

Finance

Appendix 3

		Children £000K	Adults £000K	TOTAL £000K
<i>Scenario</i>	Additional Annual costs of re-grading	811	779	1,590
1	Savings assuming 20% reduction in agency Net Cost	141 670	110 669	1,339
2	Savings assuming 50% reduction in agency Net Cost	352 459	275 504	963
3	Savings assuming 80% reduction in agency Net Cost	564 247	440 339	586
4	Savings assuming 100% reduction in agency Net Cost	705 106	550 229	335

2015-16 Additional Costs

If the staff re-grading is implemented from 1st October 2015, and agency expenditure can be reduced by 20% from 1st January 2016, the following details the additional costs in 2015-16 (note this does not address the underlying £1.2m overspend in Children's Social Care).

Additional cost of staff	£0.80m
Saving from reduced agency	£0.06m
Net cost to CFA	£0.74m

2015-16 Funding

Care Act	£0.14m
CFA Reserves	£0.60m
Available funding	£0.74m

The full-year cost from 2016-17 onwards will be met within CFA resource by additional savings linked to the quality improvements made by securing a permanent workforce. The re-grading proposal will not create an additional pressure for business planning and will be offset by additional savings through reduced agency spend and successful demand management.