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**Report to Housing Health and Care Committee**

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**Date of Meeting: 30th October 2014**

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**Subject: Financial Performance Social Services**

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**Report by: Head of Social Services**

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**1.0 Purpose**

- 1.1. The purpose of the report is to update Committee on the projected budget for Social Services based on expenditure to the end of August 2014. Reference is made to Social Services performance report which was presented to Committee on 21st August 2014.

**2.0 Recommendations**

It is recommended that the Housing Health and Care Committee

- 2.1. Note the contents of the report
- 2.2. Note the management action plan outlined in *Appendix 1*
- 2.3. Note that the Head of Service will update Committee on the actions set out in the action plan.
- 2.4. Note that a further update will be brought to Resources and Audit Committee in December to fulfil the amendment to Council Financial Performance Report.

**3.0 Considerations**

**Outturn position**

- 3.1 In accordance with Clackmannanshire Council's financial regulations this report advises Committee of the projected revenue budget outturn based on actual expenditure incurred to the end of August 2014.
- 3.2 It is projected that the Social Services revenue budget will have an overspend of £1,518K (see table 1). The overspend represents **5.72%** of the total Social Services revenue budget. This projection does not take account of any increase in demand that may result in a severe winter.

Table 1

<b>Service</b>	<b>Annual Budget 2014/15</b>	<b>Actual Spend to 31/08/14</b>	<b>Projected Outturn to 31/03/15</b>	<b>Variance Outturn V Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Revenue</b>				
Partnership	1,015	320	1,025	11
Strategy	487	346	408	(80)
Adult - Assessment & Care Management	9,887	3,898	10,527	639
Adult - Provision	4,551	1,887	4,482	(69)
Child Care - Clacks Locality	1,939	867	2,010	71
Child Care - Resourcing, Disability, TCAC	7,784	2,765	8,700	916
Child Care - Protection, Early Intervention, Youth Justice	396	155	382	(14)
Criminal Justice Service	(17)	562	(17)	0
Social Services Management	508	426	552	44
<b>Total</b>	<b>26,549</b>	<b>11,226</b>	<b>28,068</b>	<b>1,519</b>
<b>Capital</b>				
Telecare	75	16	75	0

## **Variances**

### **Child care resourcing**

- 3.3 In Children's Services the overspend relates to additional costs incurred from specific cases which require additional support.. The service has recently commissioned 2 high cost secure placements at an annual costs of £260k each. A further 2 placements at Struan House this month has increased the projected overspend by £140K.
- 3.4 In addition external foster care placement are currently exceeding current budget planning assumptions by 15 placements. The overspend is partially offset by under spends in Woodside and additional income from external placements. In addition client travel has increased this year due to costs of transporting children placed out with the local area to school etc. Travel costs have been reviewed leading to a reduction in the overspend by £30K from £80k to £50K.

### **Adult Care**

#### **Assessment and Care Management.**

- 3.5 The main area of overspend in Adult Care relates to Care Management and Assessment and the provision of care at home services. Despite this the projected overspend in Adult Care significantly reduced from 819K in June to

639k in August 2014. This excludes budget savings of 331K from 13/14. The reduction in spend is due to a restriction of authorisation levels for front line staff and a review of the resource allocation panel.

## **Demographics**

- 3.6 The service is currently undertaking an analysis of demographic pressure linked to previous activity and future demand. This will form part of the management action plan and Zero Based Budgeting programme. This will inform demand pressures on current budget and evidence growth in demand for future budget setting.

## **Adult Care**

- 3.7 In Adult Care there has been a 37.5% rise in the care at home hours since April 2012, this equates to an increase from 7,094 care at home hours being provided per week in March 2012 to 9,752 hours per week in July 2014.
- 3.8 Conversely the number of care home placements during that same period has remained fairly static with only a 5.54% increase in the total number of placements being 262 in March 2012 rising to 276 in July 2014. The service is also delivering a number of care packages which are significantly above the cost of a care placement and as part of the budget recovery plan the service propose to manage this cost in the future through the introduction of the eligibility criteria. The main factor contributing to the increase in care at home hours is the rise in cases where there are issues of co-morbidity leading to complex health and social care needs in particular dementia and long term conditions with an anticipated rise in prevalence of 9% between 2013-16.

## **Child Care Services**

- 3.9 Clackmannanshire's use of foster placements reflects the national increasing trend, however demand is currently outstripping supply in terms of provided resources. There are currently 17 provided carers in Clackmannanshire, to address the current number of purchased placements it is estimated that a further 20 carers are needed. The cost of a purchased foster care placement, is on average £26,450 per annum greater than our own provided foster care. We are currently purchasing 39 foster placements. If we could increase our own foster carers by 20 and reduce the need to purchase foster care externally, we could save more than £1M per annum. We have a total fostering payments budget of £1,888K per annum. The cost of providing all our foster care internally would be £1,463K per annum. This would leave the service with an underspend of £425K. The current overspend in fostering due to purchased provision is £641K.
- 3.10 The Residential Schools overspend is in relation to two high cost secure placements made in November 2013 at a cost of £714 per day each. The annual cost of these placements is £260K each. There continues to be increased demand with high cost care placements for children with additional care needs.

## 4.0 Sustainability Implications

### Management Action Plan

- 4.1 Social Services has developed a budget recovery action plan to reduce the impact of the current projected overspend. Detailed work is being carried out to investigate the areas of overspend and the reasons for this. In addition the service is reviewing the following in partnership with corporate services;
- investigate the areas of overspend in greater detail and identify potential areas to reduce the level of anticipated spend.
  - the preparation of additional monthly outturns for Social Services
  - additional budget challenge sessions
  - commencement of Zero Based Budget exercise between Social Services and Corporate Services
  - Participation in a internal audit budgetary control in Social Services.
- 4.2 Activity demand and activity levels based on the last three years and are undertaking an extensive review of business processing systems and commissioning arrangements. These management actions are being taken forward by SMT (Social Services) in conjunction with finance. The action plan addresses how the overspend will be managed for 2014/2015 these are outlined in Appendix 1 of the report.

## 5.0 Resource Implications

### 5.1 Financial Details

- 5.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes ☒

- 5.3 Finance have been consulted and have agreed the financial implications as set out in the report.

Yes ☒

### 5.4 Staffing

## 6.0 Exempt Reports

- 6.1 Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

## 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box ☒)

The area has a positive image and attracts people and businesses ☐  
Our communities are more cohesive and inclusive ☐  
People are better skilled, trained and ready for learning and employment ☐

Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input checked="" type="checkbox"/>
Health is improving and health inequalities are reducing	<input checked="" type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input type="checkbox"/>

(2) **Council Policies** (Please detail)

**8.0 Equalities Impact**

- 8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
Yes ☒ No ☐

**9.0 Legality**

- 9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

**10.0 Appendices**

- 10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1 - Budget Recovery Action Plan

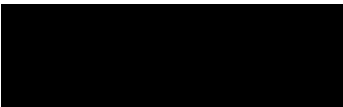

**11.0 Background Papers**

- 11.1 Have you used other document to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)  
Yes ☐ (please list the documents below) No ☒

**Author(s)**

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**Approved by**

NAME	DESIGNATION	SIGNATURE
Val de Souza	Head of Social Services	
Elaine McPherson	Chief Executive	



## Social Service Action Plan- Budget Recovery Action plan

Action Budget Holder	Lead	Timescale	Progress
<p>Profile and build devolved budgets for Social Services to team manager level</p> <p>Review resource panels to ensure effective financial and resource management.</p> <p>Implement financial restrictions/controls for front line staff to reduce spend</p> <p>Review of the Commitment system in Social Services (CCIS).to ensure compliance with financial authorisation levels.</p> <p>Rollout a training programme for financial monitoring for managers/budget holders</p> <p>Development of Activity/budget triggers</p> <p>Review financial Monitoring arrangements by the senior management team on a quarterly basis linked to performance reporting</p>	<p>Social Services Senior Management Team /Chief Finance Officer</p>	<p>November 2014</p>	
<b>Budget Preparation</b>			
<p>Review authorisation levels for front line staff and team managers</p> <p>Review ledger structure to more accurately reflect service delivery and revised management structures.</p> <p>Build an evidence base for growth and realignment of the budget</p> <p>Roll-out a programme of budget holder training based on Zero based budgeting and the scheme of delegation</p>	<p>Assistant Head of Service Adult Care</p> <p>Assistant Head of Service Children's Services.</p> <p>Chief Finance Officer</p>	<p>December 2014</p>	

<b>Budget monitoring</b>			
<p>Agree authorisation levels link to the scheme of delegation</p> <p>Review alignment of finance systems and CCIS to ensure more accurate financial projections commissioning and budget planning assumptions.</p> <p>Build an evidence base for growth and realignment of the budget</p> <p>Implementation of Eligibility Criteria</p>	<p>Assistant Head of Service Adult Care</p> <p>Assistant Head of Service Children's services</p>	January 2015	
<b>Financial information</b>			
<p>The preparation of additional monthly outturns for Social Services</p> <p>Internal audit review of budgetary control within Social Services</p>	Chief Finance Officer	November 2014	
<b>Demographics</b>			
<p>Undertake an analysis of demographic pressures based on demand and activity.</p> <p>Analysis of past and future demand linked to commissioning for care at home and long term care</p> <p>The identification of management savings and revised financial planning assumptions for 2015/16</p> <p>An action plan has been agreed to build devolved budgets and a zero based budgeting model for Social Services</p> <p>Review of commissioning arrangements</p>	<p>Chief Finance Officer</p> <p>Assistant Head of Social Services</p> <p>Service Manager Strategy</p>	November 2014	