



Title: **Revenue Budget Monitoring 2011/12**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council** On: **8 December 2011**

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1. Key Points and Summary

- 1.1 The Council is projecting an overspend of £1.525m at the end of the financial year based upon the latest information available to finance officers. Whilst it is encouraging that progress has been made in addressing the £3m projected overspend reported to Members as at the end of quarter 1, there are continued pressures within Adults and Children's at this time. A £1.525m overspend is a large deficit to recover in the second half of the year and it is unlikely there will be a significant reduction to the projected overspend for both Children's and Adults services due to the number of client commitments. This means savings will have to be found from other services, uncommitted budgets and, as a last resort, uncommitted reserves to ensure a balanced budget can be achieved at the end of the year.
- 1.2 Children's and Adults have updated their recovery plans to provide Members with the progress made to address their overspends and the pressures faced by these services.
- 1.3 Commissioners and Executive Heads are continuing to review all areas of expenditure to identify where further savings can be made and a series of actions that will be taken in the following months are included within this report. This includes the continuation of the vacancy freeze and an embargo on expenditure not yet committed and bringing forward proposed budget savings currently being proposed for the next financial year.
- 1.4 The key variations identified to date within services are:
- Children's Services are projected to overspend by £1.9m. The overspend is primarily within the Safeguarding and Wellbeing service due to increasing numbers and the costs for looking after Children and the costs for the continued use of agency social workers within the Children In Need service.

- Adult Social Care is projected to overspend by £1.650m. This is due to pressures within Learning Disability, Older People and Mental Health.
- Services within the Environment portfolio are currently projected to spend within their approved budget however, budget pressures have been reported within Residents and Visitors and Spatial Planning which have been offset by savings within Waste and Cleaning and the Torbay Development Agency.
- All other services are projected to contain expenditure within their approved budget with most services making a contribution to offset the overall projected overspend for the council.

1.5 A summary of how the projected overspend is shown in the table below:

	£m	£m
Council Overspend		3,550
Managed by		
In Year savings identified to date by services	(1,340)	
Balance remaining		2,210
Further options to balance budget:		
Uncommitted Income:		
- New Homes: Bonus	(305)	
- Local Services Support Grant	(380)	1,525
Savings to be identified (appendix 5)	to be confirmed	
Uncommitted reserves (if required)	to be confirmed	(1,525)
Balance		0

1.6 As a comparator, the position at this time last year was a projected underspend of £0.553m.

- 1.7 At this stage of the financial year the council still has an opportunity to ensure there is further reductions to the projected overspend. Children's and the Torbay Care Trust must continue to monitor, update and ensure the robustness of their recovery plans and every effort must be made so they are fully implemented to ensure expenditure is contained within budgets. However, as it is now unlikely that Children's and Adults will remain within their approved budget, this will mean all other services will have to find savings in addition to the ones already identified. Commissioners and Executive Heads will be working to ensure savings will be identified to achieve a balanced budget at year end. It should be noted that the Council must achieve a balanced budget at year and this will be achieved by a combination of further in year savings and use of uncommitted income, however some of these actions will not be applied until the final outturn position is confirmed.
- 1.8 As part of the Council's corporate approach to resolving the projected overspend Commissioners, Executive Heads and Executive Leads will be exploring all opportunities to identify where other efficiencies can be made to ensure a balanced budget is achieved. As stated previously, in the current financial climate Officers and Members must ensure that any new initiatives that emerge throughout the year are fully costed and resources have been identified before any commitment to incur expenditure has been made. It is essential that where possible expenditure is contained within the approved budget, and preferably below the approved budget, due to the difficult financial challenges faced by the Council in 2012/13 and beyond.

2. Report Overview

- 2.1 The purpose of this report is to provide Members with a summary of the projections of income and expenditure for all Business Units within the Council and to set out how the Council will maintain expenditure within its approved budget of £125.8m.
- 2.2. The revenue monitoring statement shows the expenditure and projected outturn position based upon the latest information available to finance officers in consultation with service departments. Where possible, the implications or consequences arising from the variations are reflected in the key performance indicators for that service.
- 2.3 Ongoing performance and financial monitoring will be provided to Members through the SPAR system and quarterly updates of performance management will be reported to Overview and Scrutiny Board.

Paul Looby
Executive Head of Finance and Chief Finance Officer

Appendices

Appendix 1 Summary of Main Variations

Appendix 2 Children's Services Recovery Plan

Appendix 3 Pooled Budget with Torbay Care Trust

Appendix 4 Torbay Care Trust Recovery Plan

Appendix 5 Savings Proposals

Appendix 6 Write-Off's over £5,000 (Exempt Appendix)

Documents available in Members' rooms

None.

Background Papers:

The following documents/files were used to compile this report:

Torbay Council's Financial Information and Management System (FIMS).

Budget Digest 2011/12.

Summary of Main Variations

A. Performance

A1.1 The table below provides a summary of the projected outturn position for Council services based upon the four Commissioning areas.

Business Unit/Service	A 2011/12 Budget	B Spend to Date	D Projected Out-turn	E Variation at Out-turn
	£'000	£'000	£'000	£'000
Adults & Operations				
- Adult Social Care	41,937	17,147	43,587	1,650
- Business Services	2,615	1,886	2,488	(127)
- Chief Information Officer	3,999	2,115	3,949	(50)
- Commercial Services	2,586	1,297	2,509	(77)
- Finance	11,961	(2,454)	10,634	(1,327)
- Supporting People	6,379	3,861	6,312	(67)
	69,477	23,852	69,479	2
Children, Schools & Families	21,123	9,288	23,023	1,900
Communities & Local Democracy				
- Community Safety	2,864	824	2,637	(227)
- Community Engagement	1,427	702	1,377	(50)
	4,291	1,526	4,014	(277)
Place & Environment				
- Residents & Visitors	9,960	3,902	10,025	65
- Spatial Planning	5,565	2,727	5,751	186
- Torbay Development Agency	4,853	3,931	4,753	(100)
- Torbay Harbour Authority	0	(461)	0	0
- Waste & Cleaning	10,518	7,518	10,267	(251)
	30,896	17,617	30,796	(100)
Total	125,787	52,283	127,312	1,525

A2. **Main Variations**

A2.1 The following paragraphs identify, within each Commissioning area, identified variations against the approved budgets or concerns about emerging issues and risks in that area. Service managers consider the sensitivity of budget variations

and the projected outturn position which is based on the most likely position at the time of writing this report.

Environment

A2.2 Services within the Environment portfolio are projecting to underspend their approved budget. However there are a number of variations within the three main services including budget pressures within Residents and Visitors and Spatial Planning which will need to be monitored closely over the next quarter.

(a) Resident's and Visitors

There is a projected overspend of £65,000 for this service. This is predominantly the result of a projected £208,000 overspend on energy costs for Street Lighting due to an in-year increase in energy tariffs of 50% from October 2011 and delayed implementation of the 'part night lighting' regime. As the final decision to implement "part night lighting" was not made until late February 2011 the time taken to procure the new switches and to receive the new parts meant work was not able to commence until the middle of May 2011. Officers are devising a recovery plan to help redress the impact of this increase.

Car parking income is projecting a minor shortfall of £20,000 against a budget of £5.230m. There have been savings of £135,000 within Decriminalised Parking Enforcement (DPE) due to vacancy management and accommodation savings.

Vacancy management and associated administrative savings within other service units of Resident's & Visitors have contributed further savings of £28,000.

(b) Waste and Cleaning

There is a projected underspend of £251,000 reported within Waste and Cleaning. This is due to reductions in waste tonnages sent to landfill, resulting in savings on landfill tax, gate fee and transportation costs which have been achieved by diversion of waste and recycling arising from the contract with TOR2.

(c) Spatial Planning

Concessionary Fares are projected to overspend by £60,000. Members will be aware this is one of the Council's volatile budgets and is subject to variation as it is partly influenced by the number of local residents and visitors to the Bay who utilise the service. The increase in expenditure results predominately from the full impact of a new bus service that commenced in 2010/11 and the increased usage this has generated as the service becomes more established. Increased demand and associated costs

within this budget (which stands at £4.208m) are outside of the control of Torbay and will be monitored closely throughout the year.

With the demise of Planning Delivery Grant, the planning department has seen a significant reduction in its budgeted grant income this year. This and the impact of a reduction in fee income, reflecting the continued weakness in the national and local economy, has resulted in a shortfall in income. This has been partly offset through vacancy management but overall Spatial planning is projected to exceed its budget by £186,000.

Torbay Development Agency (TDA)

- (d) In response to the overall projecting overspend, £0.1m of budget for the repairs and maintenance budget will not be committed. This will be kept under review over the remainder of the financial year.

Children's Services

A2.3 Children's Services are projecting an overspend of £1.9m. The net overspend represents 9% of the total net revenue budget for Children's Services.

A2.4 Children's Services can be split into three main areas:

- Children's, Schools and Communities.
- Commissioning and Performance.
- Safeguarding and Wellbeing.

A2.5 The overspend is within Safeguarding and Wellbeing, due to increasing numbers and costs for Children In Care and placements within the independent sector and the costs for the continued use of agency social workers within the Children in Need service.

A2.6 A breakdown of the projected position is summarised below:

- (i) Children's, Schools and Communities are projecting an underspend of £0.624m. These savings are as a result of not making a contribution to the services redundancy provision in 2011/12 as the existing provision is adequate to meet any expected costs. Savings have also been achieved within the Locality teams across the Bay due to vacancy management.
- (ii) Commissioning and Performance is projecting an underspend of £0.138m due to vacancy management and a reduction in training.
- (iii) Safeguarding and Wellbeing is the most volatile budget within Children's and covers placements for vulnerable children and is projected to overspend by £2.662m. This is based upon current commitments and placement numbers and the projected duration of placements and related costs. The latest figures for the number of looked after children as at the end of

September 247 which has increased from 213 as at 31 March 2011. The number of Children looked after has to be set in the context of the difficulties the Service has had in recruiting qualified staff and the need to cover this through the employment of agency social workers which is contributing £1m to the projected overspend and £1m is the additional costs for placement of children being looked after.

A2.7 Children's Services have updated their recovery plan to address the current position and this is shown in appendix 2.

Communities and Local Democracy

A2.8 Services within Communities and Local Democracy are projecting to underspend by £277,000. The main variations are:

- Community Safety is projected to underspend by £227,000 as a result of vacancy management. This has been achieved by bringing forward and implementing proposed savings for 2012/13 and generating savings in the current financial year.
- Community Engagement is projecting a £50,000 underspend of which £40,000 is for vacancy management savings within the service and £10,000 due to savings within the Members allowances budget as a result of Members undertaken more than one responsibility which does not result in additional allowances.

Adults and Operations

A2.9 Services within Adults and Operational Support are projecting a small overspend of £2,000. However, there are a number of variations within this portfolio of services with the largest projected overspend within Adult Social Care which has been offset by a number of savings which are summarised below.

Adult Social Care

A2.10 Adult Social Care is a Commissioned service and is provided by the Torbay Care Trust. The partnership is managed through a pooled budget - a summary of the latest pooled budget is attached in appendix 3. The Pool budget comprises 3 elements, Community Based Teams, Commissioned Social Care and Management and Support Services.

A2.11 Within the Social Care Commissioned Older People, Learning Disabled and Mental health Services are all projecting overspends with the largest overspend within then Learning Disabled Service.

(a) Learning Disability

As reported at quarter one the budget pressures within this client group are personal budgets and domiciliary care (supported living). The personalisation agenda has meant costs have increased within this area over the last few years

however, to date there has not been corresponding decreases in traditional care services such as residential care. This has meant it has not been possible to transfer budgets from residential care to fund these increased costs. Underpinning the cost pressures within this client group are a number of factors such as transitional cases from children services, ordinary residency issues, older family carers and costs relating to clients at risk of offending.

(b) Older People and Physical Disability

As reported previously, the main budget pressure is within non residential services such as domiciliary and day care and personal budgets. Whilst the Trust over the last five years has been successful in reducing traditional residential and nursing placements it has seen a movement of clients and cost to domiciliary care. Underpinning this cost pressure and older people in general is the demographic pressures of an ageing local population.

(c) Mental Health

The projected overspend is due to increased costs for residential and domiciliary care.

A2.12 The Torbay Care Trust's recovery plan to mitigate the overspend is shown in appendix 4.

A2.13 The main variations within the remaining services are summarised below.

1. Business Services are projecting an underspend of £127,000. This is due to a reduction in recruitment costs (£40,000) due to the reduction in the number of posts advertised. All vacant posts are reviewed by the Establishment Control Panel.

Business Services have achieved a further £80,000 of savings as a result of bringing forward a restructure of the service, which was identified as a 2012/13 budget saving.

2. Commercial Services are projecting an underspend of £77,000 due to vacancy management within the Information Governance and Legal Services teams.
3. The Chief Information Officer is projecting a £50,000 underspend due to reduced costs for IT licenses and by reducing the annual contribution to the IT renewals reserve.
4. Supporting People is projected to underspend by £67,000 due contractual negotiations with service providers and vacancy management.
5. Finance, which includes corporate budgets, are projecting an underspend of £1.327m. The variations are:

- £0.104m of this saving is due to reduced staffing costs arising from reduced hours worked and vacancy management within the Business Unit.
- Treasury Management is projected to underspend by £200,000 due to better than expected investment returns due to close monitoring of the Council's cash balances.
- the costs of Audit fees and external inspection costs are projected to be £60,000 less than budgeted for due to a reduction in external audit fees.
- the council has a contingency of £278,000 which is currently uncommitted. Due to latest financial position it is recommended this contingency is released to offset the projected overspend.
- the council received New Homes Bonus of £305,000. This budget is uncommitted and due to latest financial position it is recommended this budget is released to offset the projected overspend.
- The council received a Local Services Support Grant of £380,000 after the budget was set in February 2011. This grant is un-ring fenced and is currently not committed. Due to the size of the current projected overspend it is recommended that this money is used to offset the overspend.

Strategy For in Year Budget Management

A2.14 The budget pressures identified are for services provided to the most vulnerable residents within the Bay and these are some of the council's most volatile budgets. Executive Leads and their respective managers continue to work hard to ensure the measures set out in the recovery plans will address, where possible, the budget pressures identified to date. These plans will be monitored closely by Executive Leads and managers and a further update on progress against these plans will be provided to Members in the next monitoring report.

A2.15 Executive Heads and Commissioners have taken a council wide view as to what efficiency savings, or reductions in uncommitted expenditure can be made up until the end of the financial year. A number of initiatives have been acted upon in the last quarter which has resulted in the savings identified within this report. However based upon the projected overspend reported further action is required. The following actions are being considered by all Executive Heads:

- what areas of budgeted expenditure could be ceased and an assessment of the services consequences.
- a review on all non front line expenditure to identify whether any expenditure in these areas could be reduced and the implications of any reductions will be assessed.
- The Establishment Control Panel to ensure further vacancy management controls are in place.
- Identification of any invest to save schemes that will have an immediate or cost savings in 2012/13.

A list of specific actions being considered by Executive Leads and officers are included as Appendix 5 to this report.

- A2.16 Commissioners and Executive Heads will continue to scrutinise all areas of expenditure and assess the sensitivity of outturn projections by working closely with service managers to ensure expenditure is maintained within existing budgets. The identification of uncommitted expenditure which can be stopped will generate the largest savings. However, these will have service implications which will need to be recognised and assessed. Any further areas where uncommitted expenditure will be stopped will be reported verbally to Members of the Board.
- A2.17 The Council is already faced with an extremely challenging financial outlook in the context of reducing government grant and increasing service demands over the next few years. It is therefore essential that services maintain expenditure within their approved budget otherwise the financial challenge will become harder in 2012/13 and beyond. The actions outlined above and the implementation of the action plans will support the Council in addressing the in-year pressures.

A4. Reserves

- A4.1 At the beginning of the financial year the Council had reserves of £4.6m, that largest being the Comprehensive Spending Review (CSR) Reserve which was £3.1m. The purpose of the CSR reserve is to support the council in managing the financial challenges over the CSR period and making provision for any costs of restructuring council services and provision for any invest to save projects.
- A4.2 The Council also has its general fund balance which is £4.0m. In response to concerns raised by our external auditors as to the level of the general fund balance, the Council set an internal target to reach 3% of its net revenue budget. As a result of the contribution to the general fund balance as approved by Council on 14 July, the current level is 3.2% which I consider to be a prudent level. It should be noted that the general fund reserve should only be called upon in emergencies.
- A4.3 The annual review of all reserves will be undertaken as part of the budget preparation process and will be reported to Members in December. This process will allow the existing earmarked reserves to be challenged to ensure they are still required and to what level. The Review of Reserves report can be found on the following link <http://insight/index/information/finance/finance-newpage-2.htm>
- A4.4 Members will be aware that all reserves are earmarked for specific purposes with the exception of the General Fund Reserve which remains the only fund the Council holds to meet emergency costs. The government has focused its attention on the level of Council reserves held within councils. It should be noted that any release of monies from reserves should only be used for one off purposes and cannot be used to sustain ongoing expenditure.
- A4.5 The Mayor has agreed to release the following monies from reserves during 2011/12:

- £0.5m to support Children's Services to develop an Intensive Family Support Service.
- £0.250m to support the Bay's tourism sector.
- £0.1m to support revenue costs associated with the Princess Promenade repairs (Council decision).

A4.6 After taken these into account the level of reserves has fallen to £3.692m. However, in addition there are a number of other cost pressures which will further reduce the level of reserves the council holds. These include sunk costs arising from the redesign of the Office Accommodation Review estimated at £0.5m, redundancy costs which will arise from the 2012/13 budget round (£1.5m last year) and will be a cost in 2011/12. In addition, if the council is unable to declare a balanced budget at year end any overspend will have to be funded from these reserves. This will severely deplete the council's uncommitted reserves and impact upon how the council manages further reductions in government grant in 2013/14 and 2014/15.

A4.7 A summary of the council's uncommitted reserves is shown below:

Reserve	Working Balance £'m
Comprehensive Spending Review Reserve	3.100
Budget Pressures Reserve	0.443
Financial Strategy and Change Management Reserve	0.149
Balance at 31 September 2011	3.692
Possible calls upon reserves	
Sunk Costs – Office Accommodation Review	0.5 (estimated)
Redundancy Costs arising from 2012/13 budget	1.5 (estimated)
2011/12 overspend	1.5 (latest position)

A.5 Dedicated Schools Grant (DSG)

A.5.1 The Dedicated Schools Grant in 2011/12 is £84.2 and is used to fund all Schools Related Expenditure. The DSG is currently reporting a projected underspend of £0.113m. The DSG is a ring fenced grant and can only be used to fund schools related activities.

A.6 Debtors Monitoring

9.1 This section of the report provides Members with an update for the second quarter of 2011/12 in respect of council tax and business rate collection. It also sets the background and benchmarks against which future performance will be monitored and assessed during the current financial year.

Council Tax

9.2 The targets for the collection of Council Tax are:

- (i) collect 96.5% of the Council Tax due within the 12 months of the financial year (i.e. April to March); and
- (ii) collect 50% of the arrears brought forward from previous years.

9.3 The Council is due to collect £59.4m after the granting of mandatory relief and Council Tax Benefit in the period April 2011 to March 2012. To date the Council has collected £32.3m which is about 54.27% of the Council Tax due in year. The collection level is in line with last year's performance.

9.4 The total arrears outstanding at 31 March 2011 were £3.7m and this has been reduced by £1.2m which is about 31.5% of the total arrears due.

9.5 There are no Council Tax write-offs over £5,000 to report.

Non-Domestic Rates

9.6 The targets for the collection of NNDR (business rates) re:

- (i) collect 98.0% of the business rates due within the 12 months of the financial year (i.e. April to March); and
- (iii) collect 50% of the arrears brought forward from previous years.

9.7 The Council is due to collect £35.9m after the granting of mandatory relief in the period April 2011 to March 2012. To date the Council has collected £20.5m which is about 57.1% of the business rates due in year. The collection level is around 2.5% down on last year's performance.

9.8 The total arrears outstanding were £1.49m and this has been reduced by £0.6m which is about 39.7% of the total arrears due.

The write-offs in respect of debts over £5,000 are listed in Appendix 5

CHILDREN, SCHOOLS AND FAMILIES RECOVERY PLAN 2011 UPDATED OCTOBER 2011

The revised projected £1.9 million overspend is in large part a continuation of the pressure in children's social care for the last few years. At the end of 2010/11 social care for children overspent by £1m. However, this was to offset to some extent by significant underspends elsewhere within Children's services and the use of Sure Start grant, if these are stripped out the overspend would have been £1.3m.

1. Bringing Forward 2012/13 Saving Proposals

Children's, Schools and Families have been set an in-year savings target of £250,000 by bringing forward savings from 2012/13. The savings achieved so far as at October 2011 is £144,000, these are detailed below in paragraphs 6 and 8 below. This still leaves a gap of £106,000 against this target.

Where it is possible to do so, the proposals put forward in the 2012/13 budget setting exercise will be implemented as soon as possible in this financial year, this is likely to generate savings from February 2012.

Short to Medium term Plans

2. Vacancy Management

Of the £1.9m overspend, £0.6m relates to the vacancy target; savings achieved by delaying appointments or keeping vacant posts empty. The action here is to achieve staffing savings on non social work posts of at least £0.2m. It is unlikely that any staffing savings can be achieved in Safeguarding and Wellbeing due to the increased costs of employing agency social workers. However, when the backlog of cases to be reviewed is back down at acceptable levels plus the appointment of permanent staff this should, over the next 12 months, result in lower staffing costs and therefore reduction in the overspend.

Vacancy Management Savings achieved in 2011/12

£10,000 – achieved within the Disabilities Service (administrative vacancy)

£18,000 – achieved from Early Years (redundancy)

£10,000 – achieved from Early Years (play ranger funded finished)

£20,000 – achievable from Review of Business Support.

3. Disability Services Review

As part of our medium term plans there is a review of the level of and types of service provided to disabled children and their families. A specific area under review is that of Direct Payments; where the family is allocated a sum of money to manage their child's care package.

4. Other Projected Savings elsewhere in Children's Services

The initial analysis of other services unrelated to Children Looked After has indicated that a further £0.4m of savings could be made this financial year, an element of this could come from administrative and management savings, however any major contribution will inevitably have an impact on front line services. As of week beginning 25 July 2011, a spending moratorium has been implemented similar to that which was in force for the last 3 months of the last financial year. Any spend over £500 will need to be authorised at Executive Head level and there will be a moratorium on attendance at conferences. All vacancies will be held vacant unless it is considered that none replacement would be detrimental to the management of the Children in Need intake team.

This new regime allows Senior Managers and Executive Heads to review and challenge managers where there are significant financial commitments.

Non Staffing savings achieved so far

£150,000 – achieved across Training Budget – Commissioning & Performance

£26,000 – achieved in YOT

5. Proposed Reshaping of the Safeguarding and Wellbeing Service

The Executive Head for Safeguarding and Wellbeing proposed a reshaping of the Safeguarding and Wellbeing service that will see changes to the teams contained within that service. The proposed reshaping is currently at the consultation stage with an expected implementation date of January 2012. This is supported by an evidence based paper which lays out the pressures on the "intake" team in dealing with the increasing backlog of cases. The work of the Family Intervention Team (FIT) will also be explored. It is estimated that a saving of £120,000 is now projected in the month 6 budget monitor as a result of the reduced reliance on agency staff and 1 agency service manager.

Proposed Long term Changes

6. Identification of the on going pressures

The number of children that are being brought into the care system is now at unprecedented levels. The Munro report is now suggesting that working with children in their family setting is more beneficial. Plans are currently being developed to create an Intensive Family Support service. This approach will have both financial benefits and better outcomes for the child and family and will act as a bridge between Early Intervention Services and Specialist Social Care Services.

7. Business case for the Intensive Family Support Service

This approach delivers intensive support for families with multiple problems achieve lasting benefits; not just for the children involved; their families and those in the local community; but for other local services as well by tackling a whole range of factors. The impact of coordinated intensive support can be fairly immediate and help reduce the often excessive demands these families make on local services through staff time and the financial costs of failing to intervene earlier.

Torbay already has a successful Family intervention project but despite its significant progress, the numbers of children subject to Child Protection Plans and becoming Looked After by the Local Authority is continuing to rise. This is creating enormous pressure on resources and increases the potential for poorer outcomes for children. The transformation of the Family Intervention Project coupled with increased investment of £0.5m in 2011/12 to create an Intensive Family Support Service will ensure that resources are appropriately targeted and build on the growing evidence base of 'what works' for families and delivers efficiency savings for the Local Authority.

This project will be embedded within the new "community budget" approach and a grant has been applied for to the Department for Communities and Local Government to provide tailored family support to the development of this model (£70,000). This will provide us with a 3 year budget projection in bringing down costs through a new approach.

The estimated savings that can be generated by delivering services in this way can be up to £81,624 per annum/per family, with £40,341 being attributed to the Local Authority itself (based on DFE Family Savings Calculator).

Based on 25 families successfully completing in the first year a £0.5m investment "could" generate reduced costs of £2m; £1m of which "would" directly reduce costs for the LA based upon the DFE Family Savings Calculator.

The recruitment process for the Intensive Family Support Service has commenced and it is estimated that the cost of this team together with additional investment that has been made in social care teams will enable us to respond to children in need at an earlier stage.

8. Timescale of impact

This approach will need investment initially in training and mentoring but over a period of 2/3 years will result in fewer children in care and therefore a reduction in budget allocations to this area of work.

9. Revision of the Safeguarding Improvement Plan (SIP) known as the Children's Partnership Improvement Plan (CPIP)

The Acting Head of Children's Services has revised the SIP and it was approved by the Safeguarding Improvement Board and the DfE on October 14th 2011. The impact of the changes is unlikely to be fully embedded in this financial year but should begin to have an impact in the next financial year, whilst retaining the council within its statutory safeguarding responsibilities. This will initiate a remodelling of current structures within localities and early intervention to enable them to follow a targeted model in support of vulnerable children.

New panel arrangements will now be put in place on a weekly basis to manage both the escalating number of children in care and to prevent additional children coming into the system. This will be implemented in November and run in parallel with the intensive family support model.

Appendix 3

Financial Position

Set out below is the financial position of the Care Trust Provider Arm as at 30th September 2011.

	Year to Date			Year End		
	Budget	Actual	Variance (Under)/ Over	Budget	Actual	Variance (Under)/ Over
Funding from Torbay Council	19,545	20,372	827	39,089	40,743	1,654
Torbay Care Trust Contract Income	13,093	13,093	-	26,183	26,183	-
NHS Devon Contract Income	16,949	16,949	-	33,897	33,897	-
Total Contract Income	49,586	50,413	827	99,169	100,823	1,654
Torquay North Zone	2,086	2,072	(14)	4,171	4,144	(27)
Torquay South Zone	1,845	1,823	(22)	3,689	3,645	(44)
Paignton North Zone	730	713	(17)	1,459	1,426	(33)
Paignton South Zone	1,149	1,140	(9)	2,298	2,280	(18)
Brixham Zone	817	792	(25)	1,633	1,584	(49)
Baywide Enabling Services Team (BEST)	2,247	2,294	47	4,494	4,587	93
Professional Practice (Clinical Services)	1,891	1,869	(22)	3,782	3,738	(44)
South - Dartmouth and Totnes	701	691	(10)	1,402	1,382	(20)
South - Ivybridge and Kingsbridge	1,274	1,271	(3)	2,548	2,543	(5)
South - Tavistock	663	663	-	1,325	1,325	-
South - Coastal	443	448	5	885	895	10
South - Newton Abbot	569	567	(2)	1,137	1,134	(3)
South - Moorland	263	259	(4)	526	518	(8)
South - Other Clinical Services	985	975	(10)	1,970	1,950	(20)
South - SD Community Hospitals	9,786	9,783	(3)	19,571	19,566	(5)
South - Torbay Community Hospitals	1,778	1,791	13	3,555	3,580	25
Community Based Teams/Clinical Services	27,223	27,147	(76)	54,445	54,297	(148)
Older People	8,036	8,224	188	16,072	16,448	376
Learning Disabled	3,470	4,046	576	6,939	8,091	1,152
Mental Health	1,351	1,421	70	2,701	2,841	140
Preserved Rights	1,079	1,072	(7)	2,157	2,143	(14)
Commissioned Social Care (Net of Client Charges)	13,936	14,763	827	27,869	29,523	1,654
Operations Management	3,152	3,152	-	6,304	6,304	-
Board, Executive and Support Services	5,276	5,276	-	10,551	10,551	-
Management/Support Services	8,428	8,428	-	16,855	16,855	-
Total Provider Services	49,586	50,337	751	99,169	100,675	1,506
(Surplus)/Deficit	-	(76)	(76)	-	(148)	(148)

Memorandum:

DCC Older People Commissioned Services (Net of Income)

21,065

Appendix 4

TORBAY CARE TRUST RECOVERY PLAN– CASH RELEASING EFFICIENT SAVINGS (CRES) 2011/12

To date this financial year, the schemes below have been implemented by the Care Trust and are reflected within the current financial forecast.

Fully Implemented Scheme	Saving £'000s
Operations Savings – Reconfiguration of St Edmunds, Reconfiguration of Fernham, Management Cost Savings (Redesign of Roles) & Change in Provision of Community Alarms	1,323
Social Care Commissioned - Preserved Rights Attrition	206
Social Care Commissioned – Increased Client Charges	202
Total Savings	1,731

In addition to the above schemes there is a supplementary list of CRES schemes (see table below) which it is anticipated will realise £685,000 savings in year and result in a year end overspend of £1,650,000

	Revised In Year Savings	FYE of Savings	Risks/Impact of Proposals
(1) Residential & Nursing Home Placements	100	150	
Attrition of Preserved Rights Clients	0	0	Occurs naturally - but savings for 11/12 already built into forecast overspend.
Reduction in residential placements	50	50	This is part of the way care is now delivered but it should be noted that the care home market which is currently under huge pressure. Need to consider impact of demographics in these figures.
Opening of Dunboyne (Relocate current care home clients/determine feasibility of transferring LD clients)	50	100	This will have a positive impact on those clients who are assessed as suitable for placements and packages of care should reduce on transfer.

(2) Domiciliary Care	235	685	
Renegotiation of contracts and hourly rates for Tier 1 - four main providers	60	120	Allows Trust to negotiate a better rate which is in line with neighbouring local authorities. Clients may prefer to accept a direct payment should their current provider not achieve AWP status. Looking to work with providers to lower their unit costs so as not to compromise the quality of care. (Excludes LD as those reductions captured elsewhere.)
Any Willing Provider (AWP) process for Tier 2 - lower hourly rates	25	65	
Actively review and intensively reable clients - equates to potentially a 10% reduction in client numbers with average size packages of care (i.e. 7.5 hrs)	150	500	Domiciliary care providers are experiencing financial pressures. (Review of clients through resource allocation system (RAS). Need to take into accounts an individual's carer/family support mechanisms and work with providers to review care packages more frequently to reduce services once outcomes achieved.)
(3) Other Reductions in Volume/Service Levels	350	730	
Respite/Short Term Placements – review frequency of respite care and/or tighten threshold for when given	30	75	Impact upon existing clients/carers/families.
Robust Adherence to Cost, Risk & Choice Policy - policy enables people to remain in their own homes. (Currently allows a 20% 'top up' over and above the cost of a care home placement.)	50	100	May impact on the number of clients admitted to a care home if this policy is strictly adhered to. Impact more likely to be felt on long standing clients. Currently 132 clients fall into this category with the exception of LD clients – however not all clients will be affected. Laision with each client on a case by case basis.
Contract management: * stricter contract management * maximise use of block beds at St Kilda * on-hold packages of care	75	150	Need to ensure transitional arrangements in place for clients whose RAS assessment varies greatly from the level of funding currently received.

Fairer Charging Policy	15	50	Some clients may be required to contribute more. Follows national charging mechanisms.
LD high cost clients (In 2011/12 mainly concentrates on reduction in high cost packages of care, i.e. adherence to RAS and Choice, Cost and Risk Policy which are not incorporated into above figures.)	75	250	Need to ensure safeguarding issues are still picked up and impact on individual's quality of life is recognised. There may be an impact upon in-house services and rationalisation of private sector.
Reduced day services for older people	105	105	Seeking to offer clients alternatives which hopefully reduce their social isolation and increase their independence at the same time. It's therefore about market development and allowing clients to use their personal budget in different ways which better meet their outcomes.
TOTAL	685	1,565	

Appendix 5

SAVINGS PROPOSALS 2011/12

Proposal	Action
Review all uncommitted expenditure on supplies and services. This is an ongoing exercise whereby Executive Heads will identify the impact and where savings will be made.	All Executive Heads
No journeys outside Devon (without approval by Commissioners).	All Executive Heads
All mail, where applicable to go second class but by email in preference.	All Executive Heads
Consider re- negotiation of contracts where possible:	All Executive Heads
Simplify and reduce the size of all council documents – external and internal.	All Executive Heads
Turn round expenses quarterly	All Executive Heads
Review discretionary rate relief policy – impact in 12/13	Executive Head Finance
Review of contractual commitments in relation to bus subsidies	Executive Head Spatial Planning
Review and implement new office hours.	Chief Executive TDA
Implement changes to Accommodation review ASAP	Adults and Operational Support Commissioner
Stronger stance on debt collection	Executive Head Finance
Reduce number of editions of Info from 12 to 6 and only available electronically	Executive Head Business Supports
Investigate charges for loans for ebooks?	Executive Head Residents and Visitors
All services to reduce mileage by 20% through better planning of meetings and visits	All Executive Heads
Charge for advertising on web site.	Executive Head Information Officer
Sell desirable places in carparks to individuals for set periods of time	Executive Head Residents and Visitors