

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**CABINET EXECUTIVE**

**11 April 2017**

**REPORT AUTHOR:** County Councillor Stephen Hayes  
Portfolio Holder for Adult Services

**SUBJECT:** Response of the Cabinet to Joint Adult Social Care and  
Audit Committee report on 'Adult Social Care  
Overspend' and follow-up correspondence

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**REPORT FOR:** Information

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**Purpose**

The purpose of this brief report is to provide a Cabinet response to the Joint Adult Social Care and Audit Committee report on the Adult Social Care Overspend ('the Audit/Scrutiny paper') and follow-up correspondence. It seeks to provide context and an update on positive progress and addresses the specific follow-up issues raised by the Joint Scrutiny and Audit Committee. This response fully recognises the valuable role of scrutiny and audit in relation to good governance and organisational improvement.

**Context**

National pressures on social care are now well understood. In England a £2bn investment has now been committed by the Westminster Government over the next three years to help manage what many commentators are calling a crisis, whilst a longer term and sustainable approach to funding social care is determined. In Wales, an announcement has been made in relation to potential Welsh consequential funding, with the detail yet to follow. Cabinet has recognised the pressure on social care within Powys and is supporting the service to enable service change. This change will take some time to work through and a three year trajectory has been adopted. Good progress has been made with the planning for year one of this period, as reported through the Strategic Overview Board and further work is underway in relation to the following two years under the umbrella of the Health and Care Strategy.

**Progress in Year**

It is important to acknowledge that significant progress is being made in relation to a number of the key areas addressed by the Audit/Scrutiny paper.

**1. Development and utilisation of service and financial information**

As the Audit/Scrutiny paper identifies, the timely availability of robust and validated service information and financial information is essential to budget management and forward planning. Having a consistent source of integrated information that benchmarks with others would support service leaders and managers and organisational leaders including Elected Members to work from

'one clear version'. This was particularly and helpfully illustrated in the work of the Joint Committee and underlines the importance of the improvement work required. This is a corporate responsibility which must continue to improve over the coming year, especially but not only in relation to social care. It is important that all relevant information, reliably sourced and validated, is equally available to scrutiny and audit committees to promote a comprehensive approach.

## 2. Implementation of in-year savings plan

Significant progress has been made on in-year financial management. The over-spend in adult social care projected earlier in the financial year is likely to reduce by around £750k by year end, as a result of actions initiated by the Heads of Service as part of the service's recovery plan: identifying the scale of the financial challenge, securing financial expertise to help provide greater clarity, and ensuring rapid action in specific areas including Learning Disabilities services and residential care.

## 3. Base budget review

This is important work that was identified as an organisational priority in the Recovery Plan. The Strategic Director of Resources and interim Strategic Director of People are working together on this, however securing sufficient expertise will be important.

## 4. Short/medium/long term strategy

The Strategic Overview Board has received a detailed presentation on the key considerations for strategic development. A one year plan has been developed and is being implemented. The long term Health and Care Strategy now been approved and work to commence implementation will start shortly.

### **Further work required**

- The understanding which has emerged from recent events of the importance of reliably sourced and validated data, and adequate resourcing of corporate financial support to service delivery, will continue to require improvement and monitoring at management team and cabinet level.
- Continuation of change within the service, both in practice and culture, will be crucial to effective budgeting in 2017-18 and beyond. Demand management and early intervention, in accordance with the Social Services and Wellbeing Act, will be essential components of future budget responsibility.
- Portfolio-holder challenge and scrutiny overview, together with the assurance role of the Regional Partnership Board, will have a key contribution to make in ensuring intentions are translated into practice.

## Conclusion

In summary:

- The Audit/Scrutiny paper rightly and effectively highlighted the extent of concern over the scale of the projected 2016-17 overspend in Adult Social Care
- Challenges of service demand and funding are a national issue and Powys is not immune. The Audit/Scrutiny paper sits within this wider context.
- As identified in the paper, timely, reliably sourced and validated statistical, financial and service data is essential both for budget management and for future service planning. The same data should be available to audit and scrutiny bodies to facilitate their work
- The leadership team in adult social care acted swiftly to secure additional accountancy input and is making good progress in service change
- Positive results have been achieved with improved financial performance and a reduction in financial overspend over the last few months. This validates specific initiatives and cultural change work within the service.
- Significant change in the approach to services to move to an early intervention/demand management model will be a focus for the coming three years and will require political, practitioner and public engagement and support to be successful.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<b>To endorse and adopt this paper as the Cabinet response to the Joint Adult Social Care and Audit Committee report and further correspondence, including progress made in implementing improvements.</b>	<b>Response to the Joint Adult Social Care and Audit Committee report on 'Adult Social Care Overspend'</b>

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