

APPENDIX A

Budget Recovery Board

CHILDREN'S AND ADULTS' SERVICES BUDGET RECOVERY BOARD

- A.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.
- A.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.
- A.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.
- A.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 in 2017-18 and the years beyond.
- A.5. 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 to ensure spend is kept as low as possible consistent with service delivery and client safety.
- A.6. 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.
- A.7. The Board is also concerned to review the changes required over a longer period to ensure success and sustainability.
- A.8. 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.
- A.9. The Budget Recovery Board continues to meet fortnightly and has oversight of a number of action plans that redress the budget position with the aim of reconciling the progress of these actions with the council's overall budget position. Through this robust monitoring process officers are held to account for these action plans. A Service Director is allocated for each of the action plans which include key milestones for the delivery of the plan, including for example, matters where stakeholder consultation is necessary.

A.10. Actions planned or underway include:

- Reductions in the use of agency staff
- 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
- Commissioning and contracting efficiencies

A.11. 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.

A.12. 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.

A.13. The revenue outturn for 2016-17 shows a significant overspend of £14.887m, which has been contained to the month 8 forecast position. The level of scrutiny applied by the Budget Recovery Board to the budget position has contributed to ensuring that this budget position stabilised and the accuracy of the forecast. The current focus is ensuring that the action plans underway to address underlying cost pressures are fully implemented. The goal is to ensure that these cost pressures are fully addressed as we move into the 2018-19 budget setting process. Currently, the indicative budget for 2018-19 assumes this will be fully achieved.

A.14. The Budget Recovery Board will continue to meet until the Strategic Director of Finance and Governance is confident that the budget position is fully recovered.