

SURREY COUNTY COUNCIL

LEADER

DATE: 9 OCTOBER 2013

LEAD OFFICER: NICK WILSON, STRATEGIC DIRECTOR OF CHILDREN, SCHOOLS AND FAMILIES

SARAH MITCHELL, STRATEGIC DIRECTOR ADULT SOCIAL CARE

SUBJECT: APPROVAL OF BUDGET VIREMENTS IN EXCESS OF £250,000



SUMMARY OF ISSUE:

Approval of the Leader is required for budget virements in excess of £250,000 between directorates. This report concerns a virement of £1.792m relating to the provision of housing for vulnerable young people from the supporting people budget in Adult Social Care to the Youth Support Service budget in Children, Schools and Families.

RECOMMENDATIONS:

It is recommended that:

1. Management of the supporting people housing contracts which support young people is transferred to the Children, Schools and Families Directorate.
2. A virement of £1,792,355 be approved in 2013/14 from Adult Social Care Directorate to Children Schools and Families Directorate. This being the value of the existing contracts, including a pro-rata element of the Supporting People efficiency target relating to these contracts. Also that the virement be adjusted in future years up to 2016/17 to reflect the 2013-18 Medium Term Financial Plan (MTFP) efficiencies relating to those contracts.

REASON FOR RECOMMENDATIONS:

Virement approval is sought to facilitate the transfer of responsibility for managing housing contracts currently funded by the supporting people budget in Adult Social Care to Children, Schools and Families. Currently housing provision for young people is commissioned separately for different groups and from different budgets across the two directorates. Combining these budgets will allow a single commissioning process to be created for these services improving value for money and outcomes by pooling budgets and commissioning in a more co-ordinated fashion.

DETAILS:

1. The Council's financial regulations were revised and approved by the County Council on the 8 May 2012. Regulation 2.16 stipulates that budget virements in excess of £250,000 must be approved by the Leader in consultation with the relevant Cabinet Member.
2. The virement set out in this report relates to housing services for young people which are currently funded by the Supporting People budget within Adult Social Care Directorate.
3. The county council has responsibilities to ensure adequate housing for a range of young people namely:
 - 16/17 year olds who are LAC and ready for semi-independence,
 - 16/17 year olds who are not LAC but have become homeless and are assessed as Children in Need,
 - 16-17 year olds in the criminal justice system who cannot go home for bail and remand purposes,
 - 18-21 year old care leavers who are unable to source or fund accommodation independently for instance due to their high level of need or through having no recourse to public funds,
 - Other young people who are vulnerable and homeless / with a housing need but who are not eligible for leaving care services, particularly those who have been homeless at 16/17 but have not become LAC.

Currently housing provision for these young people is commissioned separately for different groups and from different budgets within the Children, Schools & Families (CSF) and Adult Social Care (ASC) Directorates budgets.

4. A strategic review of young people services was carried out within the Supporting People team and led to a decision to carry out a Rapid Improvement Event (RIE) in June 2012. The RIE recommended there should be a single commissioning process for these services and the appropriate place for commissioning these contracts would be Youth Support Services within the Children, Schools and Families Directorate. This ensures that the Council is able to maximise value for money through pooling budgets and commissioning in a more co-ordinated fashion. It will also facilitate pooling of the supporting people budget with a similar budget within Children's Services relating to care leavers. It is anticipated that this coordinated approach along with robust contract management will lead to efficiency savings and more effective provision.
5. The Cabinet Members for CSF and the then Cabinet Member for ASC agreed that the young people's element of the supporting people budget, along with the associated contracts should transfer to CSF for completeness.
6. The Supporting People team, within Adult Social Care Directorate, has identified those contracts which related to young people and have, since June 2012, worked jointly with Children, Schools and Families in respect of commissioning intentions. The total value of these contracts, which will end by March 2014, was £1.841m in 2012/13. Both Directorates have been working jointly with providers to enable a smooth handover of the existing contracts.

7. The young people’s element of the Supporting Peoples budget is relatively small (12%) so it has not been necessary to transfer staff to manage the contracts particularly as ASC are looking to streamline processes in order to achieve efficiencies and the activity involved is a good fit with existing CSF plans.
8. The proposal is to transfer the budget of £1.841m for these contracts to Youth Support Services within the Children, Schools and Families Directorate. However, within the Council’s Medium Term Financial Plan (MTFP) an annual efficiency of £0.4m has been planned against the overall supporting people budget of £15.2m for each of the five years to 2016/17. The pro rata share of the efficiency relating to the contracts whose management is to be transferred is £48,402, leaving a budget to transfer of £1.792m in 2013/14. Further efficiencies of £48,402 pa will be required until 2016/17 to meet the MTFP efficiency target. Overall the efficiency target transferred to Children’s Schools and Families equates to a 2.6% efficiency each year until 2016-17 as set out in the table below:

	2013-14	2014-15	2015-16	2016-17
Transfer to Children’s	1,840,757	1,792,355	1,743,953	1,695,551
Efficiency element	-48,402	-48,402	-48,402	-48,402
Amount to be vired	1,792,355	1,743,953	1,695,551	1,647,149

CONSULTATION:

9. District and Boroughs, and external providers have been involved in the consultation regarding the proposed budget transfer from Adults to Children, Schools and Families.

RISK MANAGEMENT AND IMPLICATIONS:

10. All budgets in the Children Schools and Families Directorate are being monitored during 2013/14 in line with a risk based approach that ensures appropriate emphasis is placed on high risk items.

Financial and Value for Money Implications

11. All existing contracts will transfer, if approved, with the current level of budget, less a percentage of the Supporting People efficiency target. Achieving the identified efficiency savings will be challenging as there is currently an inadequate supply of suitable supported accommodation for young people. It is however anticipated that this can be achieved through having a single process for commissioning supported housing services for young people and via the ongoing commissioning project within CSF. This will entail redesign / recommissioning of both the supporting people provision and provision bought and funded directly by Surrey Children’s Services. This coordinated approach is likely to both increase the quality and availability of provision and achieve economies.

Section 151 Officer Commentary

12. This is the formal virement report to facilitate the transfer of contracts for young people’s housing from the Adult Social Care to the Children Schools and Families

Directorate. The budget being transferred is £1.792m in 2013/14 plus the commitment to achieve planned efficiencies of £48,402 for the subsequent three years 2014/15 to 2016/17. Creating a single point for commissioning these services within the council will contribute to the achievement of these efficiencies.

Legal Implications – Monitoring Officer

13. There are no specific legal implications arising from this report.

Equalities and Diversity

14. This is a technical finance report seeking to vire budgets between directorates.

WHAT HAPPENS NEXT:

The budget will be adjusted in line with the approved virement. Payment and monitoring of contracts will transfer to the Youth Support Service.

Contact Officer:

Deirdre Linehan, Senior Principal Accountant, 020 8213 2684

Consulted:

Mary Angell, Cabinet Member for Children and Families

Mel Few, Cabinet Member for Adult Social Care

Paula Chowdhury, Strategic Finance Manager, Children, Schools and Families

Joanne Parkinson, Commissioning Manager, Learning Disabilities, (Adult Social Care)

Ben Byrne, Head of Youth Support Service (Children, Schools and Families)

Kathryn Brooks, Area Manager, Youth Support Services (Children, Schools and Families)

Annexes: None

Sources/background papers:

- Council's Medium Term Financial Plan
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