

# Report on the Panel's Scrutiny of the Social Services Budget

6th March 2001

## 1. Background

- (a) Arising from consideration of the Budget Monitoring reports submitted to the Personal Services Committee, the Chair and Deputy Chair of this Panel met the Cabinet Deputy (Personal Services) and the Strategic Director (Social Services), whom were subsequently invited to attend the Panel,
- (b) In addition to wishing to discuss matters relating to the Social Services Budget deficit, the Panel also interviewed the Cabinet Deputy and the Strategic Director about proposed reductions of payments to foster carers.

## 2. Social Services Budget

- (a) In September 2000, in a report to the Personal Services Committee, a projected overspend of £1 million was reported. This was subsequently increased to £1.25 million and at the following Council meeting the projected overspend was reported to be approximately £1.57 million.
- (b) From 6th September 2000 to date, the projected overspend had increased by £570,000.
- (c) The Strategic Director indicated that the initial overspend of £1 million had been approved by the Council and this had been built into the three year budget plan. It had been intended to bring the budget in to balance by 2002/2003, but in view of the increased overspend, it was now felt that an additional year would be required, with a balanced budget now expected in 2003/2004.
- (d) It was recognised that Tameside was not the only Social Services Department which had overspent, although the average overall overspend was 2.1%, the average overspend for metropolitan districts was 2.3% and in Tameside the overspend was 2.4%.
- (e) The Panel recognised that the budget overspend was mainly due to increasing demands on services. The Panel was informed that although the cost of the Social Services Management structure had decreased by 19% and was continuing to decrease, the budget had this year been enhanced to meet initial costs.
- (f) The Panel noted the intention to try to make savings elsewhere in the staffing structure. Although a new Head of Operations had been appointed, corresponding reductions in third and fourth tier management posts had also been achieved, ie unit business managers and team leaders.
- (g) The Panel placed considerable importance on the speedy implementation of the introduction

of the planned staffing savings, together with the already implemented procurement policy for service delivery.

- (h) The Panel recognised that the most significant proportion of the Social Services Budget related to personnel costs but felt that there were still further opportunities to reduce capital assets in terms of office accommodation and other costs. The whole Council was under an obligation to increase efficiency by these means during the next financial year by 2%.

Detailed proposals which exceeded the 2% efficiency target were in place within the Social Services Budget strategy to balance the budget by 2003/2004; and in addition, the Department of Health required all local social services authorities to make efficiency gains of 3% in 2001/2002.

#### **Recommendation**

That the Cabinet Deputy (Personal Services) and the Strategic Director (Social Services) be recommended to review the budget overspend and consider innovative ways of reducing management and administrative costs of the service which would have the least impact of service users.

### **3. Payments to Foster Carers**

- (a) The Social Services and Housing Committee had approved a policy of reducing the overall cost of children in the looked after system, by increasing the payment to existing foster parents in expectation that additional families would come forward and foster children. The additional costs incurred would be more than offset by the reduction in the number of children having to be placed in very expensive children's homes.
- (b) This strategy had not proved successful in attracting further foster carers and therefore, it had not been possible to foster more children and overall costs had increased. This had helped caused budget overspends.
- (c) To off set some of this overspend, it had been proposed to reduce payments to foster carers by reducing some of the previously increased payments. This proposal had resulted in the receipt of a series of letters of complaint and concern. It was clear from the letters that the proposal had done much to adversely affect the good will of existing foster carers and would discourage other people to take up foster caring.
- (d) The Panel did not feel that these proposals would resolve the recruitment of further foster carers which was clearly a key strategy for the Service.

#### **Recommendation**

Whilst the Panel welcomed the decision of the Cabinet Deputy and Strategic Director to arrange for all foster carers to have personal meetings with staff from Social Services, it was felt that further action was required to restore relations with existing carers and recruit new foster carers.

It was further recommended that the Cabinet Deputy (Personal Services) and the Strategic Director (Social Services) further review the system of payments to foster carers to encourage the fostering of older more challenging children.

Innovative ways should be adopted to maintain the ongoing strategy of reducing the reliance

on children's homes.