

# Appendix D: People Directorate

## 2019/20 Quarter Two Revenue Financial Performance

### 1. Summary

People	Current Net Budget	Net Forecast	Forecast (Under)/Over spend				Change to Service Forecast from Last Quarter
			Quarter One	Quarter Two	Provided for in Reserves	Year End Forecast	
			Service Forecast	Service Forecast			
	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	48,312	47,659	153	(653)		(653)	(806)
Children & Family Services	16,892	17,331	203	439	(149)	290	236
Executive Director	226	226	(30)	0		0	30
Education DSG funded	(444)	(444)	0	0		0	0
Education	8,606	8,710	180	103	(103)	0	(76)
Public Health & Wellbeing	114	114	0	0		0	0
Total	73,708	73,597	505	(111)	(252)	(363)	(616)

- 1.1 The Directorate forecast is an under spend of £111k at Quarter Two, which is 0.2% against a net budget of £74million. In Children and Family Services (CFS) and Education, provision has been made in reserves for £252k against over spends that have arisen. If used, this would decrease the service overspends but increase the Directorate under spend to £363k.

### 2. Adult Social Care

#### 2.1 Explanation for over or under spend

Adult Social Care is forecasting an under spend of £653k at Quarter Two, which is 1.4% of the £48m net budget.

#### Long Term Services

Spend on long term services is forecast to be underspent by £420k. The current underspend has been generated by:

- Three service users being awarded Continuing Health Care (CHC) funding, £120k.
- Higher than anticipated levels of deceased clients (12 more than this time last year).
- Ability to find care home beds at competitive prices.

This yearend 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 also make best use of resources. It is important to note that we cannot refuse to meet eligible care needs for financial reasons.

It should be noted that this underspend is reflected in the LTS Model for 2020/21.

### **Short Term Services**

Spend on short term services is forecast to be underspent by £409k due to utilising our own services when service users are discharged from hospital. However we know that pressure will increase in the winter and have anticipated that spend will increase within this forecast.

We have also seen fewer than modelled transition clients being placed in further education settings. These are classed as short term as they are time limited.

### **Provider Services**

The one area of significant pressure is in our own provider services. 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 remainder of 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's remains challenging.

## **2.2 Explanation of changes from last quarter**

The positive change of £806k since Quarter One is due to the improved forecast position on long and short term services. As outlined above this is for three main reasons:

- CHC awards
- Higher number of deaths than compared to last year
- Ability to hold bed prices

Maximising the use of in-house services has resulted in reduced spend on the short term services. It is anticipated this will change, as demand from our main acute and community hospitals increases.

## **2.3 Remedial action being taken**

A number of options are being explored to recruit to the vacancies within our care homes in conjunction with HR.

## **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 Models for long and short term services are being updated monthly throughout this financial year to inform the 2020/21 budget.

## **3. Children and Family Services**

### **3.1 Explanation for over or under spend**

Children and Family Services is reporting an over spend of £439k at Quarter Two which is 2.6% of the £17m net budget.

The over spend is predominantly due to:

**Independent Fostering Agency placements**

There is a forecast over spend of £334k due to an increase in the number of placements being commissioned (average cost £45k pa) and a challenging savings target of £120k. Independent Fostering Agency (IFA) placements are able to meet the complex care and cultural requirements that make it a challenge to adequately meet the needs from our own fostering provision and as a consequence we have to spot purchase from specialist providers as required. In West Berkshire our IFA usage as a proportion of foster placements is 30%, nationally it is 39%. (source:Dept of Education). So, whilst we have ambitions to reduce IFA use, the context shows this is a challenge. We are also using higher support in IFA placements to prevent children entering residential placements (average cost £200k pa).

There is a £49k provision in the service risk reserve that could be used to offset this pressure.

**Transformation funding withdrawal**

The claw back of Transformation funding from the Family Safeguarding Model has created a shortfall in funding of £108k and hence contributed to the overall over spend.

**Agency usage**

A number of teams across Children and Family Services have vacancies leading to agency cost pressures. The pressure is approx. £100k, after the partial offset from vacancies which have not been covered by agency,

The pressures have been partially mitigated by savings currently forecast in Child Care Lawyers of £100k, due to no complex cases to date this year.

**Other**

The current over spend also includes the cost of two children remanded in custody at the Youth Offending Institute (YOI), this is estimated at £100k for 2019/20, which if agreed could be covered by the service risk reserve.

**3.2 Explanation of changes from last quarter**

The over spend has increased by £236k since Quarter One. This is primarily attributed to an increase in spend in IFA of £112k and FSM of £108k.

**3.3 Remedial action being taken**

The current forecast assumes an increase in client numbers for the remainder of the financial year, however, the service will continue to effectively manage placements as part of our Children and Family service Accommodation & Resources Panel.

There is a risk reserve of which £149k can be accessed for IFA and residential costs if needed.

### **3.4 Implications for next year's budget**

The Model for placements is being refined in partnership with the Head of Service and Finance and being updated monthly throughout this financial year to inform the 2020/21 budget.

## **4. Education**

### **4.1 Explanation for over or under spend**

The Education service is reporting an over spend of £103k at Quarter Two which is a 1.2% of the £8.6m net budget. The over spend 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 it could be funded from reserves at year end if required. The other area causing an in year pressure relates to a shortfall of income at Castle Gate. This is due to insufficient beds to sell to neighbouring authorities, allowing West Berkshire children to take the available places, leading to a cost avoidance on the Disability support budget.

These are partly being off-set by savings on disability support and additional income achieved through trading.

### **4.2 Explanation of changes from last quarter**

There is more certainty around residential placement costs and community packages for children with disabilities.

### **4.3 Remedial action being taken**

The Emotional Heath Academy has two new grant projects in the current year. There is scope to re-code some staff costs within these projects, to off-set West Berkshire funding.

### **4.4 Implications for next year's budget**

There is a 2020/21 pressure bid for the SEND grant as the work is still ongoing. Castle Gate are exploring options on letting out bed space to other authorities.

## **5. Education DSG**

### **5.1 Explanation for over or under spend**

The Council element of the DSG is reported as on-line as any over or under spends go to DSG reserves. The DSG budget for 2019/20 was set with a deficit recovery target of £1.9m, of which £1.6m is in the High Needs block. The target was set as there was insufficient funding to meet the budgeted expenditure. Any year-end balance remaining against this target will have a negative impact on reserves.

At Quarter Two, the DSG is forecasting a saving of £376k against the efficiency target, leaving a deficit balance of £1.5m. This has arisen in the High Needs block from being able to use mainstream provision rather than special provision for four pupils.

## 5.2 Implications for next year's budget

There is a deficit budget set for 2019/20 for the High Needs Block. This is being addressed via the Schools Forum.

## 6. Public Health and Wellbeing

### 6.1 Explanation for over or under spend

Public Health is currently reported as on line. Currently there are pressures in the Public Health budget relating to the additional £11k funding of the Edge and a further £10k pressure relating to a Residential Rehabilitation placement. In addition there is a pressure of £18k from the Trading Service, as it is a new activity for the service it is difficult to predict what future uptake will be. In light of these pressures, the Head of Service has been able to mitigate them through in year one off savings due to staffing vacancies and reduction of Public Health activities offered.

### 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

As pressures which have been mitigated through one off in year savings, Public Health are in the process of reviewing the activities being funded through the Public Health grant to identify how these emerging pressures can be covered within the grant for future years. Areas of consideration have been outlined through the Savings & Pressures process.

## 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	159	923	1,082	85%
Children & Family Services	170	0	399	569	70%
Education	44	70	365	479	76%
Public Health	11	0	136	147	93%
<b>Total</b>	<b>225</b>	<b>229</b>	<b>1,823</b>	<b>2,277</b>	<b>80%</b>

## 2019/20 Quarter Two Revenue Financial Performance

Service	Description of Saving/Income	£k	£k	£k	Total £k	Comments
ASC	Staffing review of Sensory Needs Team			58	58	
ASC	Sensory Services - generating income from providing consultancy service to other Local Authorities.		2		2	This service commenced in August 2019 for a neighbouring LA.
ASC	General efficiency achieved via review of non staffing budgets across the service.			38	38	
ASC	Removal of long term services home carers			175	175	
ASC	Review of learning disability clients with existing care packages			48	48	
ASC	Review of direct payments		157	164	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			13	13	
ASC	Capitalisation of part of the Occupational Therapist team			427	427	
ASC		-	159	923	1,082	

Service	Description of Saving/Income	£k	£k	£k	Total £k	Comments
CFS	Deletion of ex Head of Service post			60	60	
CFS	Deletion of Family Support Worker post			31	31	
CFS	Deletion of post within Youth Offending Team			12	12	
CFS	Review of usage of supplies and services budgets within the newly restructured Targeted Intervention Service.			12	12	
CFS	Family Placement Team - Supplies & Services review of historic underspends			30	30	
CFS	Merging of support arrangements for Berkshire West Local Safeguarding Children Boards			4	4	
CFS	Reduction in care leavers placements			150	150	
CFS	Reduction in independent fostering agency usage	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	50		-	50	
CFS	Youth Offending Team			100	100	
CFS		170	-	399	569	

# 2019/20 Quarter Two Revenue Financial Performance

Service	Description of Saving/Income	£k	£k	£k	Total £k	Comments
Education	Post 16 tracking and statutory returns, reduce NEETS, Elevate. Utilise available Elevate programme funding			30	30	
Education	HTST(1) - Effective commissioning of route and vehicles and review of eligibility			160	160	
Education	Virtual school - Targeted use of grant funding to provide support			30	30	
Education	Emotional Health Academy		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			40	40	
Education	Admission and appeals - staffing reductions			10	10	
Education	Early Development Intervention Team (EDIT) - rationalisation of funding sources with minimum operational impact			36	36	
Education	SEN training - reduction in non statutory services			9	9	
Education	team			20	20	
Education	Aids & Adaptions - Capitalisation of costs			30	30	
Education	Castlegate (A) Transformation - increase income from other LAs	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.
<b>Education</b>		<b>44</b>	<b>70</b>	<b>365</b>	<b>479</b>	

<b>Education</b>		<b>44</b>	<b>70</b>	<b>365</b>	<b>479</b>	
Public Health	Reduction in funding to smoking cessation service			100	100	
Public Health	The Edge	11		25	36	£11k saving against the Edge unlikely to be achieved. Conversations ongoing regarding new model for delivery of the service. Offset by other savings within the service.
Public Health	Overall reduction to contribution to voluntary sector			11	11	
<b>Public Health</b>		<b>11</b>	<b>-</b>	<b>136</b>	<b>147</b>	