.
 - Services to prepare baseline budgets on current service levels as set out in the 2018/19 Final Revenue Budget report.
 - Budgets to be broken down subjectively and objectively in as much detail as deemed appropriate by the Head of Finance.
 - Budget reports to include revised estimates for 2018/19.
 - Full account to be taken of the revenue costs, other than debt charges, of new capital schemes coming into use.
 - Minimum savings targets to be met initially as detailed in the 2018/19 Final Revenue Budget report. Any savings made directly by services over and above individual service targets to count towards future saving targets or to meet unavoidable service cost pressures.
 - Directors will continue to draw up Service Plans that set out the aims and objectives for the service and any possible future developments and efficiencies.
 - As stated previously, it is expected that the revenue costs of service development will need to be met from within the respective services (in particular, from the savings made). As such, no revenue bids are initially to be made. However, services may still be asked to identify and prioritise any burgeoning revenue cost pressures for consideration.

Medium Term Financial Plan

16. The Medium Term Financial Plan (MTFP) 2018/19 to 2021/22 was presented to Cabinet on 17th September 2018 min no. C411.
17. It assumed a reduction in WG funding of 1% for the years 2019/20, 2020/21 and 2021/22. This resulted in the requirement to find savings of £15.714m over this period, with £3.627m currently having been identified. There were therefore further savings to be identified of £12.087m over the 3 year period.
18. The latest Plan factored in a managed level of cost pressures, a notional increase in Council Tax of 2.5% each year, projected annual pay awards and limited non pay inflation.

Provisional Settlement 2019/20

19. The Council's provisional settlement was announced by WG on 9th October 2018. The Council is currently in the process of responding to the provisional settlement and a report is being presented to Corporate Performance and Resources Scrutiny

Committee which outlines a suggested response, with a reference to Cabinet for consideration on 19 November 2018.

20. WG has advised the Council that its provisional SSA (Standard Spending Assessment) for 2018/19 is £226.748m. SSA represents WG's view of the relative resources needed to provide a standard level of service in each Local Authority in Wales and its primary use is to allocate RSG to these Authorities.
21. The Council will receive from WG Revenue Support Grant of £110.163m and a share of the Non-Domestic Rates (NDR) of £41.76m. Together these figures constitute the Council's provisional Aggregate External Finance (AEF) of £151.923m. This represents a cash reduction of 0.7% (£1.037m) for 2019/20 after taking into account adjustments. This is a slightly smaller reduction than the 1% (£1.524m) projected in the MTFP, although it does not take into account inflation. Wales as a whole has seen a decrease of 0.3%.
22. As part of the 2018/19 settlement, WG had also provided an indicative figure for the change in AEF for 2019/20 as a further reduction of 1%. No indicative figure has currently been provided for 2020/21.
23. The value of some grant funding to be made available to Councils on an all Wales level has been received from WG. Several grants including Flying Start, Families First, Out of School Childcare, St David's Day Fund, Communities First Legacy, Promoting Positive Engagement for Young People at Risk of Offending and Communities for Work Plus will be merged into one Children and Communities grant. Only an all Wales grant figure has been received at this point, however, the funding appears to be £1.2m (0.9%) lower than in 2018/19 and therefore the utilisation of the grant will need to be reviewed within the Council once the grant approval and full implication for the Council is received.
24. Information on grants shows an allocation across Wales of £30m for Social Care. It is not known at this stage the value of the allocation to this Council or whether there are specific terms and conditions attached.
25. It is anticipated that any additional funding required to raise the residential care capital limit will be determined before the final settlement is received.
26. On 29th October 2018, as part of the Chancellor's Autumn Budget, over £550 million of additional funding was confirmed for the Welsh Government through to 2020/21. Details of whether any of this funding will be provided to Local Government and if so when and in what form, is currently unknown.

2019/20 Initial Budget Proposals

27. As part of these initial proposals, it has been necessary to revisit the cost pressures facing services in order to build up a complete and up to date picture of the financial position of the Council and an updated list for this Committee is shown in Appendix 3. These are not shown in any order of priority.
28. From April 2019 the National Living Wage will increase from £7.83 an hour to £8.21. The increase will have a significant effect on the services the Council commissions from external organisations. The main area affected is Social Services and a cost pressure has been included to reflect this.
29. Details of the proposed areas for savings for 2019/20 to 2020/21 are attached at Appendix 4. The savings do not include the cost of any potential redundancies. Further work is ongoing to identify future projects that will realise savings for the Council via the Reshaping Service Tranche 4 process.

30. The base budget for 2019/20 for this Committee is attached at Appendix 5. This has been derived by adjusting the 2018/19 budget for items such as pay inflation and unavoidable growth, but does not include identified cost pressures or savings. These are shown as a note to the table and are further detailed in Appendix 3 and 4 respectively. Adjustments shown include the following :
- Asset Rents, International Accounting Standard (IAS) 19 - Relates to accounting items outside the control of services. They reflect charges to services for the use of capital assets and adjustments in respect of pensions to comply with accounting standards.
 - Recharges/Transfers - Relates to changes in inter-service and inter Directorate recharges.
 - Budget Adjustment - There is a £330k increase in budget due to the change in the use of the Social Services Fund in 2019/20.
 - Pay Inflation - This figure relates to pay awards for 2019/20. The projection is based on the preferred option included in the report that was approved by Cabinet on 17th September 2018 and is currently being consulted upon. Any further update will be included as part of the Final Budget Proposals report. Currently due to the level of the projected shortfall no non pay inflation has been included for 2019/20.
31. Once the base budget for 2019/20 has been established, it must then be compared to the funding available to identify the extent of any shortfall. With a projected AEF of £151.923m and Council Tax at a current level of £69.573m, total available funding would be £221.496m. When compared to a base budget of £226.416m, this would result in a funding deficit for 2019/20 of £4.920m.
32. If all identified cost pressures were funded, this would increase the shortfall to £14.164m. If all proposed savings were achieved, the shortfall would be reduced to £10.420m.

| Projected Budget Shortfall | 2019/20 |
|---|----------------|
| | £000 |
| Funding Available | |
| Provisional AEF | 151,923 |
| Council Tax (Assumes no increase) * | 69,573 |
| Projected Funding Available | 221,496 |
| | |
| Base Budget | 226,416 |
| | |
| Projected Shortfall Against Base Budget | 4,920 |
| | |
| Assume all Cost Pressures Funded | 9,244 |
| | |
| Projected Shortfall with Cost Pressures Funded | 14,164 |
| | |
| Assume all Savings Achieved (including Schools) | (3,744) |
| | |
| Projected Shortfall | 10,420 |

* This assumes no increase in Council Tax at this stage.

33. This shortfall above does not include any increase in Council Tax. A 1% increase in Council Tax equates to £696k. The following table shows the funding that could be

raised from a range of Council Tax increases. The level of increase in Council Tax will need to be carefully considered in parallel with the other options available to the Council in order to reduce the funding gap and to consider the impact on the residents of the Vale.

| Examples of Council Tax Increase % | Additional Funding Raised £000 |
|---|---------------------------------------|
| 2.5% | 1,740 |
| 3% | 2,088 |
| 3.5% | 2,436 |
| 4% | 2,784 |
| 4.5% | 3,132 |
| 5% | 3,480 |
| 5.5% | 3,828 |
| 6.0% | 4,176 |

34. The shortfall above is also based on the assumption that the savings target of £3.744m set for 2019/20 will be achieved in full. However, a high proportion of these savings relate to Reshaping Services schemes which reflect a new way of working and therefore require a lengthy period of time to implement. While all services are working towards achieving their 2019/20 targets, not all savings will be achieved in full for 2018/19. The potential for re-profiling savings will need to be assessed when setting the budget for 2019/20.
35. Further work will be undertaken by the Budget Working Group (BWG) in order to achieve a balanced budget for the final budget proposals for 2019/20. This will include a review of the use of reserves, a possible increase in Council Tax, a review of all cost pressures, possible changes to the approved saving targets, a review of the inflation assumptions and the current financial strategies.
36. The BWG will consider the results of the budget engagement process in determining priorities for future savings and service delivery.
37. The BWG will also ensure that budget proposals consider the requirements of the Well-being of Future Generations Act and the Council's 4 well-being outcomes as detailed in the Corporate Plan. They will also ensure that the budget proposals reflect the 5 ways of working which are:-
 - Looking to the long term: The budget proposals are a means of planning for the future and should take a strategic approach to ensure services are sustainable and that future need and demand for services is understood.
 - Taking an integrated approach: The budget proposals should consider and encourage ways of working with partners.
 - Involving the population in decisions : As part of the budget proposal process there will be engagement with residents, customers and partners.

- Working in a collaborative way: The budget proposals should recognise that more can be achieved and better services can be provided by collaboration and this way of working in the future should be encouraged.
- Understanding the root cause of issues and preventing them: The budget process is proactive and will allow an understanding of the financial position so that issues can be tackled at the source during the process.

Next Steps

38. The next stage is for the estimates to be submitted to Scrutiny Committees for consultation. Committees are asked to review the level of cost pressures with a view to suggesting ways in which these could be managed downwards and/or mitigated and to consider proposals for savings. Corporate Performance and Resources Scrutiny Committee is the lead Scrutiny Committee and will consider both the Initial Revenue Budget Proposals and any recommendations that other Scrutiny Committees have made. The responses of Scrutiny Committee must be made no later than the 13th December 2018.
39. The BWG held a series of meetings in November 2018 with the relevant Cabinet Members and officers to consider the budget proposals and they will submit their recommendations so that the Cabinet may make its final budget proposal. Before making its recommendation, the BWG will consider the comments made by Scrutiny, together with the results of consultation. The final proposals to Cabinet will include a review of the financial strategies required to achieve a balanced budget, which is sustainable in future years. Currently, the approved timetable requires Cabinet to approve the final budget proposals by no later than 18th February 2019 and that Cabinet's final budget proposals will be considered by Council at a meeting to be held on 27th February 2019 to enable the Council Tax to be set by 11th March 2019.

Resource Implications (Financial and Employment)

40. Based on the assumption that all cost pressures will be funded in full, the estimated funding shortfall for 2019/20 will be £14.164m assuming no increase in Council Tax.
41. WG has not issued details regarding the level of funding post 2019/20, however, it is anticipated that there will be further reductions in funding for Local Government going forward. It is therefore important that Directors achieve approved savings and look to mitigate further cost pressures through alternative means of service delivery and collaborative ventures.
42. Reserves are a way of setting aside funds from budgets in order to provide security against future levels of expenditure and to manage the burden across financial years. Funds no longer required may be transferred to the Council Fund and then set aside for other purposes or used to reduce Council Tax.
43. The Council has always taken a prudent approach with regard to specific reserves and uses them to mitigate known risks (financial and service) and contingent items, e.g. Insurance Fund. Other reserves have been established to fund Council priorities. This is important as the Council has limited capacity to realise sufficient sums from the sale of assets for capital investment. Sums have also been set aside to assist in budget management.
44. The Council Fund Reserve as at 31st March 2019 is projected to stand at £13.634m. The possible use of this reserve will be considered by the BWG when setting the

2019/20 budget, however, use of this reserve to balance the revenue budget will result in a higher level of savings being required in future years. The Section 151 Officer currently believes that the minimum balance on the Council Fund Reserve should be no less than £7m. This is considered sufficient to cover unforeseen expenditure whilst, in the short term, maintaining a working balance. Unforeseen expenditure can be substantial and several instances can occur in a year. Whilst there is no set requirement for the minimum level for the Council Fund Reserve, some commentators use 5% of the net budget as a guide. For the Vale this is about £11m. However, in view of the prudent approach the Council takes with regard to specific reserves, £7m is considered a reasonable minimum.

45. The Council presently benefits from a reasonable level of reserves, however, they are not inexhaustible and have taken years of careful financial management to develop to their current level. As part of the usual Budget process, an examination of the level of reserves is undertaken to ascertain their adequacy and strategy for use. A view to their level (i.e. whether the amount held in the fund is sufficient to requirements) and purpose (i.e. whether the need to hold the fund is still relevant) has been taken. The requirement for each specific reserve has also been considered in light of the Council's priorities and at this stage of the budget process no transfers between reserves are proposed.
46. Appendix 6 sets out the actual reserves as at 31st March 2018 relating to this Committee and shows the estimated reserves balance for each year up to 31st March 2022.
47. The Council is planning to use a considerable amount of its specific reserves over the coming years, however, as reserves are a non-recurring means of funding, they can only be used as part of a specific financial strategy. The use of all reserves will be reviewed further, by the BWG, as part of the final budget setting process.
48. Not all the savings required to meet the shortfall in funding will result in a reduction in staffing. Although the impact on individuals is likely to be mitigated as a result of natural wastage and the deletion of vacant posts, it is, nevertheless, expected that there will be a number of redundancies. The Trade Unions will be consulted on the details of any possible redundancies once known. Staffing implications relating to budget pressures within schools will need to be considered by individual governing bodies.

Sustainability and Climate Change Implications

49. The promotion of sustainability and action to arrest climate change is central to the work of the Council and a key consideration when allocating scarce resources to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Legal Implications (to Include Human Rights Implications)

50. The Council is required under statute to fix its Council Tax by 11th March 2019 and in order to do so will have to agree a balanced revenue budget by the same date.

Crime and Disorder Implications

51. The obligations of the Council with regard to Section 17 of the Crime and Disorder Act 1998 needs to be fully considered in the budget decision making process.

Equal Opportunities Implications (to include Welsh Language issues)

52. These initial budget proposals have due regard to the requirements of the Council's Strategic Equality Plan including the Equalities Act 2010 and Public Sector Equality Duty for Wales. The subsequent development of individual strategies for achieving savings will require the completion of Equality Impact Assessments. This involves systematically assessing the likely (or actual) effects of policies on individuals who have a range of protected characteristics under the Act.

Corporate/Service Objectives

53. Funds allocated in the budget contribute to the wide range of Corporate/Service Objectives as set out in the Corporate Plan.

Policy Framework and Budget

54. This report is following the procedure laid down in the Constitution for the making of the budget and so does not need to be referred to Council at the proposal stage. However, the final 2019/20 budget will require the approval of Full Council.

Consultation (including Ward Member Consultation)

55. The Corporate Management Team has been consulted on this report. The initial budget proposals will be the subject of consultation with Scrutiny Committees. The Trade Unions and Schools Forum will also be consulted.

Relevant Scrutiny Committee

56. The lead Scrutiny Committee is Corporate Performance and Resources.

Background Papers

Medium Term Financial Plan 2018/19 to 2021/22
Budget Strategy 2019/20

Contact Officer

Carolyn Michael
Operational Manager - Accountancy

Officers Consulted

Corporate Management Team

Responsible Officer:

Lance Carver, Director of Social Services

AMENDED BUDGET 2018/19

APPENDIX 1

| | 2018/19 ORIGINAL AMENDED BUDGET | ASSET RENTS, IAS19, TRANSFERS & RECHARGES | 2018/19 AMENDED BUDGET |
|------------------------------------|--|--|------------------------------|
| | £,000 | £,000 | £,000 |
| Social Services | | | |
| Children and Young People | 15,235 | 242 | 15,477 |
| Adult Services | 46,644 | (373) | 46,271 |
| Resource Management & Safeguarding | 201 | 76 | 277 |
| Leisure Services | 1,324 | 25 | 1,349 |
| TOTAL BUDGET 2018/19 | 63,404 | (30) | 63,374 |

| Title of Saving | Description of Saving | Target Saving £000 | Projected Saving | RAG Status | Update Comments, Issues & Actions | Relevant Scrutiny Committee | Project Manager |
|--|---|-----------------------|------------------|--------------|--|-----------------------------|-----------------|
| SOCIAL SERVICES | | | | | | | |
| <u>Childrens Services</u> | | | | | | | |
| Reshaping Tranche 3 - Procurement | More efficient and effective procurement of goods and services | 41 | 41 | Green | Savings allocated and will be achieved in-year | Health Living & Social Care | Rachel Evans |
| Reshaping Tranche 3 - Establishment Review | Review of various payments to staff and efficient utilisation of staff | 61 | 61 | Green | Savings allocated and will be achieved in-year | Health Living & Social Care | Rachel Evans |
| Total Childrens Services | | 102 | 102 | Green | 100% | | |
| <u>Adult Services</u> | | | | | | | |
| Reshaping Services | Review of management of adult care packages and day services to be realised through a variety of delivery options | 320 | 320 | Green | Various initiative being undertaken | Health Living & Social Care | Suzanne Clifton |
| Reshaping Tranche 3 - Procurement | More efficient and effective procurement of goods and services | 22 | 22 | Green | Savings allocated and will be achieved in-year | Health Living & Social Care | Suzanne Clifton |
| Reshaping Tranche 3 - Establishment Review | Review of various payments to staff and efficient utilisation of staff | 75 | 75 | Green | Savings allocated and will be achieved in-year | Health Living & Social Care | Suzanne Clifton |
| Total Adult Services | | 417 | 417 | Green | 100% | | |
| <u>Resource Management & Safeguarding</u> | | | | | | | |
| Reshaping Tranche 3 - Procurement | More efficient and effective procurement of goods and services | 35 | 35 | Green | Savings allocated and will be achieved in-year | Health Living & Social Care | Amanda Phillips |
| Reshaping Tranche 3 - Establishment Review | Review of various payments to staff and efficient utilisation of staff | 29 | 29 | Green | Savings allocated and will be achieved in-year | Health Living & Social Care | Amanda Phillips |
| Total Resource Management & Safeguarding | | 64 | 64 | Green | 100% | | |
| TOTAL SOCIAL SERVICES | | 583 | 583 | Green | 100% | | |

| No. | Service | 2019/20 £'000 | 2020/21 £'000 | 2021/22 £'000 |
|-----|--|------------------|------------------|------------------|
| | Children & Young People | | | |
| S1 | External Placements: This is the area of greatest pressure with a continuing increase in the numbers and complexity of need within our children looked after population. This creates associated pressures on placement availability in-house and increasing reliance on externally commissioned placements, both independent fostering placements and residential care. Projected full year pressure for 2019/20 based on current spend and the known need to place an additional two children in residential care this year, with no realistic prospects for reducing the current cohort of children placed externally. Further increases are probable over the next three years given increasing demand and complexity and limited placement provision nationally. The projected costs could be higher if the number of external placements required is greater than the forecast, and if the individual costs of those placements is higher given complexity of need. | 931 | 276 | 276 |
| S2 | Legal Costs: Continuing increase in the number and complexity of care proceedings, including the requirement to instruct Counsel. Projected full year pressure for 2019/20 based on current and projected spend. Pressure in the following two years reflects a similar rise to that between last year and this year, with this year's trend indicating a similar increase. | 95 | 20 | 20 |
| S3 | National Minimum Allowance (NMA) for Foster Carers - Kinship: Continuing increase in the number of kinship carers. This is positive in promoting the numbers of children able to live within their families, but creates budgetary pressure associated with the cost of supporting these placements. | 277 | 53 | 53 |
| | Total for Children & Young People | 1,303 | 349 | 349 |
| | Adults Services | | | |
| S4 | Demographic changes - Ongoing increase in the number of people over 65 who will be eligible to receive services. Accessing at a later stage, requiring complex care at higher cost, ongoing issue regarding the impact of the Welsh Government introduction of the £80 cap and increase in capital allowance. | 400 | 400 | 400 |
| S5 | Continuing challenge by providers to increase fees to meet provider costs - Pressures include National Living Wage, Sleep-Ins, HMRC regulations re travel time, auto-enrolment of pensions and now the increased burden of registration costs for domiciliary care workers under Regulation and Inspection of Social Care (RISC) (Wales) Act 2016. | 1,000 | 1,000 | 1,000 |
| S6 | Supported Living Contract - Additional investment to sustain supported living accommodation contract in 2019/20 as reported to Cabinet in October 2017 and further increases anticipated in future years when contract will be retendered. | 447 | 118 | 118 |
| S7 | Legal Costs - Adults Services have noted a considerable rise in the number of cases that are proceeding to court or mediation. This is therefore identified as a cost pressure and is reflective of the complex and challenging cases the Division now supports. | 10 | 0 | 0 |
| S8 | Joint Equipment Store - Change in formula could result in an additional contribution | 0 | 40 | 0 |
| | Total for Adults Services | 1,857 | 1,558 | 1,518 |
| | Resource Management & Safeguarding | | | |
| S9 | Deprivation of Liberty Safeguards - Despite investment in previous years the demand for DoLS Assessments continues to increase. The budget will overspend this financial year due to the number of health and Best Interest assessments conducted, there is still a backlog, in particular in relation to authorisations for this area. We also need to secure additional legal capacity to process applications to court to mitigate risk of legal challenge to the Council. | 120 | 0 | 0 |
| | Total for Resource Management & Safeguarding | 120 | 0 | 0 |
| | Leisure Services | | | |
| V9 | Reduction in Sports Wales grant funding - Correspondence received from Sports Wales suggests a cut in grant funding next year of anywhere between 5 and 10%. | 0 | 20 | 0 |
| | Total for Leisure Services | 0 | 20 | 0 |
| | TOTAL COST PRESSURES 2019/20 | 3,280 | 1,927 | 1,867 |

CURRENTLY PROPOSED SAVINGS 2019/20 and 2020/21**APPENDIX 4**

| Title of Saving | Description of Saving | 2019/20 £000 | 2020/21 £000 |
|------------------------------|---|-------------------------|-------------------------|
| SOCIAL SERVICES | | | |
| <u>Adult Services</u> | | | |
| Reshaping Services | Review of management of adult care packages and day services to be realised through a variety of delivery options | 330 | 0 |
| Total Adult Services | | 330 | 0 |
| Total Social Services | | 330 | 0 |

BASE BUDGET 2019/20**APPENDIX 5**

| | Original Budget 2018/19 £'000 | Asset Rents/ IAS 19 £'000 | Original Budget 2018/19 £'000 | Rechgs/ Transfs £'000 | Budget Adjustment £'000 | Pay Inflation £'000 | Base Estimate 2019/20 £'000 |
|------------------------------------|--|--|--|--------------------------------------|--|------------------------------------|--|
| Social Services | | | | | | | |
| Children and Young People | 15,235 | (35) | 15,200 | 399 | 0 | 97 | 15,696 |
| Adult Services | 46,644 | (177) | 46,467 | (265) | 330 | 400 | 46,932 |
| Resource Management & Safeguarding | 201 | 93 | 294 | 3 | 0 | 68 | 365 |
| Leisure Services | 1,324 | (476) | 848 | 26 | 0 | 13 | 887 |
| TOTAL | 63,404 | (595) | 62,809 | 163 | 330 | 578 | 63,880 |

| Savings Applied £'000 | Cost Pressures £'000 |
|--------------------------------------|-------------------------------------|
| 0 | 1,303 |
| (330) | 1,857 |
| 0 | 120 |
| 0 | 0 |
| (330) | 3,280 |

ANALYSIS OF RESERVES

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|-----------------------------|-----------------|-------------|-------------|--------------|---|-----------------|-----------------|-----------------|
| | 31/03/18 | | | Bal | | 31/03/20 | 31/03/21 | 31/03/22 |
| | £000 | £000 | £000 | £000 | | £,000 | £,000 | £,000 |
| Social Services | | | | | | | | |
| Legislative Changes | 4,831 | 0 | 0 | 4,831 | To cover additional burdens on the authority due to changes in legislation eg Social Services and Well-being (Wales) Act 2014 , Deprivation of Liberties Standards. | 4,831 | 4,831 | 4,831 |
| Social Services Plan | 980 | 0 | -330 | 650 | To support the approved Social Services Budget Reduction Programme. | 650 | 650 | 650 |
| Social Services Pressures | 1,913 | 0 | -500 | 1,413 | To cover short term childrens placements which have a high cost e.g. remand, that cannot be accommodated within the current operational budget. | 1,413 | 1,413 | 1,413 |
| Social Services Development | 350 | 0 | 0 | 350 | To cover costs of implementing service development and contingency for premises maintenance | 350 | 350 | 350 |
| Grant Exit Strategy | 630 | 0 | 0 | 630 | To pay potential redundancy costs if Welsh Government grants were discontinued. | 630 | 630 | 630 |
| Capital | | | | | | | | |
| Social Services Buildings | 500 | 0 | 0 | 500 | To fund the update of Social Services premises to meet the future demands of the service. | 500 | 500 | 500 |
| Telecare | 565 | 0 | 0 | 565 | Replacement fund for Telecare equipment and other service costs. | 565 | 565 | 565 |
| COMMITTEE TOTAL | 9,769 | 0 | -830 | 8,939 | | 8,939 | 8,939 | 8,939 |