

Annex 1 – Directorate Financial Summaries

Children, Education & Communities

- 1 A net overspend of £1,594k is forecast primarily due to children's social care.
- 2 Based on the current numbers of Looked After Children (LAC) being maintained throughout the rest of the year there is a net projected overspend on placement and associated costs of £994k, including £360k on fostering, £204k on adoption allowances and £476k on Out of City Placements. There is also a net projected overspend of £457k within The Glen and disability short breaks budgets due to delays in implementing the new model of provision for children with the most complex needs.
- 3 Children's Social Care (CSC) staffing budgets are currently projecting a net overspend of £730k, mainly due to more expensive agency staff being used to cover important but hard to fill social worker posts and to provide additional capacity to manage the pace of improvement required. Whilst we are now having successful recruitment campaigns, in order to support new staff to effectively transition into post and maintain the required significant pace of change this additional resource will continue to be required.
- 4 Home to School Transport budgets are currently projected to overspend by a net £243k. The savings targets for the SEN element of home to school transport have not been achieved because of a growth in the number of pupils/students requiring transport and the specialist requirements of that transport.
- 5 Within the Dedicated Schools Grant (DSG) there is an estimated overspend on high needs costs of £1,977k, the main reasons being an increased number of specialist out of city placements (£1,191k), and an overspend of £761k on Danesgate alternative provision and post 16/19 placements. As a result of these and other minor variations there is now a projected deficit carry forward of DSG into 2020/21 of £2,710k which represents an increase of £1,883k.
- 6 A number of other more minor variations make up the overall directorate position.

- 7 The directorate management team are committed to doing all they can to try and contain expenditure with the approved budget and reduce the projected overspend as far as possible by the year end. Dealing with the budget pressures is a standing item at meetings with all options available to further mitigate the current projection being explored. This includes consideration of existing efficiency savings to identify if these can be stretched further or implemented early and continued restrictions on discretionary spending.

Economy & Place

- 8 A net underspend of £615k is forecast primarily due higher than budgeted income from car parking offset by cost pressures within waste services and fleet.
- 9 In the medium term the council has ambitions to rebuild a Multi Storey car park at St George's Field and to close Castle car park. During construction this will reduce parking capacity and will impact upon revenue with a level of uncertainty about usage in the longer term. In the meantime, car park income continues to perform strongly with income levels to November 4% higher than the corresponding period in 2018/19 and 6% higher than budget. Assuming a continuation of this trend this will result in a positive budget variance of £400k. There is also a forecast surplus on Season Tickets and Resident Parking totalling £100k.
- 10 There is a forecast overspend (£300k) in waste collection. This is mainly due to the deployment of staff above budgeted levels in order to deliver the current service due to increase in property numbers and to ensure the council operates safe working practices. There are proposals as part of the 2020/21 budget to place additional resources into the Waste Service to mitigate this pressure and formalise the current round levels. There is also a forecast shortfall in income on commercial waste £75k.
- 11 A range of actions within the directorate has identified and will continue to seek mitigation to ensure the council overall remains within the approved budget including;
 - Review of external funding streams to seek opportunities to maximise the impact on the revenue position
 - Proactively managing sickness levels across front line services to continue to reduce the need for agency staff.

- Consideration of in year savings and revenue opportunities
- Use of one off reserves to support the in-year budget.

Customer & Corporate Services

- 12 Overall the directorate is expected to underspend by £664k. This is due to additional income within bereavement services of £98k and underspends of £205k within benefits predominantly due to additional grant being received along with some staffing vacancies. There are a number of minor variations being managed and work will continue to try and identify additional savings to help the overall position.

Health, Housing & Adult Social Care

- 13 A net over spend of £3,633k is forecast for the directorate, mainly due to pressures within Adult Social Care. The majority of the overspend relates to the continuation of existing 2018/19 pressures that have been previously reported. Although significant growth was allocated to ASC in the 2019/20 budget, the majority of this was given to deal with new pressures such as 2019/20 contract price inflation and young adults transitioning from children's services.
- 14 Permanent residential care is forecast to overspend by £397k due to an increase in the number of placements. The Older Person's Accommodation programme has been successful in re-providing care for residents in eight out of our nine homes however the transition to a model more strongly focused on independent living has been slower than anticipated, and some of the new capacity is still in development.
- 15 We are implementing an ethos of "No Permanent Placements" whereby we do not discharge people direct to new permanent residential or nursing placements from hospital but work intensively with individuals in their own home or temporary settings with the ambition that they will return and remain independent in their community for the longer term. An example of this is an elderly person who was discharged from York hospital to a residential home in September. Rather than being admitted as a permanent resident, additional support was provided so that by December he was able to go home. Initially this was with 24 hour care in his own home for 2 weeks while a strengths based assessment was undertaken. The support has now reduced to 4 calls per day, supplemented by a

range of community help including telecare, the charitable sector and local area coordination.

- 16 The forecast overspend for Older People's nursing care is £531k, mainly due to an increase in the cost of this care. The council is working in partnership with North Yorkshire Council and the Independent Care Group to carry out an Actual Cost of Care (ACOC) exercise this spring, through an independent agency. This should improve transparency in the system and develop a shared view of appropriate fee levels for care.
- 17 As part of our shift towards supporting as many older and disabled people as possible in their own homes, we have increased the number of home care support hours per week by about 400. The cost of this is approximately £8k more per week now than was the case at the end of May. If this level of investment is sustained, the budget is forecast to overspend by £303k. Recent benchmarking work indicates that York provides higher than average levels of home care to individuals, and we recognise the needs for regular reviews of people's support needs and are now piloting intensive review in reablement to ensure we maximise their independence. Community led social work and asset based community development are critical to achieving our transformation goals.
- 18 PSI Supported Living schemes are forecast to overspend by £292k due to a small increase in customer numbers. The schemes are being reviewed alongside the learning disability schemes.
- 19 Learning disability residential budgets are forecast to overspend by £1,129k. The numbers placed have risen slightly above budget and the cost of placing each individual has risen by approx. £20k per annum. We have also made more 'spot purchased' temporary placements than budgeted.
- 20 There have also been several cases where customers have been reviewed by the CCG as no longer qualifying for 100% Continuing Health Care (CHC) funding, and responsibility being passed across from Health to ASC. The council has employed more specialist staff in response to this to ensure all people who are eligible receive the correct amount of CHC. An example of this is a person with dementia who moved to a new care home. The move to a more specialist home was recommended by NHS providers in order to avoid the need to detain the person in a mental health hospital.

Initially NHS commissioners turned down the request to fund the new provision but following further work between the council and NHS commissioners, this is now fully NHS funded. As an illustration, this type of placement would be likely to have cost the council £1500 per week if the initial decision had not been challenged successfully.

- 21 Supported Living for Learning Disabilities customers continues to be a pressure, with a forecast overspend of £640k, as at Qtr 3. We have an ongoing programme of work to address support costs which is having a positive impact on the budget. The initial projection for the LD Supported Living budget was to overspend by £1.1m, the review has, to date, realised efficiencies of £695k through closer management of voids, reduced support packages, increased use of technology and appropriate overnight support.
- 22 The Mental Health budgets are also becoming an area of increased pressure. Across all the budgets they are forecast to overspend by £828k. Overspends are as follows:
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| • Residential Care | £275k |
| • Nursing Care | £116k |
| • Community Support (incl Supported Living) | £229k |
| • Deprivation of Liberty Safeguarding (DoLS) | £118k |
| • Other minor variations | £90k |
- 23 There is a national upward trend in people with mental health needs requiring support from social care. York is not exempt from this. Our focus on prevention and independent living is expected to contain some of the costs of care for the future.
- 24 There is an over-spend of £126k in the Personal Support Service (PSS). Work is being done to improve rota management and we are piloting a technology called Grandcare, which will enable us to review support going into customers' homes, with the intention of being able to reduce ongoing care packages.
- 25 In order to help mitigate some of the pressures set out above the directorate has developed an action plan. To date potential mitigations totalling £0.9m have been identified including reviewing direct payment contingency levels, investing in improved training and enhanced reviews around securing CHC income and releasing uncommitted resources from the older persons accommodation programme. Work is continuing to identify additional mitigations in order to increase the level of savings before the year end. The

mitigations already identified include the expected impact of initiatives funded from the additional resource allocated to ASC within the supplementary budget proposals agreed by Council on 17 July. In recent years, the Government has allocated additional one off funding during the year to meet the financial challenges within ASC. Should this happen again this year, it may significantly reduce the forecast position.

Housing Revenue Account

- 26 The Housing Revenue Account budget for 2019/20 is a net cost of £489k. Overall, the account continues to be financially strong and is forecasting a small overspend of £85k. This is predominantly due to an increase in demand for reactive repairs and unanticipated water hygiene remedial work. This is offset by a forecast reduction in the bad debt provision of £250k and savings in capital charges of £219k.
- 27 The working balance as at 31 March 2019 was £24.5m. It was agreed in the outturn report that a total of £1,472k of the 2018/19 underspend would be carried forward to 2019/20 to fund capital financing, ICT project and stock condition survey work. Further, the July budget amendment agreed that £2m capital growth for investment in current local authority homes would be funded from the working balance. The forecast outturn takes both these issues into account and means that the working balance will reduce to £24m at 31 March 2020. This compares to the balance forecast within the latest business plan of £25.6m.
- 28 The working balance is increasing in order to start repaying the £121.5m debt that the HRA incurred as part of self-financing in 2012. The current business plan assumes that reserves are set aside to enable the debt to be repaid over the period 2023/24 to 2042/43.

Corporate Budgets

- 29 These budgets include Treasury Management and other corporately held funds. It is anticipated that overall a £1,143k underspend will be achieved, predominantly as a result of reviewing some assumptions on the cash flow position following a review of the profile of planned capital expenditure which will mean less interest being paid than previously anticipated. In addition, the Council was notified on the 20th November that it had been successful in claiming overpaid VAT

back from HMRC in relation to historic payments made in respect of leisure services and a final amount of £543k has been received.