



SOCIAL SERVICES SCRUTINY COMMITTEE - 24TH JANUARY 2023

SUBJECT: BUDGET MONITORING REPORT (MONTH 7)

REPORT BY: CORPORATE DIRECTOR FOR SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

- 1.1 To inform Members of projected revenue expenditure for Social Services for the 2022/23 financial year and its implications for future financial years.

2. SUMMARY

- 2.1 The report will identify the reasons behind a projected overspend of £1,447k for Social Services in 2022/23, inclusive of transport costs.
- 2.2 It will also consider the implications of this projected overspend on Social Services reserve balances and for future financial years.

3. RECOMMENDATIONS

- 3.1 Members are asked to note the projected overspend of £1,447k along with its implications on reserve balances and future financial years.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure Members are apprised of the latest financial position of the Directorate.

5. THE REPORT

5.1 Directorate Overview

- 5.1.1 On 9th September 2022, the Social Services Scrutiny Committee received the month 3 budget monitoring report, which identified a revised budget for Social Services of £107,957,463 following a number of budget virements that were explained within that report.
- 5.1.2 There have been no further budget virements approved since that date so the revised 2022/23 budget for Social Services remains at £107,957,463.
- 5.1.3 Information available as at 31st October 2022 suggests a potential overspend of £1,668k against the revised budget identified above. Details of this potential overspend are provided in sections 5.2, 5.3 and 5.4 of this report and in appendix 1.

- 5.1.4 In addition to the revised budget for Social Services identified above, a further £1,625,981 is included in the Economy & Environment Directorate budget in respect of transport costs for social services. Current information suggests a potential underspend of £221k against this budget as a result of reduced costs of transport to day centres.
- 5.1.5 This potential underspend in respect of transport costs would partially offset the potential overspend against the Social Services revised budget, resulting in a net overspend of £1,447k as summarised below:-

Division	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Children's Services	29,421	33,400	3,979
Adult Services	76,287	73,977	(2,310)
Service Strategy & Business Support	2,249	2,248	(1)
Sub-Total Directorate of Social Services	107,957	109,625	1,668
Transport Costs	1,626	1,405	(221)
Grand Total	109,583	111,030	1,447

5.2 Children's Services

- 5.2.1 The Children's Services Division is currently projected to overspend its budget by £3,979k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	10,269	9,582	(687)
Residential Care Incl. Secure Accommodation	8,146	12,788	4,642
Fostering & Adoption	9,118	9,238	120
Youth Offending	435	435	0
Families First	8	7	(1)
After Care Support	837	772	(65)
Other Costs	608	578	(30)
Totals: -	29,421	33,400	3,979

Management, Fieldwork and Administration

- 5.2.2 The month 5 budget monitoring report received by the Social Services Scrutiny Committee on 11th October identified the reasons for a £645k underspend in this area. Further staff turnover across the Children's Services has increased this underspend to £687k.

Residential Care Including Secure Accommodation

- 5.2.3 The division has seen a net increase of 2 children placed in residential care since the month 5 position was reported to Members in October. This has increased the overspend in this area by £372k since month 5, resulting in a potential overspend of £4,642k.

Fostering and Adoption

- 5.2.4 An increase in demand for in-house foster care placements and special guardianship arrangements since month 5 has resulted in a potential overspend of £91k for fostering and adoption placements. This has been partially offset by £67k of new grant funding. However, the professional fees associated with the growth and increasing complexity of children looked after cases is expected to add a further overspend of around £96k.

Aftercare and Other Children Looked After Services

- 5.2.5 An increase in the number of children placed with family members has reduced the potential underspend in this area since month 5 by around £22k to £65k.

Other Costs

- 5.2.6 The late notification of one-off grant funding awarded by Welsh Government to support vulnerable children and their families is expected to result in an underspend of £30k in respect of other services offered by the Children's Services division.

5.3 **Adult Services**

- 5.3.1 The Adult Services Division is currently projected to underspend its budget by £2,310k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	9,027	9,146	119
Own Residential Care and Supported Living	7,146	6,754	(392)
Own Day Care	4,196	3,196	(1,000)
Supported Employment	74	74	0
Aid and Adaptations	824	886	62
Gwent Frailty Programme	2,517	2,365	(152)
Supporting People (net of grant funding)	0	0	0
External Residential Care	18,215	19,425	1,210
External Day Care	1,783	1,250	(533)
Home Care	12,129	10,498	(1,631)
Other Domiciliary Care	17,919	17,866	(53)
Resettlement	(1,020)	(1,020)	0
Services for Children with Disabilities	2,138	2,135	(3)
Other Costs	1,339	1,402	63
Totals: -	76,287	73,977	(2,310)

Management, Fieldwork and Administration

- 5.3.2 The £119k projected overspend in this area can be attributed to a number of fixed term appointments made to tackle backlogs and improve transition from children's services.

Own Residential Care and Supported Living

- 5.3.3 Of the £392k underspend forecast in respect of our own residential care and supported living homes, around £211k can be attributed to additional service user contributions following a recovery in occupancy levels in our residential homes as a result of the easing of Covid 19

restrictions. The remaining underspend can largely be attributed to a reduction in the staff support required at Clos Tir y Pwll supported living home and vacancies in the peripatetic staff team.

Own Day Care

- 5.3.4 Alternative service provision within our own day opportunities is expected to result in an underspend of £1,000k. This assumes that current service levels will be maintained throughout the current financial year pending the outcome of the planned co-production of a model for day services.

Aids and Adaptations

- 5.3.5 The projected overspend of £62k in this area reflects the level of demand for disability living equipment provided by the Gwent Integrated Community Equipment Service during the early part of the financial year.

Gwent Frailty Programme

- 5.3.6 The underspend of £152k in respect of the Gwent Frailty Programme reflects the continued difficulties in recruiting Reablement Support workers and Emergency Care at Home staff.

Supporting People

- 5.3.7 Welsh Government grant funding for Supporting People Services is expected to amount to around £8.4 million for 2022/23. Current forecasts suggest this funding will be spent in full despite a significant reduction in the contributions that will be made towards the cost of supported living placements funded by the Adult Services division.

External Residential Care

- 5.3.8 The easing of Covid 19 restrictions in residential homes has enabled increased occupancy levels within those homes since the 2022/23 budget was set, both in terms of long term placements and respite care. Demand for these placements has continued to increase over recent months resulting in a potential overspend of £1,210.

External Day Care

- 5.3.9 External day care provision has not yet recovered to pre-pandemic levels resulting in a projected underspend of £533k.

Home Care (In-House and Independent Sector)

- 5.3.10 The £1,631k underspend in respect of Home Care includes £415k in respect of in-house service provision and £1,216k in respect of independent sector provision. The underspends for both in-house and independent sector home care reflect the staff recruitment difficulties faced across the sector that have culminated in around 950 weekly hours of unmet need. The forecasts included in this report reflect current service provision so if staff recruitment can be improved this underspend could be significantly reduced.

Other Domiciliary Care

- 5.3.11 Shared lives care provision has continued to increase since month 5 but is still significantly below pre-pandemic levels, resulting in a potential underspend of £336k. Further underspends are forecast due to a reduction in extra care service provision (£115k) and the termination of some direct payment arrangements (£75k). However, this has been partially offset by increased demand for supported living placements (£347k) and a reduction in Supporting People contributions towards the cost of supported living placements (£124k). All this has contributed to a net underspend of £53k in this area.

Children with Disabilities

- 5.3.12 Additional income from Aneurin Bevan University Health Board for care provided at Ty Hapus respite home has led to a potential underspend of £51k, This has been partially offset by the full year impact of a supported lodging placement that commenced late in 2021/22 and an increase in demand for direct payments, resulting in a net underspend of £3k in respect of services for children with disabilities.

Other Costs

- 5.3.13 The £63k overspend in respect of other costs can be attributed to additional staffing cover for the Telecare help line.

5.4 Service Strategy and Business Support

- 5.4.1 The service area is currently projected to underspend by £1k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management and Administration	941	919	(22)
Office Accommodation	251	294	43
Office Expenses	144	121	(23)
Other Costs	913	914	1
Totals: -	2,249	2,248	(1)

Management and Administration

- 5.4.2 The underspend of £22k in respect of management and administration includes £10k as a result of reduced mileage claims following the growth of virtual meetings post-pandemic. The remaining £12k underspend can be attributed to staff turnover within the Financial Services Team.

Office Accommodation

- 5.4.3 The overspend of £43k in this area includes a £12k reduction in income from the Gwent Joint Safeguarding Business Unit following their move out of Ty Penallta. The remainder of the £43k overspend is largely due to the additional offices used to accommodate staff that have been relocated from Ty Pontygwindy.

Office Expenses

- 5.4.4 The underspend of £23k in this area is due to reduced printing and postage costs as a result of a growth in virtual meetings and home working following the Covid 19 pandemic.

5.5 Impact of the Potential Overspend on Service Reserve Balances and Future Financial Years

- 5.5.1 The Social Services general reserve balance currently stands at around £2.278million. Therefore, the projected in-year overspend of £1,447k could be funded from the general service reserve balance. However, this would reduce the general service reserve balance to around £831k which is just 0.77% of the total annual budget for Social Services, which poses a significant risk for future years given the impact that the current cost of living crisis is having on vulnerable families and the increasing costs faced by our care providers.

- 5.5.2 Furthermore, the underspend forecast for Adult Services in 2022/23 is largely due to alternative day service provision and staff shortages within the domiciliary care market. With the co-production of a model for day services imminent and ongoing strategies to improve staff recruitment and retention across the social care sector, it is unlikely that Adult Services will underspend in 2023/24. These matters are being considered and quantified as part of the process of formulating the 2023/24 Draft Budget Proposals for Cabinet consideration on the 18th of January 2023.

5.6 Conclusion

- 5.6.1 The projected in-year overspend of £1,447k does not pose a significant risk for the current financial year. However, the depletion of service reserves, ongoing financial pressures within Children's Services and across the social care market coupled with a post-pandemic recovery to normal service levels within adult services are likely to cause significant financial pressures within 2023/24 and beyond.

6. ASSUMPTIONS

- 6.1 The projections within this report assume that the agreed pay award for 2022/23 will be matched by a budget virement from the corporate contingency budget that was created for this purpose.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 An Integrated Impact Assessment is not needed because the issues covered are for information purposes only.

8. FINANCIAL IMPLICATIONS

- 8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no direct personnel implications arising from this report.

10. CONSULTATIONS

- 10.1 All consultation responses have been incorporated into this report.

11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

Author: Mike Jones, Financial Services Manager, jonesmj@caerphilly.gov.uk

Consultees: David Street, Corporate Director for Social Services and Housing, street@caerphilly.gov.uk
Jo Williams, Assistant Director for Adult Services, willij6@caerphilly.gov.uk
Gareth Jenkins, Assistant Director for Children's Services, jenkig2@caerphilly.gov.uk
Stephen Harris, Head of Financial Services and S151 Officer, harrisr@caerphilly.gov.uk
Cllr. Elaine Forehead, Cabinet Member for Social Care, forehe@caerphilly.gov.uk
Cllr. Donna Cushing, Chair, cushid@caerphilly.gov.uk

Cllr. Marina Chacon-Dawson, Vice-Chair, chacom@caerphilly.gov.uk

Appendices:

Appendix 1 Social Services Budget Monitoring Report 2022/23 (Month 7)