

## Communities Directorate Provisional Outturn Report

All analysis completed in £/k

**Table 1: Year end position by service:**

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	0
Corporate Director	282	0	0	0	(1)	(1)
Adult Social Care	36,828	0	0	0	0	0
Care Commissioning, Housing & Safeguarding	5,858	0	(59)	1	(331)	(332)
Children's Services	13,739	220	475	525	946	421
Education	11,429	81	81	14	(14)	(28)
Adult Social Care Change Programme	699	0	0	0	5	5
<b>Total</b>	<b>68,114</b>	<b>301</b>	<b>497</b>	<b>539</b>	<b>605</b>	<b>66</b>

### Overview of financial year 2014/15

#### Directorate Summary

The Communities Directorate year end position for 2014/15 is an over spend of £605k which equates to 0.9% of the net directorate budget.

The overspend position is an increase of £66k against the Quarter Three forecast. The £66k increase is net of:

- An increase in the under spend within Community Care, Housing & Safeguarding (£332k), predominately resulting from a government determination that Discretionary Housing Payments (DHP) grant funding previously deemed repayable could be retained by the Local Authority.
- Education Services generating a year end under spend of £28k compared to a quarter three overspend of £14k. The under spend was generated predominately through additional property savings and a reduction in the forecast over spend for Home to School Transport.
- The over spend position for Children's Services increased by £421k compared to the Quarter Three forecast. The increase related to increased expenditure on placements and increased agency costs within the Child Protection Teams.

## Review of Individual Service Outturns 2014/15

### Corporate Director

	Quarter One	Quarter Two	Quarter Three	Year End
	£000	£000	£000	£000
Variance to budget	0	0	0	(1)

The Corporate Director year end position is an under spend of £1k compared to a forecast on line position throughout the financial year. The under spend equates to 0.3% of the £282k budget.

### Adult Social Care

	Quarter One	Quarter Two	Quarter Three	Year End
	£000	£000	£000	£000
Variance to budget	0	0	0	0

The Adult Social Care year end position was on line, having consistently forecast an on line position against a budget of £36.8million throughout the financial year.

For financial year 2014/15 national reporting requirements for Adult Social Care changed from client category group to primary support reason (PSR). The result of this change was that on an individual client basis the accounting structure supporting Adult Social Care was significantly restructured. These changes resulted in a significant re-allocation of budgets and spend in the first half of the year creating a number of fluctuations in the forecasts against individual commissioning budgets. All budgets and client reconciliations were completed for Quarter Three reporting.

Although the service has forecast an online position throughout the financial year, the commissioning budgets have come under increasing pressure as client numbers and the complexity of needs have increased. At the year end 2014/15 1766 clients were in receipt of care packages compared to 1696 at the end of 2013/14. The increase in client numbers has been attributed to a drive to reduce waiting lists and hospital discharge delays.

The service has also had to release £245k from the Adult Social Care Future Budget Requirement Reserve (Risk Reserve), within the financial year in response to realised risks. The table below details the risks realised in year and the funding moved from the reserve into Adult Social Care commissioning budgets following approval from the ASC Development Programme Board.

## Summary of Funding Released from the Risk Reserve Financial Year 2014/15

<b>Realised Risks</b>	<b>Value (£000)</b>
Precarious clients (increased care costs for seven clients)	152
Delayed transfer of care fines above the budget available	14
Ordinary Resident claims (three clients)	22
Previously unknown Learning Disability clients (four clients)	57
<b>Total funding released from reserve</b>	<b>245</b>

**Adult Social Care Change Programme**

	<b>Quarter One</b>	<b>Quarter Two</b>	<b>Quarter Three</b>	<b>Year End</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Variance to budget	0	0	0	5

The Adult Social Care Change Programme year end position is £5k overspend compared to a forecast on line position throughout the financial year. The over spend equates to 0.7% of the £699k budget.

**Care Commissioning, Housing & Safeguarding**

	<b>Quarter One</b>	<b>Quarter Two</b>	<b>Quarter Three</b>	<b>Year End</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Variance to budget	0	(59)	1	(331)

The Care Commissioning, Housing and Safeguarding year end position is a £331k under spend, which equates to 5.7% of the net £5.8million budget.

The under spend has arisen at the year end and is predominately the result of a government decision that DHP funding which was anticipated and forecast to be payable to the government can now be retained by the Council (£208k). The balance of the year end variance on Quarter Three is the net result of:

- Increased under spend on supporting people budgets (£26k), as a result of packages ending and reducing demand, assisting the service in preparing for savings identified for financial year 2015/16.
- Vacancy savings and a reduction in agency usage across the service, most notably: Housing & Support (£31k), Quality & Performance (£20k).

- Increased savings on housing cost centres (£49k).

The year end service position is net of a £260k transfer of unutilised supporting people budget on a one year only basis into Children's Services to offset increasing placement pressures.

### Children's Services

	Quarter One	Quarter Two	Quarter Three	Year End
	£000	£000	£000	£000
Variance to budget	220	475	525	946

The Children's Services year end position is a £946k over spend which equates to 6.9% of the £13.7million budget. The year end position is a £421k increase on the over spend forecast at Quarter Three.

The service has two key financial pressure points which have resulted in the over spend: placements and the use of agency staff to cover key vacant social worker posts within the Child Protection Teams (Contact, Advice and Assessment Service (CAAS), West Locality Team (WC) and East Locality Team (EL)).

The increase in the over spend from Quarter Three is the result of:

1. Placement expenditure increased by £339k between Quarter Three and the year end. The final placement overspend is £1.2million, which equates to 23% of the £5.3million placement budget.

	Quarter One	Quarter Two	Quarter Three	Year End
Placement expenditure	5,496	5,715	5,988	6,300
Number of Children	241	248	262	282

Throughout the financial year containing expenditure on placements has been challenging. The placement budget historically supported 170 – 230 children at any given point in time. The past three financial years has seen a significant increase in both the number of children entering the care system and the complexity of needs requiring support. Although investment has been made into the placements budget (£650k in 2013/14, and £400k in 2014/15), the budget has not been able to keep track with increasing demand for services and increasing average cost of packages.

Placements have been a financial pressure point for the service over the past three financial years as numbers of children entering the care system has dramatically increased as investment and support to early intervention services has been reduced as part of the corporate saving strategy.

Furthermore, Children's Services historically has relied on flexibility within the non child protection budgets to offset pressures against placement cost centres. In financial year 2014/15 £576k of corporate savings were removed from non placement and Child Protection Team budgets.

2. The forecast over spend against the combined Child Protection Team budget increased by £82k between Quarter Three and the year end as a result of increased agency usage.

The final total service expenditure on agency for the financial year was £1.8million; this expenditure was partially offset through service wide salary savings of £1million and a total service agency budget of £154k.

The reliance on agency within the Child Protection Teams is a result of increasing churn within the permanent workforce and within agency staff utilised to cover vacant social worker posts. Increased churn has been the result of a drive to improve quality and standards of delivery within the service. A national shortage of Children's social workers is having an adverse effect on the council's ability to recruit on a permanent basis. Agency rates are also being forced upwards due to the national shortage, and the requirement of local authorities to provide minimum levels of staffing, on average the cost of an agency worker is 58% higher than a permanent member of staff.

At Quarter Three, 21 social worker posts were forecast to be covered by agency staff, at an average cost of £38.50 per hour. At the year end 20 posts were covered by agency staff at an average cost of £39.65 per hour. However, the trend since Quarter Three has moved from covering posts to increased usage of spot purchase agency for selected items of work. Post implementation of the Social Worker Recruitment & Retention Strategy, seven permanent members of staff have been recruited and are expected to commence employment in early 2015/16, compared to three permanent members of staff leaving since Quarter Three.

The pressure resulting from increased agency usage has significantly increased in the current financial year, it is however anticipated with the implementation of the Social Worker Recruitment & Retention Strategy that this trend will be reversed over 2015/16 onwards.

The total year end pressure across the Child Protection Teams and placements is £1.6million; this has been partially offset through:

- Deliberately slowing expenditure across non child protection and placement services where possible. A key area delivering in year savings is the Youth Service (£171k).
- Early Intervention Services have been funded via Public Health contributions where expenditure could feasibly be reassigned to Public Health outcomes, releasing revenue expenditure (£70k)
- Utilisation of Troubled Families payment by results funding (£76k)

- A £260k one year budget transfer from Care Commissioning, Housing & Safeguarding into Children's Services.

## Education Services

	Quarter One	Quarter Two	Quarter Three	Year End
	£000	£000	£000	£000
Variance to budget	81	81	14	(14)

The Education Service year end position is a £14k under spend which equates to 0.1% of the £11.4million budget. The year end position is a £28k move on the Quarter Three forecast.

The year end under spend is the net result of:

1. Increases in expenditure between Quarter Three and the year end relating to: Disabled Children's placements (£27k) as a result of ten additional children being supported via the Disability Support budget at the yearend compared to Quarter Three. An increase in agency costs within the Children with Disability Support Team (£30k).
2. Decreased expenditure between Quarter Three and year end relating to: Home to School Transport (£36k) as a result of a reduction in the number of pupils eligible for transport. Additional income in the Early Years & Quality Team (£12k), and in the Education Welfare Officer Service vacancy savings (£12k). Additional savings on property maintenance budgets and lower than anticipated corporate energy costs (£26k).

Within the financial year the service has identified two key financial pressure points: Special Educational Needs (SEN) Home to School Transport (£184k over spend at year end), and Disabled Children's placement budgets (disability support £140k overspend at year end).

Pressures against the disability support budget are a result of increasing demand through the strategy of, where possible, trying to support children in their own home environment as opposed to a residential care setting. For financial year 2015/16 £160k of investment has been allocated to the Disability Support budgets.

Home to School Transport budgets have historically provided significant levels of corporate savings, for financial year 2015/16 an additional £136k of savings has been allocated against the SEN Home to School Transport budgets. A Home to School Transport Review Group has been commissioned to review and monitor current savings strategies.