

Corporate Director's Report on Financial Performance
Communities Directorate - Draft
Quarter Three 2014/15

Section 1: Revenue

Service	Net Budget	Forecast (under)/over spend				Change from last quarter
		Quarter One	Quarter Two	Quarter Three	Year End	
	£000	£000	£000	£000	£000	£000
DSG	(721)	0	0	0		0
Corporate Director	282	0	0	0		0
Adult Social Care	36,646	0	0	0		0
Care Commissioning, Housing & Safeguarding	6,649	0	(59)	1		60
Children's Services	13,444	220	475	525		50
Education	11,683	81	81	14		(67)
Adult Social Care Change Programme	1,169	0	0	0		0
Total	69,152	301	497	539	0	42

Overview

The forecast revenue over spend for the Communities Directorate as a whole is £539k against the budget of £69 million net, which equates to 0.8% of the directorate budget. This represents an increase in the directorate over spend of £42k from Quarter Two. This is the result of:

- An increase in the Children's Services over spend of £50k between Quarter Two and Three.
- Care Commissioning, Housing and Safeguarding forecasting on line at Quarter Three compared to a £59k forecast under spend at Quarter Two, and
- Education Services reducing the forecast over spend at Quarter Two of £81k to £14k at Quarter Three.

Corporate Director's Cost Centre, Adult Social Care Change Programme & Adult Social Care

The Corporate Director's cost centre, the ASC Change Programme and Adult Social Care are forecasting year end positions of online.

Care Commissioning, Housing and Safeguarding

Care Commissioning, Housing and Safeguarding are forecasting an online position at Quarter Three. This represents a movement of £60k from Quarter Two, which is predominately due to a £24k reduction in income across Supporting People services, a £13k pressure on Homelessness Prevention as expenditure on Bed & Breakfast provision has increased due to service demand. Additional pressures have also been identified on temporary accommodation.

Children's Services

Children's Services is forecasting an over spend of £525k. This is an increase from the over spend forecast in Quarter Two of £50k.

The key areas of financial pressure within the service are:

- placements (£872k over spend forecast at Quarter Three),
- Child Care lawyers (£125k over spend forecast at Quarter Three),
- Child Protection Teams (£328k over spend forecast at Quarter Three).

The total pressure across the three aforementioned areas at Quarter Three is £1.3million, a £370K increase on Quarter Two. The financial pressures are being partially offset through:

- Under spends generated through slowing expenditure across non Child Protection and placement services. At Quarter Three, in year savings totalling £800k have been identified across early intervention and prevention services, Youth Services and Youth Offending teams. The in year savings across these areas increased by £320k in response to the increasing pressures between Quarter Two and Three. Savings have been achieved through deliberately slowing general expenditure and by holding posts (where possible and will not be to the detriment of services to the public) vacant.
- Included within the forecasts are a number of "one off risk items" where the directorate has taken action to reduce the Children's Services over spend totalling £258k.

Education

Education Services is forecasting at Quarter Three an over spend of £14k which is a £67k reduction in the over spend forecast at Quarter Two.

Key areas of pressures within the service are:

- the Disabled Children's placement budget, (£202k forecast over spend at Quarter Three) and
- Home to School Transport budgets (£147k forecast over spend at Quarter Three).

The forecast pressure across these areas at Quarter Three is £350k, a £100k increase on the pressure forecast at Quarter Two. Both areas are demand led and this financial year there has been a significant in year increase in

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demand against these budgets which have previously been subject to significant savings in both the current and in previous years.

The identified pressures are being partially offset through in year savings as a result of deliberately slowing general expenditure across services. The key areas where in year savings have been achieved in order to offset the increasing pressures on the Disabled Children's and Home to School Transport budgets are Children's Centres and Early Years services (£80k), SEN and Health Therapies (£64k), School Improvement Services including services to Children in Public Care (£48k), Place Planning Services (£40k), Property Services (£70k) and Premature Retirement Costs (PRC) (£56k).

Risks identified

Adult Social Care

ASC maintains a Risk Register to identify potential budget pressures. The key risks include:

NHS Continuing Healthcare

The Continuing Health Care (CHC) Framework provides for the CCG to review cases where CHC funding is in place. In the event of the service users health condition having improved they may no longer be eligible for such funding and therefore the costs would fall back on the Council.

Ordinary Residence

There are always risks surrounding ordinary residence with claims made by other local authorities that WBC should be funding a person's care package. WBC has no means to identify when further claims will be made but is ensuring that it has chased up all WB residents living in supported living in other areas and made OR claims where appropriate.

Learning Disability – unknown clients presenting

Whilst young people with learning disabilities living in our area are carefully monitored, there are on occasion, clients that present with significant needs for whom we have no prior knowledge.

Learning Disability clients at risk

There are currently 31 clients at risk of their circumstances changing due to family carers becoming frail or unstable family home situations. If the risk materialises, there would be significant pressure on the Service.

It should be noted that the overall ASC forecast position holds a large risk in that it is based on the ability to hold demand at a static level. This has proved to be difficult in the past. New management controls are in place but the service is always vulnerable to increased demand or new, very high cost clients appearing.

Children's Services

Children's Services placement budgets remain a financial pressure point.

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The pressure on the Looked After Children budgets are anticipated to continue in 2014/15 and be compounded by the £455k savings removed from non placement budgets for financial year 2014/15 which historically have deliberately been utilised to generate under spends to partially offset placement pressures. There is a total Placements budget of £5.1 million meeting the needs of approximately 170 -270 children who are looked after in any twelve month period. Between the financial years 2010/11 and 2011/12 we ended the year with 125 Looked After Children, this rose to 144 at the end of the 2012/13 and 151 at the end of financial year 2013/14. At the end of December 2014 there were 183 looked after children in our care.

Tight controls are maintained on children entering the care system, but because children must be protected from the risk of significant harm overall numbers cannot be fully controlled and we are not always able to meet the needs through WBC placements. The average costs per child have been increasing due to complexity of need requiring external residential and fostering placements. With regard to Children's Services, precise forecasts are difficult to make in respect of looked after numbers and types of placements required and the consequent pressure on placement budgets.

The Directorate has put a number of actions in place to control spend, and these will have an impact over time, these include:

- Gate keeping process for all new placements agreed at HoS level.
- Scrutiny of all budgets to reduce/suspend expenditure where it can be safely managed.
- Holding some posts vacant where safe and appropriate to do so.
- Programme of activity aimed to reduce reliance on agency staffing.

The Children's Efficiency Programme has a programme of actions in place to identify potential efficiencies within the service and address current budgetary pressures. Projects have been initiated focusing on reducing placement costs and a social worker restructure designed to reduce agency pressure in future financial years.

Section 2: Capital

Service	2014/15 Original Capital Programme	2014/15 Revised Capital Programme	Amount spent/ committed to Quarter Three	Forecast spend in year	Forecast under/over spend in year
	£000	£000	£000	£000	£000
Adult Social Care	323	458	140	458	0
Care Commissioning, Housing & Safeguarding	1,454	2,229	519	2,199	(30)
Children's Services	20	33	29	33	0
Education	15,840	14,726	12,198	12,858	(1,868)
Total	17,637	17,446	12,886	15,548	(1,898)

73.9% of the revised budget has been committed at the end of Quarter Three.

No significant variances are forecast for Adult Social Care or Children's Services.

In Care Commissioning, Housing and Safeguarding, there is a forecast under spend of £30k in Home Repair Assistance grants due to performance issues in the Housing Improvement Agency, who administer these grants. Contract management is being used to address issues with the HIA and an action plan is in place.

In Education an under spend of £1.9 million is forecast mainly because of changes to the scheduling of works at the Willows, Kennet Valley, Spurcroft and Lambourn Primary Schools, and a reduction in the estimated cost of the John Rankin Infant and Junior Schools' scheme. In addition, the relocation of the Reintegration Service has been postponed because of a lack of suitable premises. These in year savings are partly offset by pressure on the planned maintenance budget due to a roof failure at the Downs School.