

## AGENDA SUPPLEMENT

### Customer and Corporate Services Scrutiny Management Committee

- To:** Councillors Crawshaw (Chair), Fenton (Vice-Chair),  
S Barnes, Hunter, Melly, Rowley, D Taylor, Vassie and  
Wann
- Date:** Monday, 10 June 2019
- Time:** 5.30 pm
- Venue:** The Thornton Room - Ground Floor, West Offices (G039)

The Agenda for the above meeting was published on **Friday 31 May 2019**. The attached additional documents are now available for the following agenda item:

**5. Financial Progress Information Report (Pages 1 - 6)**

This agenda supplement was published on **Thursday 13  
June 2019**.

This page is intentionally left blank

## CHILDREN, EDUCATION & COMMUNITIES – 2018/19 FINANCIAL PROGRESS BACKGROUND INFORMATION

### Summary

- 1 This paper provides Members with further information on the financial position of the CEC directorate in 2018/19 and the mitigating actions taken.

### In Year Projections

- 2 During the year the following projections of the likely outturn position were made:
  - Quarter 1 = +£1.255m
  - Quarter 2 = +£0.869m
  - Quarter 3 = +£0.943m
  - Outturn = +£0.898m

This shows an improvement in the projections from Q1 to final outturn of £0.357m.

- 3 It should also be noted that, as part of the budget preparation process, the directorate identified underlying budget pressures totalling £1.2m that were expected to materialise during 2018/19. In the event, due to the pressures across the whole council budget, Members agreed to allocate £0.3m of growth funding to CEC.

### Major Expenditure Variations

- 4 The major variations that have been previously reported and contributed to the final general fund outturn overspend of £0.898m were:
 

• LAC placement costs	+£0.961m
• The Glen and disability short breaks	+£0.449m
• Home to school transport (mainly SEND)	+£0.247m
• Education & Skills staffing	-£0.228m
• Local Area Teams staffing	-£0.101m
• Contributions from grants and reserves	-£0.400m

- 5 In addition there are also significant pressures within the Dedicated Schools Grant (DSG) budgets, mainly in respect of SEND and Alternative Provision, that result in a net deficit carry forward of DSG of £0.827m into 2019/20.

### Mitigating Actions

- 6 In response to the quarter 1 projection the directorate immediately implemented a series of mitigations to try and reduce the projected overspend as far as possible by the year end, including:
  - Consideration of whether any of the existing efficiency savings proposals could be stretched or implemented early to deliver additional short term and on-going savings.

- Introduced restrictions on all discretionary expenditure and held recruitment to vacant posts wherever possible and safe to do so. All requests to fill vacancies now require approval by the directorate management team.
- Reviewed the level of expenditure to be committed from specific unbudgeted in year grants and reserves to generate one-off savings.
- Considered the extent to which the increased SEN transport costs could be accounted for within the DSG.

### **Expenditure Reviews**

- 7 As well as the immediate mitigations above, the directorate has also implemented reviews into a number of the more the significant expenditure areas.
- 8 The Children's Services Placement Review aims to deliver better outcomes for Children in Care by reducing the number of Independent Fostering Agencies and Out of Area placements through increased local foster care and residential provision. Over time this approach should result in a reduction in the overall cost of supporting any future cohort of LAC.
- 9 The High Needs Inclusion Review is designed to ensure that the Local Authority and school community work together to maximise the opportunity for early intervention and prevention and to support the achievement and progress of children with special educational needs and/or disabilities (SEND). The steering group (consisting of LA and school representatives) is examining the current configuration of services and the use of funding to support SEND to ensure that there is greater clarity and accountability around the use and impact of resources.
- 10 The directorate management team is undertaking a series of deep dives into specific areas of the CEC budget, with the aim of holding budget managers to account for the levels of expenditure and to challenge to ensure resources are used in the most efficient way possible.

**Richard Hartle**

Head of Finance: Adults, Children & Education

6 June 2019

## HEALTH, HOUSING & ADULT SOCIAL CARE – 2018/19 FINANCIAL PROGRESS BACKGROUND INFORMATION

### Summary

- 1 This paper provides Members with further information on the financial position of the HHASC directorate in 2018/19 and the mitigating actions taken.

### In Year Projections

- 2 During the year the following projections of the likely outturn position were made:
  - Quarter 1 = +£0.508m
  - Quarter 2 = +£0.576m
  - Quarter 3 = +£0.830m
  - Outturn = +£0.946m

This shows a worsening in the projections from Q1 to final outturn of £0.438m.

- 3 It should also be noted that, as part of the budget preparation process, the directorate identified underlying budget pressures totalling £3.0m that were expected to materialise during 2018/19. In the event, due to the pressures across the whole council budget, Members agreed to allocate £2.2m of growth funding to HHASC.

### Major Expenditure Variations

- 4 The major variations that have been previously reported and contributed to the final general fund outturn overspend of £0.898m were:

• External Residential Care	+£1.300m
• Supported Living	+£0.695m
• Nursing Care	+£0.272m
• CYC Residential Care	+£0.213m
• Personal Support Services	+£0.165m
• Contracted Services	-£0.397m
• Supported Employment	-£0.127m
• Small Day Services	-£0.101m
• Community Support Budgets	-£0.093m
• Senior Staff Vacancies	-£0.117m
• Contributions from grants and reserves	-£0.631m

### Mitigating Actions

- 5 In response to the emerging pressures and adverse projection the directorate implemented a series of mitigations to try and reduce the projected overspend as far as possible by the year end, including:
  - Reviewing all direct payment accounts to identify unused funding that could be recovered.

- Reviewing recent continuing health care (CHC) decisions to ensure that the appropriate level of funding is received for health needs.
- Reviewing the level of expenditure to be committed from specific unbudgeted in year grants and reserves to generate one-off savings.
- Transferred the management of Supported Living Schemes to the commissioning team to enable more detailed scrutiny of individual scheme costs to be undertaken.
- Reviewing customer contributions to residential and nursing care placements to ensure all are still set at the appropriate level.
- Identifying void charges made to the older person's accommodation programme and ensuring the HRA is charged where appropriate.
- Reviewing all Work with York and temporary staffing arrangements to ensure they are still necessary.
- Introduced restrictions on all discretionary expenditure and held recruitment to vacant posts wherever possible and safe to do so.

### **Additional review work now underway**

- 6 As well as the immediate in year mitigations above, the directorate has subsequently implemented reviews into a number of expenditure areas that should help mitigate pressures going forward.
- Review Direct Payments: Having successfully reduced the overspend by c£600k in 2018/19 the next phase is to stream line our review processes to ensure that customers' packages and the contingency they hold in their accounts for exceptional circumstances are capped at an appropriate level.
  - Continued Review of Supported Living: A working group has been established for several weeks and reviews of approximately one third of the schemes to date have resulted in spend reductions of c£200k.
  - Review of Overnight and Personal Support service: The service lead is looking at whether those supported overnight can be done so in a different way. There is an ongoing review of Independent Living Communities which the Personal support Service are feeding into in order to make their service more efficient and provide the right model of care.
  - Uncommitted Older Persons' Accommodation Programme budget: Use of current underspend pending the next phase/refresh of the programme.
  - Review of Home Care exception packages: Identify customers who are using more expensive providers and move to our tiered framework at cheaper rates.
  - Review of Be Independent: Several savings have been made already but further work is to be done to review the business to improve its efficiency and performance whilst bringing the budget back in to line.
  - Commercialisation of York's Future Focus model: Several authorities have expressed an interest in purchasing our asset based model. We are currently exploring whether this is a viable income generation opportunity for CYC.
  - Streamline Review process: look at how we review packages and use the opportunity to explore different ways of supporting customers rather than

traditional methods. Review low level packages of care: looking at how customers needing low levels of care are supported, particularly those without personal care needs.

### **Other options to be considered that may require some one-off investment**

- 7 Subject to future decisions by the Executive the following options may be put forward for consideration for funding from the council's risk reserve:
- Investment in training and support to improve Continuing Health Care and Section 117 funding or cost reduction.
  - Investment to embed the Future Focus programme as business as usual with a particular focus on Learning Disability support. We intend to move future focus into its final programme year and embed robust review into our assessment model, the one remaining outstanding objective of that programme. A revised model backed up by improved care planning tools designed to focus on people's strengths and reduce need for formal social care.
  - Co-ordinate the roll out of Talking Points to the wider population. The early feedback and intelligence from the talking points run so far suggest this is a very successful way of intervening early and signposting customers elsewhere, thus avoiding paid-for care.
  - Investment to support the Mental Health Accommodation Project: This initial investment could have long term system wide benefits for health, housing and social care.

**Richard Hartle**

Head of Finance: Adults, Children & Education

6 June 2019

This page is intentionally left blank