

Corporate Director's Report on Financial Performance

Communities Directorate

Quarter One 2015/16

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
Corporate Director	275	0				0
Adult Social Care	40,800	(877)				0
Care Commissioning, Housing & Safeguarding	6,184	(63)				0
Children's Services	13,494	1,945				0
Education	10,867	0				0
Adult Social Care Change Programme	804	0				0
Total	71,703	1,004	0	0	0	0

Overview

The forecast revenue over spend for the Communities Directorate as a whole is £1.004 million against the budget of £71.7 million net.

The main area of pressure within the directorate is within the Children's Services which is forecasting a year end £1.9 million overspend. The pressure in Children's Services is being partly offset by under spends in other services.

Adult Social Care is forecasting a £877k under spend, however the service is subject to a very significant degree of change at the moment and therefore this should be treated with more than the usual degree of caution.

Care Commissioning, Housing and Safeguarding is forecasting a year end under spend of £63k.

Appendix 2a

Corporate Director's Cost Centre, the Adult Social Care Change Programme and Educations Services

The Corporate Director's cost centre and the Adult Social Care Change Programme and Education Services are forecasting online positions.

The Education Service has incurred pressures in respect of expenditure against Disabled Children's residential care and community based provision. The service also has a particularly challenging income target for the financial year. The service is reviewing opportunities to mitigate these risks in year and has forecast on line.

Adult Social Care

The Adult Social Care Service is forecasting a year end under spend of £877k.

The under spend is being generated through:

A forecast under spend on support for Carers. This is an area where the rate of spend is increasing each month but the take up has been slower than anticipated as the reviews of existing clients are taking longer than expected.

In year capitalisation of the Berkshire Equipment Store contract (BCES), which was previously funded from revenue budgets.

Release of £400k of funding from the risk reserve in year as a means of offsetting the overspend position forecast against Children's Services.

Although the service is forecasting a year end under spend, a pressure has arisen in year as a result in two recent changes in the Deprivation of Liberty Safeguarding (DOLs) legislation. As of 1.4.15 the eligibility for assessment has increased from individuals in residential settings to all community based settings. As expected this has had a major impact on the volume of cases to be dealt with and therefore the costs being incurred.

Where possible Adult Social Care offsets financial pressures through the utilisation of the Adult Social Care Risk Fund, which has financial provision against a number of identified and named risks. The DOLs obligation is a named risk and therefore eligible for offset against the Fund.

Care Commissioning, Housing and Safeguarding

The Care Commissioning, Housing and Safeguarding Service is forecasting a year end under spend of £63k.

The under spend is net of a pressure of £37k against the Conference and Review Team offset through a forecast under spend against the Communities Grant. The Communities Grant is being used to deliberately generate an under spend to offset the pressure forecast against Children's Services.

Appendix 2a

The pressure has occurred within the Conference and Review (CAR) Team as a result of the increased demand processed within the Contact Advice and Assessment Service (Children's and Family Services), due to the post-inspection Improvement Plan. This is leading to increased numbers of child protection conferences, which are the responsibility of the CAR team. Additional agency staff have been recruited to process the increased workloads. It is likely to be necessary to create establishment posts to cover this additional work and to enable permanent recruitment.

From Month Four the CAR team will transfer across to a new service, the Prevention and Developing Community Resilience Service, Quarter Two budget monitoring reporting will be adjusted to reflect this change.

Children's Services

Children's Services is forecasting an over spend of £1.9 million.

The key financial pressures within the service are:

- Placements and allowances (£780k against a net budget of £5.5 million).
- Pressures within the three Child Protection Teams predominately as a result of employing high cost agency staff to cover vacant social worker posts. (Contact Advice and Assessment Team £420k over spend against a total team budget of £661k. West Locality Team £123k against a total team budget of £839k. East Locality Team £28k against a total team budget of £672k).
- Joint arrangements (£305k across Childcare Lawyers and the Emergency Duty Team, over a combined net budget of £465k).
- Youth Services (£150k pressure against a budget of £394k), as a result of a delay in the new service structure implementation, arising from the delayed consultation. The new service structure will be operational as of 1.9.15.

The forecast includes a number of modelling assumptions around the recruitment of permanent staff (the Recruitment & Retention Strategy). Currently 14 of the 31 social worker posts across the three child protection teams are covered by members of agency staff. Over the course of the financial year the Recruitment & Retention Strategy is anticipated to achieve replacement of 11 agency workers with permanent members of staff. There is also £140k of agency expenditure in the management team relating to supernumerary posts which have been commissioned in order to respond to the recent Ofsted judgement of inadequate.

Risks identified

Adult Social Care:

Care Act

Appendix 2a

Historically the overall ASC forecast position held a large risk in that it was based on the ability to hold demand at a static level. The change in eligibility created through the Care Act is anticipated over the course of the financial year to see a growth in care packages provided to existing clients plus additional clients accessing care that previously would have fallen under the Council's eligibility threshold. Whilst still very early to make firm judgements on the impact of the Care Act as we still have a significant numbers both of existing clients to review and people to deal with at the 'front door', we are seeing a significant increase in the average cost of care packages however client numbers are remaining fairly static. To some extent this may be accounted for by both the new ways of working in Adult Social Care and the fact that we still have a significant number of people to deal with.

Risk Register

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 22 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.

Deprivation of Liberty Safeguarding

New legislation has resulted in a significant increase in the number of referrals to be dealt with and therefore costs. A report on the likely impact was considered by Members last year and it was agreed that this would be held as a risk item for 2015/16. It will need to be considered as a base budget pressure for future years.

Children's Services

Placements and Allowances

The pressure on the Looked after Children budgets are anticipated to continue in 2015-16. At the start of the current financial year 282 children are in receipt of care or allowances funded via the placement budget. 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.

Churn and Instability in the Workforce

Significant levels of churn in both agency staff and the permanent work force in 2014-15 created a significant financial pressure which is anticipated to continue in 2015-16. The national shortage in qualified Child Protection workers has resulted in a very competitive recruitment market and demand for high cost agency staff. The Recruitment and Retention Strategy was implemented with support from members to address the dependency on agency staff in 2014-15.

Section 2: Capital

Service	2015/16 Original Capital Programme £000	2015/16 Revised Capital Programme £000	Amount spent/ committed to Quarter Three £000	Forecast spend in year £000	Forecast under/over spend in year £000
Adult Social Care	875	1,105	262	1,105	0
Care Commissioning, Housing & Safeguarding	2,064	3,532	684	3,532	0
Children's Services	20	22	0	22	0
Education	15,575	17,331	11,479	17,135	(196)
Total	18,534	21,990	12,425	21,794	(196)

56.5% of the Communities Programme is committed at the end of Quarter One.

In Adult Social Care funds will be moved between projects to accommodate an increase in the cost of the Notrees project. Additional spending on Telecare, allowed for in the current year budget is proceeding well, but funds set aside for Prepayment cards are no longer needed for that purpose but will be used for a financial self assessment tool for the Client Financial Services.

In Care Commissioning, Housing and Safeguarding, the Homes Improvement Agency (HIA) has given notice on its contract to manage Home Repair Assistance grants, so the management of this programme is under review. A feasibility study is being undertaken for the redevelopment of the Four Houses Corner gypsy and travellers' site. Proposals for the timing of and funding of this scheme will be reported at the end of quarter 2. It is likely that a contribution towards the cost of the scheme will be made from Council funding for the Disabled Facilities Grant programme, provided grants allocated but not paid at the end of the financial year can be paid from next year's budget. The contract for the replacement for the RAISE system is expected to be let in September.

The Children's Services budget for building works to foster carers' homes is expected to be spent in full this year.

Underlying pressure £494,000 has arisen in 2014/15 and 2015/16 on the cost of a number of Education schemes, including the permanent provision of universal infant free school meals. This is offset in the current financial year by £690,000 funding for schemes which needs to be re-profiled, including the expansion of Spurcroft and the Willows primary schools which continue to be delayed due to planning and environmental issues. Spend in 2015/16 is therefore expected to be £196,000 lower than the current year budget. However the additional cost pressures are forecast in 2016/17, giving a total pressure of approximately £1.2m expected to be felt in 2016/17 programme. Officers are actively seeking savings in other schemes in the 2016/17 programme to help offset this pressure.