
ADULT SOCIAL CARE SERVICES – BUDGET MONITORING MONTH 4 2015-16

Purpose of Report

1. To give Members background information in order to allow them to scrutinise the budget monitoring Month 4 report with regard to Adult Social Care Services.

Background

2. The Budget Monitoring Month 4 report was considered by Cabinet at their meeting on 17 September 2015. Relevant sections of the report that relate to Adult Social Care Services have been incorporated into this report and are shown at **Appendices A - C**; the whole report is available at:
<http://cardiff.moderngov.co.uk/ieListDocuments.aspx?CId=151&MIId=2356>
3. This Committee met on 16 September 2015 and discussed changes required to the existing work programme 2015-16. As part of this discussion, Members reflected on the published Budget Monitoring Month 4 report and decided to schedule an item at this meeting in order to hear from Councillor Susan Elsmore, Cabinet Member (Health, Housing and Well Being) and Tony Young (Director of Social Services) about the work underway to manage the Adult Social Care Services budget.

Adult Social Care Services Budget Month 4

4. The Budget Monitoring Month 4 report states, at point 40 **Appendix A**, that *‘the Adult Services budget is currently projecting an overspend of £3.760 million. This is due to projected shortfalls against budget savings targets for 2015/16 and the on-going shortfalls from 2014/15. Although some cost pressures have been identified they are not as significant as in previous years and are offset by in-year savings on other budgets within the Directorate.’*

5. The Budget Monitoring Month 4 report provides details on progress in achieving savings, with those due in 2015/16 detailed in Appendix 2(a) and those due in 2014/15 detailed in Appendix 2(b) of the Cabinet Report. The relevant sections of these appendices relating to Adult Services are provided in **Appendices B and C** to this report. In summary, these show a shortfall of £3.845 million, as follows:
 - **Appendix B** - A projected shortfall of £2.127 million against 2015/16 savings for Adult Services
 - **Appendix C** - A shortfall of £1.718 million against 2014/15 savings for Adult Services.

6. The Budget Monitoring Month 4 report states that *'projected overspends arising from demographic and cost pressures are relatively limited with the main pressures linked to an increase in the cost of nursing beds for older people resulting in a projected overspend of £428,000.'*¹

7. The Budget Monitoring Month 4 report, point 42 **Appendix A**, identifies the following savings that have been made in addition to the savings identified as part of 2015/16 budget setting process:
 - £100,000 – reconfiguration of older people day care services and closure of Gabalfa Day Centre in advance of work to create a community hub at the same location
 - £191,000 – Assessment and Care Management staff vacancies

8. The Budget Monitoring Month 4 report states that the above is in the context of a budget realignment of £3.2 million provided as part of the 2015/16 Budget, *'funding for demographic pressures of £1.6 million, £1.5 million to reflect specific cost and legislative pressures and £625,000 to meet fee increases.'*²

9. The Budget Monitoring Month 4 report, point 7 **Appendix A**, makes the following points:
 - Actions are being taken by those directorates currently reporting a projected overspend in order to try to resolve the issues that led to the

¹ Point 41, Appendix A, Extracts from Budget Monitoring Month 4, Cabinet Report 17 September 2015

² Point 40, Appendix A, Extracts from Budget Monitoring Month 4, Cabinet Report 17 September 2015 -

current position or alternatively to identify offsetting savings in other areas of the service

- Actions will be reviewed as part of the performance management Challenge Process and at the monthly meetings between the Chief Executive and Directors.

Previous Scrutiny

10. Following this Committee's scrutiny of the budgetary proposals, the then-Chair wrote to the Leader, making the following points:

- *'Members note that £6,215,000 savings are proposed for (the Health and Social Care) Directorate, of which approximately half are predicated on reviews and reshaping services. Members note Siân Walker's comments that she is confident that these savings are achievable, given the work already undertaken by the Directorate this year, and that the savings are flagged as Red to reflect the fact that this Directorate deals with vulnerable people. However, Members remained concerned about the quantum of savings and their achievability, particularly in light of the demand pressures facing this Directorate and its history of under-achieving savings. Members are also concerned about the impact of these savings and therefore request that mechanisms be put in place to capture the consequential impact of these savings; Members will be requesting these in monitoring reports.'*
- *'Members note that there is an overall increase of £7.5M in this Directorate's controllable budget 2015/16, with £3.2M of this being realignment and £1.5M being financial pressures. Members note the risks highlighted in Sian Walker's presentation as being: safeguarding; Social Services and Well Being Act; and demographic trends.'*³

11. As part of the budget setting process, £6,215,000 savings were agreed for Health and Social Care, of which £3,217,000 were rated as Red or Red/ Amber for achievability. At their Committee meeting in June 2015 Members were advised that it may be difficult to achieve some of the Health and Social Care⁴ savings agreed for this year. Members therefore received a progress report at the July Committee meeting.

³ Letter from Councillor Groves, Chair CASSC, to Councillor Bale, Leader of the Council, dated 10 February 2015

⁴ Health and Social Care is now known as Adult Social Care Services

12. With regards to the savings due in 2014/15, the update provided at Committee in July 2015 showed £1.783 million forecast as not being achievable in 2015/16. With regards to the savings due in 2015/16, the update provided at Committee in July 2015 showed £2.664 million forecast as not being achievable.

13. The letter sent from the Chair to Councillor Elsmore (Cabinet Member for Health, Housing and Wellbeing), dated 10 July 2015, contained the following:

'Members thank you and officers for being open and transparent about the current projections for Health and Social Care savings - we welcome and appreciate this approach and intend to respond in kind by focusing on the work underway to tackle the issues.'

'The scale of the challenge is apparent (with £3.94 million projected to be non achievable) and Members were pleased to note that Tony Young and Sarah McGill will work closely together to ensure that the reshaping of adult social care is successful; this is much needed.'

'Our concerns focused on two areas: the impact on service users, carers and their families; and the robustness of previous budget planning processes. On the latter, I have written to Christine Salter and copied you into the letter, seeking assurance that the process for 2016/17 will be improved. With regard to the former, Members are concerned that, as process and efficiency changes have not delivered the anticipated savings, savings will be found by reducing services. We note the statements at the meeting that no vulnerable adult will be knowingly left without their statutory entitlement to a service; our concern is more to do with the level of service received. We would welcome further comments and any assurance you can give on this.'

'Members also noted that Sarah has implemented robust budget monitoring processes, including operational budgets and savings, with regular meetings with senior officers to resolve issues highlighted by these processes. Members

commend this. We note that, currently, operational budgets are on target with no overspend.'

14. The response received from Councillor Susan Elsmore (Cabinet Member for Health, Housing and Wellbeing), dated 3 September 2015, contained the following:

You have requested further comments on the management of the savings processes discussed at committee. As I identified, a significant issue with many of the savings shown as "at risk" relates to timing rather than overall deliverability. The drive to deliver these savings will be maintained and the financial benefits realised as efficiently as possible.

I fully intend to maintain a transparent and open approach to sharing progress in terms of the budget savings and any specific proposal coming forward in-year will be considered in detail with regard to the potential impact on service outcomes and the likely delivery timetable.

Going forward the focus will be on the "whole system" approach to remodelling council services in conjunction with our partners and I look forward to working with you on this major undertaking.

Way Forward

15. At the meeting, Councillor Susan Elsmore (Cabinet Member for Health, Housing and Wellbeing) may wish to make a statement. Tony Young (Director of Social Services) and Amanda Phillips (Interim Assistant Director Adult Services) will be in attendance to answer any questions Members may have regarding the management of the Adult Social Care Services budgets.

Legal Implications

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council

must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

17. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is recommended to:

- a. Consider the contents of the report and appendices
- b. Report any comments, observations or recommendations to the Cabinet.

MARIE ROSENTHAL

Director of Governance and Legal Services

01 October 2015

Background papers:

CASSC papers – 4 February 2015 – budget papers

CASSC Chair's letter – 10 February 2015

CASSC papers – 8 July 2015

Cabinet papers – 2 July 2015 – Outturn 2014/15

Cabinet papers – 17 September 2015 – Budget Monitoring Month 4 Report