

APPENDIX G

CHILDREN'S AND ADULTS' SERVICES BUDGET RECOVERY BOARD

- G.1. The council has faced very significant cuts to grant funding from government and as a result has a very challenging programme of efficiencies to bring our spend closer to the reality of our new, much reduced, means.
- G.2. Children's and Adults' Services is the largest department within the council and accordingly has the largest challenge. The department is experiencing very significant pressures and the pace of implementation of efficiencies in some areas is not progressing as quickly as needed. Given the vulnerable people that we support, this is inherently difficult.
- G.3. The increased pressures in Adult Social Care, in both level of demand and complexity of need, reflect the service pressures in adult social care being experienced across London and the country, and population increases of older people in Southwark. Implementation of the Care Act has increased levels of referrals, information and advice, and carers assessments. Inflationary market pressures have been felt by providers and the department has sought to protect quality of care and sustain local provision for residents.
- G.4. There are significant budget pressures in children's social care flowing from placements and staffing. There is a plan to reduce in year pressures in these areas and also to identify additional income, to the extent that this is possible given demand pressures and also the need to keep the service safe. The service is therefore developing a range of measures to reduce spend to budget beyond 2016-17 and into 2017-18 and the years beyond.
- G.5. The current financial forecast for the department is projecting a multi-million pound overspend and we need to arrest this immediately to recover our budget position. As reported to cabinet in 1 November 2016, and in a report to 7 February 2017, the Children's, Adults' and Public Health services are experiencing significant pressures on their revenue budgets. These pressures are created by a combination of cost and demand pressures and reductions in Public Health grant at a time when savings also need to be made in the context of wider reductions in resources available to the council as a whole.
- G.6. The Children and Adults Budget recovery board has been established to provide oversight over the significant budget reductions and demand pressures experienced by the Children's and Adults' department and to review management action in year 2016-17 to ensure spend is kept as low as possible consistent with service delivery and client safety. The Board is reviewing measures to address this significant risk for the council and to ensure our statutory duties are fulfilled. It is an example of cross council working to ensure this action has the necessary impact. The Board operates with close consideration of the need to meet the council's statutory duties and manage risk appropriately to ensure a safe service.
- G.7. The Board is also concerned to review the changes required over a longer period to ensure success and sustainability.

G.8. The board is chaired by the Strategic Director of Finance and Governance, with the Strategic Director of Children's and Adult's Services, and the Chief Executive has a standing invitation.

G.9. The Board is attended by all Children's and Adults' services directors, supported by the departmental finance managers for the department. In addition, the Director of Law and Democracy and Director of Finance attend.

G.10. The Board has sought to ensure that the process is as rigorous and transparent as possible such that highlight reports reflect key action areas being undertaken to get the current forecast overspend down, show how actions are being put in place and yielding results, being clear about what we are doing, who is responsible, and importantly providing a status report on how we are doing to reach savings, efficiency, and income generation targets.

G.11. The Board understands that it has to provide reassurance about the scale of the challenge, and that accurate forecasting is essential. This will include being transparent, but not complacent, about adverse financial predictions.

G.12. Management action has been taken including:

- Introducing controls over the recruitment of staff, in particular agency staff and also areas operating over establishment
- Improved management and procurement over residential placements and renewing the Independent Fostering Agency framework arrangements
- Increasing income levels across a range of areas, most notably unaccompanied asylum seeker claims, housing benefits, inter agency adoption and payments by results
- Reviewing all relevant placement for continuing health care eligibility and funding
- For non statutory services and associated roles; making better use of these to reduce external spend, seeking alternative funding and if this is not possible ceasing the service
- Efficiencies with regard to back office supporting roles and associated costs
- Reviewing policies on carer allowances where they are more financially generous than statutory requirements and/or statistical neighbours
- Bidding for innovation grant funding for services where available
- Introduction of a new scheme of management – changes to permissions and authorisation limits with revised roles and functions for individuals and/or panels.

G.13. The Board is seeking the most accurate possible financial forecasting in each and every team and service so financial forecasting is updated often and captures the very latest spend, savings and approved commitments.

G.14. The Board is placing especial emphasis on data quality for placements and commitments, such that new, changes and ending placements/commitments are promptly recorded to maintain an accurate forecast.

Public Health

G.15. Public Health is funded through a ring-fenced specific grant totalling £28.2m in 2017-18. The allocation has reduced by £3m from 2015-16 to 2017-18, with a

further reduction of £1.4m (5%) indicated by government for the period to 2019-20.

- G.16. There is a continuing demand pressure in sexual health services, despite cost pressures being reduced where controllable through the expansion of community based services and more efficient methods of service delivery. A new London integrated tariff will be in place from April 2017 to reduce the unit costs of appointments and testing, very much in line with local developments in digital services such as on-line sexual health services for confidential home testing which has proven both very popular and effective.
- G.17. Substance misuse services are being rationalised and the health checks team restructured to meet the decrease in public health grant in 2017-18. Referral pathways and remuneration models are being reviewed for services funded by the public health grant to provide service improvements and improved use of resources, to help contain overall public health demand pressures within government grant funding.