

REPORT TO THE CARE SCRUTINY COMMITTEE

Committee:	Care Scrutiny Committee
Date:	14 November 2019
Title:	The Children and Supporting Families Department, Adults, Health and Wellbeing Department and the Housing and Property Department's savings proposals to meet their share of the potential £2m budget gap for 2020/21.
Purpose:	Scrutinise the proposals of the Children and Supporting Families Department, Adults, Health and Wellbeing Department and the Housing and Property Department to find the amount of savings and consider what those, or the alternative options, would mean.
Contact Officer:	Head of Children & Supporting Families Department – Marian Parry Hughes Head of Adults, Health and Wellbeing Department – Aled Davies Head of Housing and Property Department – Dafydd Gibbard
Cabinet Member:	Children and Supporting Families Department – Dilwyn Morgan Adults, Health and Wellbeing Department – Dafydd Meurig Housing and Property Department – Craig ab Iago

1. Introduction / Background

Over the past 12 years, the grant we receive from the Welsh Government has not been sufficient to meet inflation, which has led to a financial situation where the Council has had to make significant savings.

It is not possible at this time to give assurances on the financial position of 2020/21, as it is premature to confirm the pay agreement, financial settlement, the level of grant for 2020/21, as well as a number of other factors. However, we considered how we are going to cope with the situation, and the possibility that our settlement might not be adequate.

A report on coping with the 2020/21 financial position was presented to Cabinet on 23/7/19, which stated that the Council needed to plan on the basis of a financial gap with a range of between £2m and £7m. It was decided to plan on the basis that a £2m gap (the most optimistic situation) needed to be met by asking departments to find their share to address that amount, which corresponds to the resource deficit the Council is likely to face due inflation.

If the gap faced by the Council exceeds £2m, the intention is to use balances and/or set a higher increase on Council Tax to give us time to find a permanent solution.

2. Proportion to be found by Departments

The Council's accountants have apportioned the £2 million between departments, on the basis of a standard share of 0.78% of gross budgets, having adjusted for grants, etc. Departments were informed of their share of the sum to be found in July 2019, with the relevant amount for the Children and Supporting Families Department being £112,830, Adult, Health and Wellbeing Department being £488,270 and the Housing and Property Department £59,420.

Departments can identify part of the savings by not adding inflation in full or in part to some of the budgets that can be managed and reduced, such as travel costs, office supplies, etc. In addition, it is permissible to identify a new stream of income as a source, but it is not possible to raise the level of fees and charges to find the savings.

3. Departmental Proposals

See **Appendix 1** which contains the departmental proposals to meet the required amount, together with the implications of using the source as savings on the Department.

4. Historical Schemes yet to be realised

There are historical savings schemes that have already been approved where Departments now recognise that the savings cannot be realised. The schemes for the Children and Supporting Families Department and the Adults, Health and Wellbeing Department rewarded in detail by two task groups, the Children's Budget Task Force and the Adult Budget Task Force, which have been set up specifically to consider the financial challenges facing the care services.

Following the establishment of the new Housing and Property Department at the beginning of September, historic savings will be discussed at the Department's Performance Challenging meeting in early December.

Details of the relevant historical schemes can be found in **Appendix 2**.

5. Recommendations

Ask Members to:

- Approve departmental proposals to meet their share of relevant savings

Appendices

- Appendix 1 – Children and Supporting Families Department’s Savings Proposal List
 - Adults, Health and Wellbeing Department’s Savings Proposal List
 - Housing and Property Department’s Savings Proposal List

Appendix 2 – Historical Schemes yet to be realised

Children and Supporting Families Department's Savings Proposal List

Amount £	Budget Heading and Proposals	Impact on Residents
£53,000	Various - adjust inflation rates	No impact on residents
£30,000	Staffing - delete one post in the Youth Justice Service	No impact on residents. The service has recently undergone a process of restructuring duties. There was a vacant post in the service and there was a way to reallocate the work across the teams without a negative impact on the direct provision of services to young people and their families.
£30,000	Contribution - Supplies and Services - partial cut in the contribution to Women's Aid	Gwynedd is one of the few authorities that continues to contribute a core service budget to Women's Aid (£54,000). It is not a statutory requirement. This means less of an 'outreach' service for children and young people living in, or experiencing, domestic violence.
£113,000	Total	

Adults, Health and Wellbeing Department's Savings Proposal List

Amount £	Budget Heading and Proposals	Impact on Residents
<p>£43,850</p> <p>£7,550</p> <p>£16,660</p>	<p>No inflationary rise -</p> <ul style="list-style-type: none"> i. No inflation (CPI approximately 1.5%) on various budgets but excluding budgets for the commissioning of 3rd Sector Services where there are staffing costs. ii. No inflation (CPI about 1.5%) for the commissioning of 3rd Sector Services where there are staffing costs. iii. No contract inflation for 3rd sector organisations. 	<p>This would provide an element of additional pressure on a wide range of budgets but due to their nature this should not have a significant impact on residents. The elements that have staffing costs could have some impact on schemes where the 3rd sector supports work in the community.</p>
<p>£39,850</p>	<p>Budgets that underspend annually - a small number of budgets within the Department are underspending year on year. Instead of using the money to assist with budgets that overspend annually, it is proposed that these sums are reaped as savings.</p>	<p>Although reaping these funds would not impact on the budget headings it is possible that the services supported year on year would be placed under increased pressure with an increased risk of overspending from 2020/21 onwards. Any impact on residents would depend on succeeding in managing demand and expenditure in those budgets.</p>

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<p>£150,000</p>	<p>3rd Sector Contracts - across the adult sector all 3rd Sector contract agreements are equivalent to approximately £800,000. This funds a wide range of preventative services and also include statutory duties such as support for the blind and deaf and advocacy services.</p> <p>Work is already underway to review these contracts to ensure that they are reflecting the needs of our residents whilst also filling gaps at a local level that supports people achieving what matters to them. The review starts with a clean sheet rather than changing and modifying the current agreements. This phase would entail a review of all contracts and commissioning with £150,000 less budget.</p> <p>In principle the scale of the cut could be increased to meet the savings target and therefore protecting other services.</p>	<p>Reviewing these contracts and ensuring that they reflect the needs of our residents in a preventative way will make a significant contribution to our ability to help people to help themselves within their communities and thereby manage demand. Implementing this scheme would reduce our ability to manage demand and there will be fewer preventative options available to individuals in their communities. It is also anticipated that there will be an increased pressure and dependency on our frontline teams and the Information, Advice and Support Service (IAA), which will mean that these teams will not have the necessary capacity to spend time with individuals and families.</p> <p>Cutting this budget could probably lead to accusations of trying to promote the 3rd Sector in the effort to strengthen community resilience on the one hand and cutting the financial backing given to them on the other.</p>
<p>£21,000</p> <p>£21,000</p>	<p>Mental Health Support Workers -</p> <p>i. Cutting one support workers post</p> <p>ii. Cutting a second support worker post</p>	<p>It will not be possible to support individuals to the same extent to work on their care plans in order to work on recovery. This would weaken Gwynedd's contribution to achieving the objectives of the Regional Mental Health Strategy adopted by the Council. There is also a risk that cases cannot be closed in a timely manner due to a waiting list for services.</p>

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£49,360	<p>Business Support - re-structuring the Business Service by reducing the support provided to the integrated community resource teams.</p> <p>To further adjust and reduce the business support provided to frontline teams of Adult and Children's Departments.</p>	<p>These teams have already been reduced in the last savings cycle. It is foreseen that this scheme will result in a significant reduction in performance across the Business Service in terms of expertise, workload and leadership and that the knock-on effect of that would have a negative impact on the ability of the Adults and Children's Departments to fulfil their purpose. This, together with the need to allocate a proportion of field staff time to undertake administrative duties, would impact on a broad cross section of individuals and families in receipt of support.</p>
£19,000	<p>Carers Services - reduce the budget for supporting carers including some respite schemes.</p>	<p>This could work against efforts to enable people to remain in their homes supported by their families and community, and potentially risk a rise in care costs in other budgets.</p>
£120,000	<p>Older People, Learning Disabilities and Mental Health Services - reduce respite and day care opportunities across services but mainly in the Learning Disability Service</p>	<p>This is likely to increase pressure on carers and families caring for adults with complex and profound care and behavioural needs. Pressure and stress on vulnerable carers could increase together with the need for long-term and perhaps out of county placements.</p>
£488,270	Cyfanswm	

Housing and Property Department's Savings Proposal List

Amount £	Budget Heading and Proposals	Impact on Residents
£35,000	Building Maintenance - internalise the statutory work of inspecting water systems in all Council buildings to protect users from Legionnaires Disease.	<p>None. This is an efficiency saving which will mean that the work will still be completed but in a cheaper way.</p> <p>Specialist external contractors currently do the work. We have been nurturing this expertise internally recently and, now, by appointing two additional officers, we can do this work ourselves at a lower cost than paying a private company to do it on our behalf.</p> <p>This will also mean that we can guarantee a Welsh-medium service from now on - this is not always true when using external contractors.</p>
£25,000	Building Maintenance - internalising electrical maintenance work in Council buildings.	<p>None. This is an efficiency saving which will mean that the work will still be completed but in a cheaper way.</p> <p>Traditionally, the Council has been appointing external contractors to complete all its building maintenance work. Overall, this works effectively but there are continued problems when trying to do small-scale work, worth a few hundred pounds at a time. The lead-in time for customers was long and the cost higher than what is acceptable.</p> <p>Over the past two years, we have appointed our own joiners and plumbers to do this type of work, and this has allowed us to reduce the lead-in time for our customers and has allowed us to ensure that we get better value for money. We have created a</p>

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		<p>business case that shows that further savings could be realised by employing two electricians ourselves.</p> <p>This will also mean that we can guarantee a Welsh-medium service from now on - this is not always true when using external contractors.</p>
£60,000	Total	

Historical Schemes yet to be realised

Historical Savings Schemes that will not realise savings

Amount £	Savings Scheme
	Children and Supporting Families
£1,452,200	End to End Review. £370,100 for 2019/20 and the balance of £1,082,100 for 2020-21 onwards. £587k has already been realised.
£1,452,200	
	Adults, Helath and Wellbeing
£113,000	Improve the efficiency of fieldworkers. £37k already realised.
£100,000	Commission wisely within the Mental Health Service.
£64,000	Automate the Department's financial processes. £46k already realised.
£510,000	Integration and transformation of Older People's Services. £350k already realised.
£534,000	Extend the principles of the Alltwen Pilot Scheme across the Service.
£1,321,000	
	Housing and Property
£89,000	Review the structures and existing locations of the Housing Service. £41k already realised.
£89,000	
£2,862,200	Total

