

**Joint Report of the Cabinet Members for
Services for Children & Young People and
Adults & Vulnerable People**

Cabinet – 17 November 2016

SOCIAL SERVICES BUDGET VIREMENTS

Purpose:	This report proposes amendments to the current year's Social Services revenue budget.
Policy Framework:	Sustainable Swansea – Fit for the Future
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	Cabinet is asked to approve: 1) Reductions to the Child and Family Services budget to enable the service to absorb Sustainable Swansea savings 2) Realignment of the Adult Services budget
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1. Introduction

- 1.1. As part of the budgetary process for 2016/17, Social Services were allocated a budget of £103.51m. The budget was reduced from a gross level of £105.76m by Sustainable Swansea savings requirements totalling £2.25m.
- 1.2. At the time the budget was agreed, these Sustainable Swansea savings were considered as awaiting allocation and were recorded separately from service budgets. In order to bring these savings into service budgets, significant virements are required. These are of a level that require Cabinet approval to action.
- 1.3. It is also recognised that there are structural issues within Adult Services budgets. There is a need to consider how the budget can be reorganised to eliminate historic underspends and to provide some relief to areas of pressure.

2. The Challenge

- 2.1. Like many areas of the Council, the financial challenge within Social Services is significant. Pressures such as National Living Wage, changes to National Insurance, the financial consequences of successful job evaluation appeals, increments and pay awards are considerable even before the effect of demographic change is considered.
- 2.2. Whilst Social Services reported an underspend of £1.13m in 2015/16, this masks a significant difference in financial performance between Adult Services (£2.29m overspent) and Child and Family Services (£3.42m underspent).
- 2.3. Within Adult Services, where the overall overspend was broadly comparable with reported unachievable savings of £2.39m, significant service level variances were present.
- 2.4. The ongoing financial environment has made it difficult to allocate budget to areas of pressure without a consequential effect. This means that there are some structural overspends within the budget. For example, the budget for the provision of supported accommodation to those with learning disabilities and mental health needs has been as follows.

	15/16 Budget	15/16 Spend	16/17 Budget
MH&LD Complex Care	9,094,400	10,594,964	8,955,600

- 2.5. Consequently, it is unsurprising to note that budget monitoring predicts this area to significantly overspend in the current year.

3. The Proposal

- 3.1. In order to assimilate the Sustainable Swansea budgets into services, a direction has been given proposing a Child and Family Services budget of £35m and an Adult Services budget of £68.51m. Due to in year virements to date, these figures have been revised to £35.05m and £69.71m respectively.
- 3.2. The effect of this is to cause Sustainable Swansea savings to fall upon Child and Family Services.

4. Child and Family

- 4.1. Child and Family recorded an underspend of £3.4m in 2015/16. This was considered to be the result of the continued success of the safer LAC reduction scheme and saw expenditure on Child and Family services reduce to levels not seen since 2009/10.

- 4.2. The 2015/16 spend of £34.8m represents a £5.2m decrease from the service's 2012/13 peak.
- 4.3. Some amendments were made to the original budget for 2016/17 but an allocation that was £2.7m above 2015/16 spend remained.
- 4.4. The below table demonstrates the changes proposed. Full details of the cost centres affected are shown at appendix one.

	15/16 Spend	16/17 Original Budget	Proposed Amendment	Proposed Budget
Accommodation -External	10,398,349	11,503,700	-1,521,700	9,837,000
Accommodation -Internal	7,203,458	7,399,700	-400,000	7,082,400
Adoption Services	1,131,707	1,585,900	-	1,364,800
Aftercare-External	454,453	472,400	-	454,900
Aftercare-Internal	408,812	500,000	-	440,000
Assessment & Care Mgt	7,670,827	8,456,300	-205,000	7,886,400
Family Support -External	1,308,145	1,470,500	-150,000	1,598,400
Family Support -Internal	1,548,118	1,655,900	-95,000	1,855,200
Management & Admin.	2,047,132	2,191,900	-	2,123,100
Other Services-Internal	621,788	650,500	-	587,100
Youth Offending	614,654	717,300	-100,000	831,900
Residential Care-Internal	588,813	588,400	-40,000	588,400
Review and QA	831,278	845,500	-	873,400
Sustainable Swansea	-	-473,000		-473,000
Grand Total	34,827,534	37,565,000	-2,511,700	35,050,000

- 4.5. Variances between the 16/17 original budget, the proposed amendments and the proposed budget are attributable to minor virements that have occurred since April.

5. Adult Services

- 5.1. The level of unachieved savings in 2015/16 brought pressures into the 2016/17 budget process. Some of these were partially resolved by budget realignment whilst others remained.
- 5.2. The recent picture within Adult Services is one of overspends. Significant overspends have been reported in the last two financial years and forecasts predicts that this will be repeated in 2016/17.
- 5.3. Following the Quarter One budget monitoring report, a successful claim was made against the Council's living wage and inflation provision. The effect of this award was to increase the budget by £1.3m for 2016/17 only.
- 5.4. During 2015/16, an approach was taken to categorise all cost centres under one of the following five headings
- External Domiciliary Care

- External Residential Care
- Internal Staffing and Services
- MH LD Complex Care
- Third Party Spend

5.5. The headings above were used to identify potential areas of pressure for 2016/17 by comparing the 2015/16 outturn with the 2016/17 budget. This identified MH LD Complex Care as the area of greatest concern.

	2015/16 Spend	2015/16 Variance	2016/17 O. Budget	2016/17 Pressure
External Dom Care	10,978,008	-2,432,108	9,895,900	1,082,108
External Res Care	13,150,185	992,816	13,390,500	-240,315
Internal Services	32,280,931	268,369	33,793,700	-1,512,769
MH LD Complex Care	10,594,964	-1,500,564	8,955,600	1,639,364
Third Party Spend	1,794,149	381,051	2,159,300	-365,151
Grand Total	68,798,237	-2,290,436	68,195,000	603,237

5.6. MH & LD and External Residential Care benefitted from the £1.3m award for 2016/17 referred to at 5.3. £700k was allocated to MH & LD with the remainder allocated to External Residential Care.

5.7. In an attempt to provide a more realistic MH & LD budget, a review was undertaken of areas that have underspent in the last two financial years with a view to reallocating what may be considered excess budget to this area of pressure. Secondary aims of this exercise were to provide a budget for DoLS and to make an allocation to External Domiciliary Care.

5.8. This review identified thirty two adult services cost centres that recorded underspends in both 2014/15 and 2015/16. These were subsequently sense checked by the Budget Team. A number of potential changes were rejected as the budget had already been reduced, whilst others were felt to be areas of potential pressure for the current year. As a result of this exercise budget totalling £1m was identified for reallocation.

5.9. It is proposed that £900k of this £1m will be allocated to MHL D and the residual £100k used to create budget for DoLS. The amount proposed for MHL D is £40k less than would be required to eliminate the 2015/16 shortfall. It is proposed to meet this challenge, and make a contribution to the external domiciliary care budgets by implementing a percentage cut against employee costs within internal staffing and services. The simplest way to achieve this administratively will be by the creation of various vacancy provisions which equate to 0.75% of relevant employee budgets.

5.10. Following these changes, the table at 5.5 will change to the following;

	2015/16 Budget	Spend	Revised Budget	Amended Pressure
External Dom Care	8,545,900	10,978,008	10,100,800	877,208
External Res Care	14,143,001	13,150,185	13,990,500	-840,315
Internal Services	32,549,300	32,280,931	32,983,900	-702,969
MH LD Complex Care	9,094,400	10,594,964	10,595,600	- 636
Third Party Spend	2,175,200	1,794,149	2,034,100	-239,951
Grand Total	66,507,801	68,798,237	69,704,900	-906,663

5.11. Full details of the cost centres affected are shown at appendix two.

6. Risks

- 6.1. The amendments proposed are not without risk. The substantial reductions to Child and Family Services result in a budget that is no more than £250k greater than the previous year's spend. This leaves very little scope for accommodating pressures acknowledged at 2.1.
- 6.2. Additionally, it is possible that Child and Family's financial performance in 2015/16 represents the extent of what can be achieved by the Safer LAC reduction strategy. Should there be an increase in looked after children, overspends would result.
- 6.3. The changes within Adult Services also represent a challenge. The amendments address some specific budget shortfalls but create them in some areas.

There would be risks to not reviewing and changing budgets. Savings specifically tied to services will have greater ownership and a greater likelihood of achievement. Additionally, having areas with budgets that are clearly deficient could be seen as setting them up to fail.

7. Equality and Engagement Implications

- 7.1. An EIA Screening has been undertaken which indicates that a full EIA is not required.

8. Financial Implications

- 8.1. This report proposes amendments to the Social Services budget for the current financial year. Should the recommendations within this report be approved, the department's budget will be more closely aligned with expected spend and the previously unallocated Sustainable Swansea savings will be aligned to services.

8.2. Such amendments will likely reduce the number and significance of budget variances but will not, on their own, affect the Department's expected financial outturn.

9. Legal Implications

9.1 Financial Procedure Rule 5 as set out in the Constitution provides that Responsible Officers must manage their budgets within budget headings and that virement between budget headings is subject to approval by Cabinet if above £1 million.

Background Papers: None

Appendices:

Appendix A	Child and Family Proposed Budget Changes
Appendix B	Adult Services Proposed Budget Changes

Appendix A

Child and Family Services

	Sep Budget	Proposed Amendment	Revised Budget
Court Supported Orders	1,530,000	- 50,000	1,480,000
Foster Swansea	4,231,800	- 250,000	3,981,800
Family & Friends Fostering	1,465,800	- 80,000	1,385,800
MAST	91,600	- 20,000	71,600
Therapeutic Support	272,500	- 150,000	122,500
Children's Central Advice	570,100	- 5,000	565,100
Child Disability Team	989,200	- 100,000	889,200
Townhill Team	841,800	- 30,000	811,800
Penderry Team	840,900	- 10,000	830,900
Swansea East Team	752,000	- 15,000	737,000
Swansea Valley	772,300	- 40,000	732,300
Swansea West	698,500	- 5,000	693,500
Family Engagement	508,200	- 20,000	488,200
Community Daycare	45,500	- 15,000	30,500
Flexible Home Support Team	388,800	- 10,000	378,800
Supervised Contact Scheme	613,900	- 50,000	563,900
Youth Offending Team	881,900	- 100,000	781,900
Private and Independent	11,379,000	- 1,521,700	9,857,300
Ty Nant	578,300	- 40,000	538,300

Appendix B

Adult Services

Narrative	Sep Budget	Proposed Amendment	Revised Budget
Abergelli Day Service	287,800	(1,700)	286,100
Aids & Equip	6,300	(100)	6,200
Alexandra Road Respite Service	425,200	(3,200)	422,000
Birchgrove SNDS	270,500	(1,900)	268,600
Bonymaen House APH	932,800	(6,700)	926,100
C M&A Administration (MH & LD)	98,700	(700)	98,000
C M&A Central Management (LD)	136,300	(1,000)	135,300
C M&A Service & Staff Dev (LD)	156,600	(1,000)	155,600
C M&A Service & Staff Dev (MH)	110,000	(600)	109,400
Call Monitoring System	92,000	(15,000)	77,000
Care Management Younger Adults	166,800	(1,200)	165,600
Care Man't OP Care Home	632,300	(4,700)	627,600
Care Mgt Admin	369,100	(2,600)	366,500
Central Admin	216,200	(1,600)	214,600
Central Control O P	6,400	(1,000)	5,400
Central Hub	3,180,000	(22,600)	3,157,400
Central Office Homecare Team	(280,000)	(150,000)	(430,000)
Client Properties & Finances Unit	122,300	(1,800)	120,500
Community Connecting	213,500	(1,200)	212,300
Community Equipment Pooled Fund	548,700	(5,500)	543,200
Community Lives Consortium	4,278,700	940,000	5,218,700
Community Mental Health Team 1	303,900	(2,200)	301,700
Community Mental Health Team 2	377,900	(2,400)	375,500
Community Mental Health Team 3	462,500	(3,400)	459,100
Community Support Team	821,500	(7,000)	814,500
CREST	491,700	(4,000)	487,700
Crossroads Older People	160,500	(62,000)	98,500
CSU Contracting Unit	365,900	(10,000)	355,900
CSU Performance & Information	301,500	(2,100)	299,400
Day Opportunities	13,700	(100)	13,600
Direct Payments	105,500	(400)	105,100

Narrative	Sep Budget	Proposed Amendment	Revised Budget
Directorate and Management	425,900	(3,300)	422,600
DOLS	-	100,000	100,000
Domiciliary Care Older People	6,481,000	404,900	6,885,900
Emi Services	299,700	(20,000)	279,700
Equip & Adaptations Disabled	52,700	(200)	52,500
Executive Office Support	115,500	(900)	114,600
Fforestfach Day Service	545,500	(2,700)	542,800
Fforestfach Work Projects	197,600	(1,500)	196,100
Flexible Support Service	264,000	(1,900)	262,100
Gardeners For Residential & Day Care	177,100	(1,300)	175,800
Glandwr Lds	121,800	(700)	121,100
Homecare Housing	(34,500)	(500)	(35,000)
Hospital Social Work Team	607,400	(4,400)	603,000
Hub Seven - Bonymaen RCAS Teams	716,500	(5,000)	711,500
Intake Support	400,600	(3,000)	397,600
Intermediate Care Fund	-	(300,000)	(300,000)
Intermediate Care REHAB	200,000	(200,000)	-
Llanfair Hostel & Day Care Dev	396,000	(30,000)	366,000
Llangyfelach SNDS	235,000	(1,600)	233,400
Maesglas Community Unit	640,400	(4,700)	635,700
Maesglas SNDS	210,300	(1,500)	208,800
Management & Resources Respite Services	123,400	(500)	122,900
North Hub	3,392,900	(24,300)	3,368,600
Norton Lodge Day Centre	125,200	(800)	124,400
Paris	287,300	(2,600)	284,700
Parkway HFA	688,000	(5,900)	682,100
Parkway SNDS	272,500	(2,100)	270,400
Personnel	183,000	(1,400)	181,600
RCAS Dementia Team	-	(1,300)	(1,300)
Residential & Day Care Training	110,300	(30,000)	80,300
Residential Homes O P	24,800	(600)	24,200
Rose Cross Day Centre	106,800	(600)	106,200
Rose Cross House APH	920,500	(8,400)	912,100
Safeguarding Adults Team	195,500	(1,300)	194,200
Senior Management Team	285,800	(1,900)	283,900
SMAT	143,000	(600)	142,400
Social Care Planning Unit	137,700	(1,000)	136,700
Social Services Finance	521,500	(19,800)	501,700

Narrative	Sep Budget	Proposed Amendment	Revised Budget
St Johns Day Centre	198,300	(1,100)	197,200
St Johns House APH	676,900	(6,500)	670,400
Supporting People Admin	293,700	(2,000)	291,700
Supporting People Grants	413,200	(163,200)	250,000
Suresprung	54,100	(600)	53,500
Swansea Vale Resource Centre	626,600	(4,100)	622,500
The Hollies Day Centre	76,200	(300)	75,900
The Hollies House APH	770,500	(6,200)	764,300
Ty Cila	843,900	(6,300)	837,600
Ty Waunarwydd Day Care	143,000	(800)	142,200
Ty Waunarwydd HFA	1,567,900	(14,800)	1,553,100
Typing & Mail Services	135,400	(800)	134,600
West Cross LDS	167,600	(1,100)	166,500
West Hub	2,797,200	(19,800)	2,777,400
Whitethorns Intensive Day Service	382,700	(3,400)	379,300