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**Report to Housing, Health & Care Committee**

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**Date of Meeting: 5 November 2015**

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**Subject: Social Services Finance Report 01/04/15 to 31/08/15**

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**Report by: Head of Social Services**

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**1.0 Purpose**

- 1.1. As a result of the budget challenge within social services it has been agreed that the service will report financial performance to each committee. This will ensure that Housing Health and Care Committee are aware of the service demands and budget pressures on a regular basis.
- 1.2. This paper is a report to the Committee on the Social Services budget performance from 1 April 2015 to 31 August 2015. The purpose of the report is to identify key variances, reasons for these and specific actions to improve the services overspend position.

**2.0 Recommendations**

- 2.1. The Committee is asked to note the report, the recovery action to address the overspend and Action Plan (Appendix 1) and comment on and challenge as appropriate.

**3.0 Considerations**

- 3.1. The service is projecting a Revenue budget overspend of £1,334K and a Capital underspend of £315k. (see Table 1).
- 3.2. This report to the Housing, Health and Care Committee is to update the committee in relation to the social services budget. The report will identify the areas of spend and demand and details in relation to the spend and costs for the service and local authority. The report will also identify the service actions to address the spend and budget challenge.
- 3.3. As well as the above the report will highlight the savings to date under Making Clackmannanshire Better.

- 3.4. Child Care: Child Care is forecasting an overspend of £1,150K. The main area of overspend is Residential Schools £1,369K. There is a projected underspend of £220k due to staff vacancies at Alloa Family Centre.

### **Areas of Key Variance**

- 3.5. The Residential Schools overspend is in relation to an increase in residential school placements over the past year. In June 2014 there were 16 children in residential school placements compared to 21 in June 2015. An increase of 5 places.
- 3.6. None of these cases could have been planned or anticipated. The cost of these packages range between £101k and £200k each. Four of these placements have been children affected by disability placed in specialist placements. One child placed within a residential school placement through a children's hearing against the social work departments recommendation.
- 3.7. The Internal Fostering and Adoption budget is forecasting an overspend of £97k. This is as a result of fifteen children currently placed with Stirling Council foster carers. As a result the External Fostering budget is forecasting an underspend of £54k.
- 3.8. The use of Stirling carers is maintaining children closer to their communities and has resulted in significantly reduced costs compared to external purchased placements.
- 3.9. The action to address the overspend includes the following
- A review of all residential school and external foster placements to ensure compliance of authorisation of placements.
  - Audit of residential school child care reviews to establish they are within timescale to avoid drift in child plans that impact on budget.
  - Alternative low cost placements to be explored out with the Scotland Excel Framework and pursued to reduce costs and accelerate exit strategies within child's plans.
  - An additional pre screening meeting introduced for high cost placements to ensure all alternatives are explored to reduce costs in keeping with the child's plan.
  - Identify future cost demand aligned to projected length of placements. Long term care plans to be identified and explore opportunities to negotiate reduced costs.
- 3.10. The above will be led by the Service Manager and Principal Education Psychologist responsible for the AGG and reported on a monthly basis to the Assistant Head of Service for Education and The Assistant Head of Service Social Services. The aim is to reduce costs in the residential schools budget.
- 3.11. Capital of £250k was identified for a new children's residential service as a spend to save option for the council. A full Business case has been submitted as part of Making Clackmannanshire Better in September 2015. Early identification of sites has been undertaken however there is to date no spend

in relation to the capital grant. The impact of the actions identified in 3.5 will inform the business case and if savings can be realised by identifying alternative cheaper providers and spend can be contained within budget this business case will be reviewed.

- 3.12. The implementation of the Children and Young Peoples Act (2015) and the Staying Put agenda for care leavers until 21 years of age is currently being scoped to look at the impact on the AGG, the residential schools budget as well as the fostering budget. Staying Put Scotland is Guidance for Local Authorities and other Corporate Parents to support looked after children and young people to remain in care, as part of a staged transition towards adulthood and greater independence. The future projection is that young people looked after by the local authority will be accommodated for longer periods.
- 3.13. Although the residential budget is currently a shared budget between education and social services education's responsibility for costs cease when a child leaves education at 16 - 18 years of age. The Staying Put agenda will subsequently incur additional costs for social services.
- 3.14. Transport of clients in Child Care is projecting a £31k overspend. This is a reflection of the number of children accommodated in Foster Care placements out with the Local Authority. The overspend relates to the cost of transporting children to school by taxi as well as extensive contact arrangements for children following decisions from children's hearings. The service have identified the following actions.
- Team managers to review all school transport arrangements and request review children's hearings to request transfer to school placements in the foster care's locality.
  - Negotiate with carers to transport children to school.
  - Public Transport costs for parental contact to be offered as opposed to taxi costs.
- 3.15. Eligibility criteria has been introduced for social services for children with disability entitled to a mobility allowance. This is specific to respite and activities provided by social services and transport arrangements and costs now to be met by the carers.
- 3.16. Kinship. Following a Housing Health and Care Committee in October 2014 Clackmannanshire Council agreed a model of equivalency payments to Kinship carers. The Kinship care budget received growth to reflect this change in policy. Within the council's criteria for entitlement Section 11 Residency Orders are not considered for kinship payments. The Scottish Government has, however identified that Section 11 Residency Orders are now an entitlement for Kinship payments.
- 3.17. The Scottish Government have agreed a funding package of £10.1m to local authorities to extend the payment of kinship payments to section 11 Orders. That is to say that where a child was previously looked after or in kinship care within a local authority or is considered by a local authority to be at risk of becoming looked after they are now entitled to kinship payments. The service

is currently looking at the number of children and carers within this category and will report on the financial impact by next committee.

### **Areas of Key Variance**

- 3.18. Adult Care: Older People Care Management is showing an overspend of £376K. This is primarily due to an overspend of £381k against the Care Home budget. There are currently 161 people in Care Homes but the budget allocated equates to 144 care home beds at an average of £34k per bed per annum. Demand for Care Home placements normally peaks in the summer months, based on the previous years demand profile, placements may reduce over the remainder of the year by up to 7%. This could mean a reduction from the current 161 placements in Care Homes to 150 by the end of the Financial Year.
- 3.19. The service are undertaking a review of the above in partnership with colleagues from finance to do more analysis of the spend and the client pathway resulting in a residential placement. There is also an increased scrutiny of screening at Panel as well as care plans to ensure decision making and plans are robust.
- 3.20. Mental Health & Learning Disability are projecting a £77k underspend. This relates to a vacant post at Carsebridge and long term sick leave.
- 3.21. Social Services Management Support is projecting a £86k underspend which relates to staff vacancies. This relates to an AHOS vacancy. A business case has been accepted for a Business Manager for Social Services. Recruitment is underway.
- 3.22. Adult Provision. The Integrated Care Fund is projecting an overspend of £200k. This is due to temporary posts which have already been created to support the Reablement strategy. However, the funding of this has still not been confirmed by Health and it is anticipated that the level of funding will not cover the costs of the temporary posts in place. Further discussion will take place with Health to ensure appropriate funding.
- 3.23. Disability Day Care is projecting an underspend of (£159k). This is due to staffing vacancies as a result in the downturn of demand for day care services following the introduction of the charging policy for this service. Resourcing of this service is being reviewed as part of Making Clackmannanshire Better with a review of all Adult Day Service Provision to re-shape older people's/adult services. This programme will establish a project team incorporating health and social care colleagues to consider transformational changes to Adult Day Services - scoping workshop will be held in October.
- 3.24. *Appendix 2* to this paper contains a detailed analysis of variances in respect of each service area.

Table 1

<b>Service</b>	<b>Annual Budget 2015/16</b>	<b>Actual Spend to 31/08/15</b>	<b>Projected Outturn to 31/03/16</b>	<b>Variance Outturn V Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Revenue</b>				
Mental Health & Learning Disability	5,878	2,354	5,801	(77)
Elderly & Physical Disability Care Management	4,963	2,426	5,339	376
Adult - Provision	4,674	2,019	4,665	(9)
Child Care - Clacks Locality	2,106	954	2,072	(34)
Child Care - Resourcing, Disability, TCAC	6,285	2,304	6,101	(185)
Residential Schools	2,583	1,069	3,952	1,369
Criminal & Youth Justice Services	239	609	250	12
Strategy	563	(115)	541	(22)
Social Services Management Support	368	133	281	(86)
<b>Total Revenue</b>	<b>27,659</b>	<b>11,751</b>	<b>29,002</b>	<b>1,344</b>
<b>Capital</b>				
Social Work Integrated System	145	30	30	(115)
Telecare	75	25	75	0
Child Care Residential Unit	250	0	50	(200)
<b>Total Capital</b>	<b>470</b>	<b>55</b>	<b>155</b>	<b>(315)</b>

### Progress in Delivering Planned Budget Savings in 2015/16

<b>Description of Saving</b>	<b>Saving 2015-16</b>	<b>Progress</b>	<b>Comment</b>
Review of equipment and adaptation	11	0	Discussions ongoing to establish how this will be achieved
Reprovision of day care across shared service	20	0	Discussions ongoing with Stirling Council
Review of Transport of Clients across Adults and Children Services	10	0	This saving won't be achieved due to the overspend projected for this expenditure
Increase in MECs Charges	14	14	Income projected as being achieved
Cease Intensive Support	150	150	Termination of Includem

Contract			contract in April 2015
Child Care Respite	20	20	Reduction in respite projected
<b>Total 15/16 Savings</b>	<b>275</b>	<b>184</b>	

#### 4.0 Sustainability Implications

- 4.1. None.
- 4.2. The Service will systemically present a financial report to each cycle of committee to allow the demonstration of analysis of trend, demand and activity.

#### 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
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced

- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(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 Social Services Recovery Action Plan 2015

Appendix 2 Social Services Outturn Report August 2015

### 11.0 Background Papers

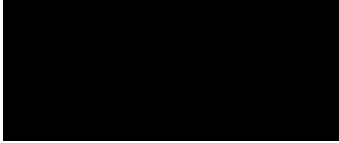
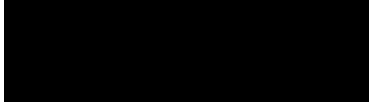
11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes  (please list the documents below) No

#### Author(s)

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Irene Muirhead	Accountant	01259 452074

**Approved by**

<b>NAME</b>	<b>DESIGNATION</b>	<b>SIGNATURE</b>
Val de Souza	Head of Social Services	
Nikki Bridle	Depute Chief Executive	



**Social Services Action Plan- Budget Action Plan**

<b>Cost Pressures</b>	<b>Lead</b>	<b>Timescale</b>	<b>Action</b>
<p>1. Transitions 2015/16 - Further analysis of full year costs/effect has ensured a more accurate projection of spend during 15/16.</p>	<p>Service Manager Partnership</p>	<p>30th September 2015</p>	<p>Action Complete</p>
<p>2. Increase in Care Home placements since March 2015 from 144 to 161. This has led to an overspend of 376k since March 2015.</p>	<p>Service Accountants Assistant Head of Social Services (Adult Care)</p>	<p>31st March 2016</p>	<p>Reduce the number of care placements from 161 actual to 144 budgeted number during financial year 15/16. this is monitored through the weekly Resource Panel Action complete</p>
<p>3. Authority GIRFEC Group - £1.15million overspend. This budget is jointly managed between Social Services and Education.</p>	<p>Assistant Head of Social Services Children/Education Services</p>	<p>31st August 2015</p>	<p>Pre-screening for Resource allocation group has been introduced.</p>

Cost Pressures	Lead	Timescale	Action
		31st March 2016	Audit of high cost care packages to be undertaken. Target to reduce overspend by 500k .
4. Increase recruitment by 5 Foster Carers to offset dependency on external placements (current number is18).	Assistant Head of Social Services (Child Care)	31st March 2015	This increase in Foster Carers will lead to a saving of 240k during financial year 16/17.
<b>Income</b> 5. Delayed Discharge Funding - Additional funding allocated for funding for 5 additional care beds with Health beds for 6 weeks rolling till the end of the financial year ( income of £93k)	Service Manager Assessment Care Management Service Accountant	30th September	Action complete

<b>Cost Pressures</b>	<b>Lead</b>	<b>Timescale</b>	<b>Action</b>
<p>6. Business case under MCB- The review and evaluation of the current recovery policy, the processes and levels of performance in terms of maximising the retrieval of outstanding debt of £304,758</p>	<p>Service Manager Assessment Care Management Team Leader Business support Service Accountant</p>	<p>31st January 2016</p>	
<p>7. Review income levels for financial planning purposes based on expected income from; Integrated care fund National delayed discharge funding Scottish Government Residential Care inflationary uplift</p>	<p>Assistant Head of Service (Adult Care) Service Accountant</p>	<p>31st October 2015</p>	<p>Action Complete</p>
<p><b>Compliance</b> 8. Review weekly resource panels to ensure robust financial and resource management  Implement a weekly pre panel screening group for Adult Care and Children's Services (RAG)</p>	<p>Senior Management Team (Social Services)</p>	<p>30th September</p>	<p>Action Complete</p>
<p>9. Review alignment of finance systems to service activity to ensure more accurate financial projections commissioning and budget planning assumptions.</p>	<p>Service Managers/ Team Manager Business support/ Service Accountant/ Assistant Head of Service (Adult Care) Assistant Head of Service (Children's Service)</p>	<p>January 2016</p>	<p>Work in progress</p>

<b>Cost Pressures</b>	<b>Lead</b>	<b>Timescale</b>	<b>Action</b>
10. Rollout a training programme for financial monitoring for managers/budget holders.	Chief Finance Officer	30th March 2016	Action ongoing
11. Implement further financial restrictions/controls for front line staff to reduce spend.	Assistant Head of Service Service Managers Children's Services.	31st August 2015	Action Complete
12. Review financial Monitoring arrangements by the Senior management team on a monthly basis linked to performance reporting.	Assistant Head of Service Service Managers Children's Services	Monthly High Level Budget meetings	Work in progress
13. Implement Reviewing Officers posts (MCB spend to save) in Children's Services to target 10 high cost placements savings target of 500k.	Assistant Head of Social Services (Children) Service Managers Children's Services	31st March 2016	Work in progress
14. Review variation in cost of existing Scotland Excel National contracts	Service Manager/ Strategy Procurement Manager Assistant Head of Social Services (Children Services).	30th November 2015	Work in progress
15. Audit of the Commitment system in Social Services (CCIS) to ensure robust compliance of financial authorisation levels.	Assistant Head of Service Service Managers Adult Care.		

<b>Cost Pressures</b>	<b>Lead</b>	<b>Timescale</b>	<b>Action</b>
16. Implementation of Eligibility Criteria of high cost care packages in Mental Health and Learning Disability services linked to MCB. Savings target of 300k.	Service Accountant Service Manager Partnership	31st January 2016	Work in progress
<b>Demographic Growth</b>			
17. Undertake an analysis of demographic pressures based on demand and activity.	Service Manager Strategy	January 2016	Prepare a growth bid to reflect demographic pressures in the older Peoples Population.
18. Analysis of past and future demand linked to commissioning for care at home and long term care	Assistant Head of Social Services Service Manager Strategy		Prepare a growth bid to reflect demographic pressures in the older Peoples Population.
19. The identification of management savings and revised financial planning assumptions for 2015/16	Assistant Head of Social Services Service Managers		
20. Kinship Care -review of all Kinship Placements  Projected growth in relation to Scottish Government Section 11 criteria for entitlement.	Service Managers Children's Services	31st January 2016	



**Social Services - Budget v Outturn**

As at August 2015

	Budget 15-16 £'000	Outturn 15-16 £'000	Variance £'000
The main reason for the overspend in budget is the Residential Schools budget which is jointly managed with Education. 8 new placements were made in June putting the budget into a £1,133K overspend position. At the end of June 2015 there were 23 children placed in Residential Care compared to 16 at June 2014. A further 3 children have been placed since June bringing total up to 26, putting the budget overspend position to £1,365K			
<b>Social Services Variance</b>	<b><u>27,659</u></b>	<b><u>29,002</u></b>	<b><u>1,344</u></b>
<b>Mental Health &amp; Learning Disability Care Management</b>			
Carsebridge - Post funded from Change Fund ; Vacancies			(50)
Mental Health Purchasing - two posts not in superann scheme ; one employee on long term sick pay			(27)
	<b><u>5,878</u></b>	<b><u>5,801</u></b>	<b><u>(77)</u></b>
<b>Elderly &amp; Physical Disability Care Management</b>			
Staffing - Agency staff ( no budget)			91
CES - Equipment Purchases, assumed same activity level as last year. Demand led.			2
Shared Management Team - recharge under review			(51)
Clacks Elderly & Physical Disability - purchasing growth pressures.			345
Reception			(0)
Intermediate Care			(10)
Hospital			0
	<b><u>4,963</u></b>	<b><u>5,339</u></b>	<b><u>376</u></b>

**Social Services - Budget v Outturn**

As at August 2015

	Budget 15-16 £'000	Outturn 15-16 £'000	Variance £'000
<b>Adult Provision</b>			
Comms Centre - Shared costs greater than budget			6
Menstrie House - Staffing overspend due to balance between permanent and agency - offset by underspend in supplies			(32)
Homecare - Reablement posts funded by change fund.			(73)
MECS - Staffing overspend due to balance between permanent and agency			10
Eld Prov Mgt Unit - Overspend in Agency staff			7
Ludgate House - Staffing overspend in Agency staff due to problems recruiting relief - budget re-alignment in progress			51
MOW - saving on staffing and equipment			(24)
Disability Daycare Staffing - client numbers have reduced since charges introduced - posts not filled			(159)
Daycare Staffing			0
Sheltered Housing			(1)
CF - Support Team Resource			0
CF - Support Team Resource (2) - staffing costs partly funded by FV Health Board - review in progress			200
	<u>4,674</u>	<u>4,665</u>	<u>(9)</u>
<b>Strategy</b>			
Performance, Quality & Assurance - Performance & Quality Officer no funding for this post, ongoing at the moment			27
Appropriate Adults - Vacancy			(15)
Planning & Commissioning - Project OLA's exp at zero as no costs expected this year. Could be used to fund post in performance			(26)
Substance Misuse- Forth Valley Health Board invoice not accrued			(14)
Various small overspends			5
	<u>563</u>	<u>541</u>	<u>(22)</u>
<b>Child Care - Clacks Locality</b>			
Safeguarders- small overspend in payments for safeguarders			1
Duty Intake Team - staffing underspend due to vacancies in first 5 months			(76)
Long Term Team - Legal Fees: Digby Brown invoice re WH not projected. Professional Fees overspend.			11
Long Term Team - Small staffing underspend due to vacancies in first quarter			(2)
£31K overspend in client travel, mainly due to taxi costs for contact and taking children from outside of the local authority area to school. These costs have trebled over the last 2 years. This is a reflection on the increased number of children accommodated in foster placements. There is an action plan in place to review all travel and ensure that this is a need for the child in order to reduce costs. Transport overspend has reduced by £40K this year due to review.			31
Child Protection - Small staffing underspend due to vacancy in first four months			(12)
Administration - Small overspends in Printing, photocopying & stationery.			14
	<u>2,106</u>	<u>2,072</u>	<u>(34)</u>
<b>Child Care - Resourcing, Disability TCAC</b>			
Fostering & Adoption - Overspend due to 15 children placed internally with Stirling Council Foster Carers leading to underspend in external fostering budget.			97
External Foster Care - Underspend due to children being placed with Stirling Council rather than external placements. Currently 39 children placed in external placements.			(54)
Throughcare Aftercare - underspend in aftercare payments of £30k, this follows trend of previous years.			(30)
Woodside - Staffing underspend due to lower costs for special support flat.			(30)
Disability Team - unbudgeted payment to health authorities for complex care children.			33



**Social Services - Budget v Outturn****As at August 2015**

	<b>Budget 15-16 £'000</b>	<b>Outturn 15-16 £'000</b>	<b>Variance £'000</b>
Early Years - On Budget			(1)
Early Years Teacher Hours			4
Vol Orgs - uncommitted budget from CCSF			(3)
Alloa Family Centre - Underspend from Staff vacancies			(220)
Homestart			(0)
Tayvalla			0
Kinship Care			(1)
Corporate Parenting - Overspend in payments to individuals			19
Community Mental Health Worker			0
	<b>6,285</b>	<b>6,101</b>	<b>(185)</b>
<b>Criminal &amp; Youth Justice</b>			
Youth Justice - On budget			0
Glenochil Prison - non staffing costs not charged to prison			3
HQ Admin - Grant reduction due to underspend in MAPPA. Small overspend in client travel costs			16
CJA Training - overspend split with FFVCJA constituent authorities			14
Community Service -			2
NC - Young Offender's			(3)
NC - Supp Accommodation			(0)
MAPPA - Staff vacancies underspend split with FFVCJA constituent authorities			(19)
	<b>239</b>	<b>250</b>	<b>12</b>
<b>Management Support</b>			
Overhead charge to CJS - Recharge of overheads to CJS greater than budgeted			(26)
Directorate - Staff vacancies			(60)
	<b>368</b>	<b>281</b>	<b>(86)</b>
<b>Residential Schools</b>			
The Residential Schools overspend is in relation to 8 new high cost placements in June ranging from £101-200K each. This has increased due to another 3 placements last month.			1,369
	<b>2,583</b>	<b>3,952</b>	<b>1,369</b>
<b>Social Services Total</b>	<b>27,659</b>	<b>29,002</b>	<b>1,344</b>

