



EDUCATION AND SOCIAL SERVICES SCRUTINY COMMITTEE - 30TH JANUARY 2024

SUBJECT: 2023/24 BUDGET MONITORING REPORT (MONTH 7)

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

1.1 To inform Members of projected revenue expenditure for Social Services for the 2023/24 financial year and its implications for future financial years.

2. SUMMARY

2.1 The report will identify the reasons behind a projected underspend of £2,749k for Social Services in 2023/24, inclusive of transport costs.

2.2 It will also consider the implications of this projected underspend on Social Services reserve balances and for future financial years.

3. RECOMMENDATIONS

3.1 Members are asked to note the projected underspend of £2,749k 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 for Social Services.

5. THE REPORT

5.1 Social Services Overview

5.1.1 On 30th May 2023, the Social Services Scrutiny Committee received the 2023/24 Social Services Revenue Budget report, which identified a total budget for Social Services of £127,137,247. However, in September 2023, the office accommodation at Unit 5 on the Woodfieldside Business Park was adopted as a corporate property and as a result, £9,834 was vired from the Social Services budget to the Property Services budget.

5.1.2 This virement resulted in a revised budget for Social Services of £127,127,413 and information available as at 31st October 2023 suggests a potential underspend of £2,292k against this revised budget. Details of this potential spend are provided in sections 5.2, 5.3 and 5.4 of this report and in appendix 1.

- 5.1.3 In addition to the revised budget for Social Services identified above, a further £1,753,733 is included in the Economy & Environment Directorate budget in respect of transport costs for Social Services. Current information suggests a potential underspend of £457k against this budget as a result of reduced costs of transport to day centres.
- 5.1.4 This potential underspend in respect of transport costs would add to the potential underspend against the Social Services revised budget, resulting in a net underspend of £2,749k as summarised below:-

Division	Revised Budget (£000's)	Projection/ Commitment (£000's)	(Over)/Under Spend (£000's)
Children's Services	35,943	36,109	(166)
Adult Services	87,487	85,343	2,144
Service Strategy & Business Support	3,697	3,383	314
Sub-Total Directorate of Social Services	127,127	124,835	2,292
Transport Costs	1,754	1,297	457
Grand Total	128,881	126,132	2,749

5.2 Children's Services

- 5.2.1 The Children's Services Division is currently projected to overspend its budget by £166k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	(Over)/Under Spend (£000's)
Management, Fieldwork & Administration	11,771	10,924	847
Residential Care Incl. Secure Accommodation	12,627	13,022	(395)
Fostering & Adoption	9,753	10,090	(337)
Youth Offending	478	435	43
Families First	4	4	0
After Care Support	771	1,051	(280)
Other Costs	539	583	(44)
Totals: -	35,943	36,109	(166)

Management, Fieldwork and Administration

- 5.2.2 The Children's Services Division continues to experience difficulties in recruiting social work staff, which has resulted in the underspend in respect of management, fieldwork and administration increasing to £847k

Residential Care Including Secure Accommodation

- 5.2.3 While the new residential facilities at Ty Heulog and the Firs are being adapted, the Children's Services Division has entered in to some short term lease arrangements in order to accommodate children requiring residential care. These temporary homes have been staffed using agency staff, which has added around £334k to the cost of in-house residential care for children since the month 5 position was reported to Members. Increased demand for mother and baby placements has added a further cost of £115k since month 5. These additional pressures have turned the £54k potential underspend reported for period 5 in to a potential overspend of £395k at month 7.

Fostering and Adoption

- 5.2.4 An overspend of around £337k in anticipated in respect of fostering and adoption services for 2023/24. The increasing complexity surrounding children placed with foster carers has contributed around £218k of this total overspend through additional legal and medical professional costs. The remainder of the overspend can be attributed to an increase in the number of Special Guardianship Orders since the 2023/24 budget was set.

Youth Offending

- 5.2.5 Following a freeze in contributions in to the Blaenau Gwent and Caerphilly Youth Offending Service over several years, the Local Management Board (LMB) agreed to uplift contributions by 10% annually commencing in 2022/23, in order to keep pace with increasing costs. However, in light of the financial pressures faced by partner organisations in 2023/24, the LMB subsequently agreed a one-off reimbursement to partners from service reserves to mitigate the 10% increase in contributions required in 2023/24. This has resulted in a £43k underspend in respect of Caerphilly Children's Services contribution to the YOS partnership.

Aftercare and Other Children Looked After Services

- 5.2.6 The potential overspend to £280k in this area reflects the increase in numbers of care leavers with continuing support packages since the 2023/24 budget was set, with support being provided for longer periods.

Other Costs

- 5.2.7 The demand for advocacy and family support services funded through spot purchase arrangements has proved to be much lower than originally anticipated, as has the contribution expected from Caerphilly to support the Gwent Missing Children Project. This has contributed to an underspend of around £145k. However, this has been more than offset by a projected overspend of £190k in respect of unaccompanied asylum seeking children, resulting in a net overspend of £44k in respect of Children's Services other costs. The Division is currently supporting 16 asylum seeking children aged between 15 and 17 years, compared with the 10 children that were supported a year ago.

5.3 **Adult Services**

- 5.3.1 The Adult Services Division is currently projected to underspend its budget by £2,144k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	(Over)/Under Spend (£000's)
Management, Fieldwork & Administration	10,041	9,723	318
Own Residential Care and Supported Living	9,329	8,129	1,200
Own Day Care	4,787	3,967	820
Supported Employment	77	69	8
Aid and Adaptations	865	918	(53)
Gwent Frailty Programme	2,750	2,401	349
External Residential Care	22,266	23,849	(1,583)
External Day Care	979	766	213
Home Care	12,496	10,790	1,706
Other Domiciliary Care	21,561	21,702	(141)
Resettlement	(1,020)	(1,020)	0
Services for Children with Disabilities	2,256	2,948	(692)
Other Costs	1,100	1,101	(1)
Totals: -	87,487	85,343	2,144

Management, Fieldwork and Administration

5.3.2 Vacancy levels within the Adult Services management, fieldwork and administration structure remained above budgeted levels throughout September and October, which has increased the potential underspend in this area to around £318k.

Own Residential Care and Supported Living

5.3.3 The £1,200k underspend forecast in respect of our own residential care and supported living homes, includes around £413k of additional service user contributions, following a recovery in occupancy levels in our residential homes, post-pandemic. A further £141k of the underspend stems from the closure of South View residential home for people with learning disabilities at Graig Road, Hengoed, which was formerly occupied by service users from Rhondda Cynon Taff. The remaining underspend can largely be attributed to staff recruitment difficulties.

Own Day Care

5.3.4 A combination of alternative service provision and continued recruitment difficulties within our own day opportunities service is expected to result in an underspend of £820k. However, should the service area continue to face recruitment difficulties then this underspend could increase by the end of the financial year.

Aids and Adaptations

- 5.3.5 There has been a £50k increase in the management charge for the Gwent Integrated Community Equipment Service compared with 2022/23, in response to the inflationary pressures associated with operating the service. There has also been an increase in demand for disability equipment for vulnerable adults which has been largely offset by a reduction in demand for specialist equipment for children with disabilities and a reduction in the number of funded telephone lines for vulnerable adults. The net effect of all this is a potential overspend of £53k

Gwent Frailty Programme

- 5.3.6 The underspend of £349k in respect of the Gwent Frailty Programme reflects the continued difficulties faced in recruiting both Health Care and Social Care staff.

External Residential Care

- 5.3.7 There has been a reduction in demand for residential care for older people since the month 5 position was reported to Members, saving around £247k. However, this has been more than offset by 4 additional placements for people with physical disabilities, 2 additional placements for people with learning disabilities and 2 additional placements for people with mental health problems. This has increased the total projected overspend for external residential care by £218k to £1,583k.

External Day Care

- 5.3.8 A greater take up of direct payments over recent years has led to a reduction in demand for external day care provision resulting in a projected underspend of £212k.

Home Care (In-House and Independent Sector)

- 5.3.9 Over recent months, the in-house home care service has achieved some success in recruiting additional staff, which has enabled a number of people with complex needs to be discharged from hospitals. This in turn has helped to reduce the projected underspend in this area by £295k to £1,706k. However, recruitment continues to be a challenge across the sector with over 70 posts remaining vacant within the in-house service alone and unmet need standing at around 117 hours of care per week.

Other Domiciliary Care

- 5.3.10 Increased demands for supported living and extra care costing £178k and £35k respectively have been partially offset by a drop-off in shared lives provision of £126k and direct payments of £45k. However, the underspend in respect of home care service provision identified in paragraph 5.3.9 has impacted on the level of income receivable from service users, resulting in a potential net overspend of around £141k in respect of other domiciliary care.

Children with Disabilities

- 5.3.11 The £692k overspend predicted in respect of children with disabilities includes £530k in respect of increased demand for residential care placements, £49k in respect of increased demand for foster care placements and £113k for additional staffing required to support service user needs at Ty Hapus respite home.

Other Costs

- 5.3.12 An overspend of £74k is projected in respect of additional staffing cover for the Telecare help line. However, this has been largely offset by limited demand for services purchased through spot contract arrangements in other areas, resulting in a net overspend of £1k in respect of other costs for adult services.

5.4 **Service Strategy and Business Support**

5.4.1 The service area is currently projected to underspend by £314k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	(Over)/Under Spend (£000's)
Management and Administration	2,299	1,946	353
Office Accommodation	321	375	(54)
Office Expenses	133	114	19
Other Costs	944	948	(4)
Totals: -	3,697	3,383	314

Management and Administration

5.4.2 The underspend of £353k in respect of management and administration includes £147k as a result of the vacant director's post. The remaining £206k can largely be attributed to delays in filling newly created posts within the Caerphilly Cares Service and short term grant funding.

Office Accommodation

5.4.3 £18k of the overspend projected in this area relates to a net loss of income from room rentals since Corporate Property Services took on the running of Atlee Court and Graig y Rhacca Hubs from the Caerphilly Cares Team. The remainder of the £54k overspend is largely attributable to increased energy costs at the North Resource Centre and Ty Graddfa offices.

Office Expenses

5.4.4 The underspend of £19k in this area can largely be attributed to reduced printing costs as a result of a growth in virtual meetings and home working.

Other Costs

5.4.5 We are currently anticipating a £38k underspend in respect of the Joint Workforce Development Team administered by Blaenau Gwent Local Authority and a £27k underspend in respect of the Regional Partnership Support Team administered by Torfaen Local Authority. We are also projecting a £25k underspend relating to miscellaneous IT expenditure as a result of service reserves being used to fund most of the recent expenditure. However, a delegated decision has been taken to appropriate £95,000 from the Social Services revenue budget for 2023/24 to fund 2 additional posts for 12 months to assist in the payment of care providers. As a result, a net overspend of £4k is anticipated in this area.

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

5.5.1 The projected in-year underspend of £2,749k would boost corporate reserve balances by the same amount. This additional reserve balance could provide some temporary breathing space within the corporate medium-term financial plan for 2024/25.

5.5.2 However, if the recruitment issues faced during 2023/24 can be resolved then the underspends achieved in 2023/24 will not be realised in future years. Conversely, the increased demands experienced during 2023/24 in respect of special guardianships, aftercare

services, asylum seeking children, residential and nursing care, supported living and children with disabilities are all likely to translate in to on-going financial pressures for future years. Furthermore, the increasing costs faced by social care providers is likely to translate into demands for significant fee increases in 2024/25. The anticipated increase in reserves could help mitigate the impact of these additional pressures, in the short-term only.

5.6 Conclusion

- 5.6.1 Despite a number of areas where sizeable cost pressures are being experienced, staffing shortages across the social care market have led to a projected in-year underspend of £2,749k for Social Services in 2023/24. If those staffing shortages can be resolved then the directorate could face significant financial pressures in 2024/25.

6. ASSUMPTIONS

- 6.1 The projections within this report assume that any impact of the outstanding pay award for 2023/24 in excess of 5% will be corporately funded.

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, Deputy Chief Executive, street@caerphilly.gov.uk
Jo Williams, Assistant Director for Adult Services, willij6@caerphilly.gov.uk
Gareth Jenkins, Interim Director of Social Services jenkig2@caerphilly.gov.uk
Stephen Harris, Head of Financial Services and S151 Officer, harrisr@caerphilly.gov.uk
Leanne Sykes, Deputy Head of Financial Services and S151 Officer, sykesl@caerphilly.gov.uk
Cllr. Elaine Forehead, Cabinet Member for Social Care, forehe@caerphilly.gov.uk
Cllr. Teresa Parry, Chair of Education and Social Services Committee, parryt@caerphilly.gov.uk
Cllr. Brenda Miles, Vice-Chair of Education and Social Services Committee, milesb@caerphilly.gov.uk

Appendices:

Appendix 1 Social Services Budget Monitoring Report 2023/24 (Month 7)