

Appendix D: People Directorate

2019/20 Quarter One Revenue Financial Performance

1. Summary

People	Current Net Budget	Net Forecast	Forecast (Under)/Over spend		
			Quarter One	Provided for in Reserves	Year End Forecast
	£000	£000	£000	£000	£000
Adult Social Care	48,232	48,384	153	(161)	(8)
Children & Family Services	16,885	17,088	203	(49)	154
Executive Director	226	196	(30)		(30)
Education DSG funded	(444)	(444)	0		0
Education	8,606	8,786	180	(115)	65
Public Health & Wellbeing	114	114	0		0
Total	73,620	74,125	505	(325)	180

- 1.1 The Directorate forecast is an over spend of £505k, which is 0.7% against a net budget of £74million. £210k has been provided for in the service risk reserves and £115k from risk management provision, which if used, could reduce the over spend to £180k, which is 0.2% of the net budget.

2. Adult Social Care

2.1 Explanation for over or under spend

Adult Social Care is forecasting an over spend of £153k at Quarter One, which is 0.3% of the £48m net budget. However, this overspend can be mitigated in its entirety, if required, from the ASC risk reserve of £161K, set aside due to the provider for Extra Care Housing at two provisions terminating their contract. The projected outturn for ASC is therefore a balanced position subject to the application of risk reserves.

Spend on long and short term services is forecast to be broadly in line with budget, the one area of significant pressure is in our own provider services (care homes and resource centres).

This forecast pressure is driven by the lack of a care workforce, leading to additional costs for agency staff. Within WBC care homes we have an over spend on agency staff, which is not fully offset by savings on the permanent staffing budgets. The forecasting does assume a staggered increase in permanent staff throughout the year. Whilst these staffing led pressures exist in three of our four homes, the main problem is Birchwood where recruiting both nursing staff and dementia specialist remains challenging.

2.2 Explanation of changes from last quarter

Not applicable.

2.3 Remedial action being taken

A number of options are being explored to recruit to the vacancies within our care homes. It is also hoped that once Birchwood has been inspected by the CQC in August it will obtain a higher rating and therefore be more attractive to potential employees.

The year-end forecast is based on the assumption that we are able to maintain the net weekly increase in spend on long term services at an average of £1,500. All requests for long term services are scrutinised weekly at Good Practice Forum by senior management to ensure Care Act compliance and the best use of resources. It is important to note that we cannot refuse to meet eligible care needs for financial reasons.

2.4 Implications for next year's budget

The options to mitigate reliance on agency staff may include the need to review the current salary grades of the small number of specialist roles where recruitment is proving problematic.

The ASC Model for Long Term Services will be updated throughout this financial year.

3. Children and Family Services

3.1 Explanation for over or under spend

Children and Family Services is reporting an over spend of £203k at Quarter One which is 1.2% of the £17m net budget. The over spend is predominantly due to the Independent Fostering Agency (IFA) placements demand of £222k. The forecast over spend is due to additional placements being required (a typical placement cost is £45k per annum) and also a challenging savings target of £120k.

The complexity of care needs and cultural requirements can make it a challenge to adequately meet the needs from our own fostering provision. As a consequence we have to spot purchase from specialist providers is required. In West Berkshire our IFA usage as a proportion of foster placements is 29%, nationally it is 39%. (source:Dept of Education). So, whilst we have ambitions to reduce IFA use, the context shows this is a challenge.

The Head of Service has consciously made decisions in two cases of providing higher support IFA placements to prevent the child requiring a much more costly residential placement (typically £200k per annum).

There is a £49k provision in the service risk reserve that could be used to offset this pressure. If this were used, the year-end forecast would be an over spend of £154k.

3.2 Explanation of changes from last quarter

Not applicable.

3.3 Remedial action being taken

The residential placements budget is currently underspent, however, the service is continuing to manage this challenging area in order to minimise the numbers of children going into residential. It is too early at this stage to predict whether one or two children may be placed, in-year, in residential which will negate the under spend. We will continue to effectively manage placements as part of our Children and Family service Accommodation & Resources Panel.

There is a risk reserve of £49k which can be accessed for IFA costs if needed.

3.4 Implications for next year's budget

The modelling work carried out in 2018/19 which was the basis of the pressure bid for 2019/20 will need to be refined.

4. Education

4.1 Explanation for over or under spend

The Education service is reporting an over spend of £180k at Quarter One which is 2.1% of the £8.6m net budget. This relates to two areas; firstly there is £115k reported pressure relating to the removal of the SEND grant from 2019/20. This has been reported to Budget Board, who agreed the service could overspend by the amount of the lost grant and funded by the risk management provision. The other area causing an in year pressure relates to a shortfall of income at Castle Gate. This is due to West Berkshire children taking the available places leaving insufficient beds to sell to neighboring authorities.

4.2 Explanation of changes from last quarter

Not applicable.

4.3 Remedial action being taken

Castle Gate are exploring options on letting out bed space to other authorities.

4.4 Implications for next year's budget

There will need to be a 2020/21 pressure bid for the SEND grant as the work is still ongoing.

5. Education DSG

5.1 Explanation for over or under spend

The DSG first forecast is a Month Five.

5.2 Explanation of changes from last quarter

Not applicable.

5.3 Remedial action being taken

Report going to Operations Board on remedial action.

5.4 Implications for next year's budget

There is a deficit budget set for 2019/0 for the High Needs Block. This is part of a report going to Operations Board.

6. Public Health and Wellbeing

6.1 Explanation for over or under spend

Public Health is currently reported as on line. There is a £11k Red saving regarding The Edge which is being covered off by small under spends elsewhere.

6.2 Explanation of changes from last quarter

Not applicable.

6.3 Remedial action being taken

No remedial action needed.

6.4 Implications for next year's budget

No implications although previous years the in-year underspends have been carried forward as part of the Public Health reserves.

7. 2019/20 Savings and Income Generation Programme - RAG

7.1 The People Directorate savings and income generation programme is summarised below with explanation for unmet savings in the service tables:

People	Red	Amber	Green	Total	Achieved
	£k	£k	£k	£k	
Adult Social Care	0	172	910	1,082	84%
Children & Family Services	120	0	449	569	79%
Education	44	70	365	479	76%
Public Health	11	0	136	147	93%
Total	175	242	1,860	2,277	82%

2019/20 Quarter One Revenue Financial Performance

Service	Description of Saving/Income	Category	£k	£k	£k	Total £k	Comments
ASC	Staffing review of Sensory Needs Team	Efficiency			58	58	Post deleted
ASC	Sensory Services - generating income from providing consultancy service to other Local	Income		2		2	The service is due to commence in August 2019 for a neighbouring LA.
ASC	staffing budgets across the service.	Efficiency			38	38	all taken
ASC	Removal of long term services home carers	Efficiency			175	175	done
ASC	Review of learning disability clients with existing care packages	Efficiency			48	48	on track
ASC	Review of direct payments	Efficiency		170	151	321	Good progress has been made, work will continue to achieve the remaining target by year end.
ASC	Consolidation of Adult Social Care adult Advocacy services	Efficiency			13	13	done
ASC	Capitalisation of part of the Occupational Therapist team	Capitalisation			427	427	done
ASC			-	172	910	1,082	

Service	Description of Saving/Income	Category	£k	£k	£k	Total £k	Comments
CFS	Deletion of ex Head of Service post	Efficiency			60	60	
CFS	Deletion of Family Support Worker post	Efficiency			31	31	
CFS	Deletion of post within Youth Offending Team	Efficiency			12	12	Post deleted as part of YOT £100k - saving found as part of CS Car Allowance / Mileage review
CFS	Review of usage of supplies and services budgets within the newly restructured Targeted Intervention Service.	Efficiency			12	12	
CFS	Family Placement Team - Supplies & Services review of historic underspends	Efficiency			30	30	
CFS	Merging of support arrangements for Berkshire West Local Safeguarding Children Boards	Efficiency			4	4	
CFS	Reduction in care leavers placements	Efficiency			150	150	
CFS	Reduction in independent fostering agency usage	Efficiency	120			120	The savings target is proving a challenge due to increase of children coming into care, many of whom with complex care or cultural needs that cannot be fully met within our own service. Efforts are being made for additional recruitment of own carers, and increasing the skill mix of own carers to meet some of these complex needs.
CFS	Turnaround Families income	Income			50	50	
CFS	Youth Offending Team	Efficiency			100	100	
CFS			120	-	449	569	

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Service	Description of Saving/Income	Category	£k	£k	£k	Total £k	Comments
Education	Post 16 tracking and statutory returns, reduce NEETS, Elevate. Utilise available Elevate programme funding	Efficiency			30	30	Programme and funding ceased. Alternative saving found from reduced PRC contribution
Education	HTST(1) - Effective commissioning of route and vehicles and review of eligibility	Transformation			160	160	
Education	Virtual school - Targeted use of grant funding to provide support	Efficiency			30	30	
Education	Emotional Health Academy	Income		70		70	Commercialisation of the Emotional Health Academy started in February 2019. Operations Manager departing WBC in August, therefore potential to generate income is reduced.
Education	Family Hubs - Staff costs reduction and increased income	Efficiency			40	40	
Education	Admission and appeals - staffing reductions	Transformation			10	10	
Education	Early Development Intervention Team (EDIT) - rationalisation of funding sources with minimum operational impact	Efficiency			36	36	
Education	SEN training - reduction in non statutory services	Transformation			9	9	
Education	team	Capitalisation			20	20	
Education	Aids & Adaptions - Capitalisation of costs	Efficiency			30	30	
Education	Castlegate (A) Transformation - increase income from other LAs	Income	44			44	Insufficient number of beds to sell to neighbouring authorities, allowing West Berkshire children to take available places, leading to cost avoidance. Reviewing business plan.
Education			44	70	365	479	

Service	Description of Saving/Income	Category	£k	£k	£k	Total £k	Comments
Public Health	Reduction in funding to smoking cessation service	Efficiency			100	100	
Public Health	The Edge	Efficiency	11		25	36	£11k saving against the Edge unlikely to be achieved. Conversations ongoing regarding new model for delivery of the service
Public Health	Overall reduction to contribution to voluntary sector	Efficiency			11	11	
Public Health			11	-	136	147	