



CABINET – 18TH SEPTEMBER 2019

SUBJECT: SOCIAL SERVICES RESERVES

REPORT BY: CORPORATE DIRECTOR - SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

1.1 To seek the approval for a range of proposals for the use of Social Services service reserves.

2. SUMMARY

- 2.1 The report identifies around £734k of social services reserve balances that were earmarked for specific purposes in earlier years which, as a result of recent investment in the Social Services revenue budget by both Welsh Government and Caerphilly C.B.C., are no longer required for their original purpose.
- 2.2 Consequently, it is proposed to re-invest those earmarked balances to enable a range of one-off investments and time limited arrangements to address some immediate workload pressures, relieve increasing demand for social care or to improve outcomes for service users.
- 2.3 The report also proposes that a £281k service reserve that was earmarked for “social services invest to save schemes” should be used to:-
- a) pilot a scheme which will provide additional support to families with parents with learning disabilities which is expected to reduce the likelihood of children becoming looked after.
 - b) Purchase specialist equipment that will enable certain home care calls to be undertaken by a single carer rather than requiring two carers, thereby reducing the demands on the domiciliary care market and reducing costs.
- 2.4 Additionally, the report confirms that the transfer £242k from Social Services general reserves approved by Cabinet on 30th May 2018, to create an earmarked reserve to fund the 2018/19 implications of increases in foster carer fees is no longer necessary. However, it is proposed that this £242k is used to create an additional earmarked reserve for capital works to be undertaken at Adult Services direct care establishments to improve bathroom facilities and Wi-Fi capabilities.
- 2.5 The report considers Social Services Service reserves only and the proposals contained in the report would have no impact on the Council’s general fund balance which currently stands at £11.7million (net of current commitments) or 3.45% of the Council’s net revenue budget for 2019/20.

3. RECOMMENDATIONS

- 3.1 That Cabinet approves the proposed re-direction of Social Services reserves set out in this report and summarised in appendix 1.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To use Social Services reserves to address some immediate workload pressures, mitigate increasing demand for social care and improve outcomes for service users.

5. THE REPORT

5.1 Surplus Earmarked Reserves Available for Re-investment

- 5.1.1 On 19th July 2017, Cabinet approved a number of temporary additional posts in response to increased demand in Children's Services. Service reserves amounting to £206k were earmarked for this purpose but due to difficulties in recruiting to these posts around £110.7k of this earmarked reserve remained unspent as at 31st March 2019. Additional Welsh Government Grant funding has provided a more sustainable funding stream for these additional posts moving forward, which means that the unspent balance of earmarked reserve funding is no longer required.
- 5.1.2 On 31st January 2018, Cabinet considered an Update on Reserves from the Acting Director of Corporate Services and Section 151 Officer. As a result, earmarked reserves were created to fund Caerphilly's contributions towards the Gwent Safeguarding Partnership and a shared POVA Co-ordinator post. These two earmarked reserves were intended to fund these services for a five year period through to 2021/22, allowing time to identify a permanent source of funding to be identified. The growth funding of £1.5million awarded to Social Services in 2019/20 provided that permanent source of funding so the unspent balances of reserve funding as at 31st March 2019, amounting to £212.6k and £72.5k respectively are no longer required.
- 5.1.3 Also as a result of the Update on Reserves on 31st January 2018, an earmarked reserve of £250k was set aside to pilot schemes within Social Services that could mitigate increasing demand for social care. A further update on reserves presented to Cabinet on 12th June 2019 subsequently increased this earmarked reserve to £281k. However, no specific pilot schemes drawing upon this reserve have been approved to date.
- 5.1.4 Cabinet approved the creation of a further earmarked reserve of around £338.7k on 25th July 2019 in respect of additional social worker posts and market supplements payable to staff in children's services locality teams. The reserve was intended to fund the cost of these arrangements during the 2018/19 financial year only, with the recurring revenue costs to be funded from the growth funding awarded to Social Services in the 2019/20 Corporate budget settlement. However, one-off Welsh Government funding was subsequently awarded in 2018/19 which was used instead of the earmarked reserve. As a result, the £338.7k reserve is no longer required.
- 5.1.5 As a result of the issues identified in paragraphs 5.1.1 to 5.1.4, earmarked reserves totalling £734,449.51 are no longer required for their original purposes and a further £281,043.35 of earmarked reserves are available to allow trials of "invest to save" schemes:-

<u>Description of Earmarked Reserve</u>	<u>Balance</u>
Children's Services Pressures	£110,681.47
Gwent Safeguarding Partnership	£212,635.00
POVA Co-ordinator	£72,467.04
Additional Social Workers & Market Supplements	£338,666.00
Sub Total of Surplus Earmarked Reserves	£734,559.51
Invest to Save Trials	£281,043.35
Total Earmarked Reserves available for re-investment	£1,015,492.86

5.2 Proposals for Re-investment of Surplus Earmarked Reserve Balances

- 5.2.1 ICF funding has been secured in 2019/20 only to kick-start a Family Aid scheme which will provide support to families with parents with learning disabilities. It is believed that this additional support will reduce the likelihood of children from these families entering the care system. This in turn is expected to lead to better outcomes for the children involved and be a more cost effective approach. However, to enable an effective evaluation of this scheme to be undertaken it is proposed to continue the scheme for a further 18 months, utilising around £257.5k of the “invest to save” earmarked reserve identified in paragraph 5.1.3 above. At the end of this period, the impact of the scheme will be assessed to determine whether sufficient savings in looked after children costs have been achieved to provide ongoing funding for the scheme.
- 5.2.2 It is proposed to utilise the remaining £23.5k of the “invest to save” earmarked reserve along with a further £128.3k of surplus earmarked reserves to introduce specialist equipment that will enable single handed home care calls. Around £100k of this investment will be used to purchase specialised equipment with the balance being used to fund a senior occupational therapist for 12 months to support the installation of equipment and provide training and advice in its use. Not only will this reduce the cost of many home care calls, it will also relieve some of the staff shortages experienced within the domiciliary care market. If this initiative proves successful then ongoing funding for the arrangement could be considered from the savings delivered through the reduction in double handed calls.
- 5.2.3 The Adults Services Division currently provides financial deputyship services for service users from some neighbouring local authorities and Aneurin Bevan University Health Board. It is proposed to re-direct £56.8k of surplus earmarked reserves to employ a grade 11 officer for 12 months to undertake a study in to the feasibility of providing this service on a regional basis. The post will end when the study is complete but other posts may be required depending on the outcome of the study and provided additional income can be generated from a regional arrangement.
- 5.2.4 The growth of the Intermediate Care Fund and other regional and national initiatives over recent years has created additional demands on divisional management teams in both Adult Services and Children’s Services. Therefore, it is proposed to re-direct around £160.7k of surplus earmarked reserves to employ a Service Manager within Adult Services for 24 months and a further £160.7k to employ a Service Manager within Children’s Services for 24 months. The responsibilities of these posts would include the oversight of developments resulting from the Intermediate Care Fund, project management of the development of the new Children’s Centre and delivery of Welsh Government’s expectations in respect of reducing looked after children numbers.
- 5.2.5 It is proposed to re-direct a further £100k of surplus earmarked reserves to fund the construction of a self-contained flat in the grounds of Ty Ni Residential Home for Children. This flat would be used as move-on accommodation for young people previously accommodated at Ty Ni, to prepare them for independence and ultimately achieve a better outcome for the young person. A similar development is proposed for the Ty Isaf Residential Home for Children but is likely to cost less as there is the possibility of converting the existing garage on the site. Therefore a re-direction of £50k is proposed for the Ty Isaf move-on accommodation. There would be no additional staffing required to support young people accommodated in these flats so the on-going revenue implications would be limited to maintenance costs and utility costs during vacant periods. It is felt that these costs could be met through savings in other leaving care services.
- 5.2.6 Social Services own a number of Multiple Passenger Vehicles to enable day to day transport for services users based at establishments such as Ty Ni, Ty Hapus and some supported living accommodation for adults with learning disabilities. Due to the age of some of these vehicles they are becoming increasingly expensive to maintain. Therefore it is proposed to re-direct the remaining £78k of surplus earmarked reserves to enable some vehicles to be

replaced which will help to reduce the overspend anticipated against the Directorates Transport budget.

- 5.2.7 As a result of the proposals identified in paragraphs 5.2.1 to 5.2.6, surplus earmarked reserves totalling £1,015,492.86 would be re-directed to create the following new earmarked reserves:-

<u>Description of Earmarked Reserve</u>	<u>Balance</u>
Family Aid Scheme	£257,500.00
Enabling Single Handed Calls	£151,800.00
Regional Deputyship Service Feasibility Study	£56,800.00
Children's Centre Project Management	£160,700.00
Children's Services Service Management Capacity	£160,700.00
Move on Accommodation at Ty Ni	£100,000.00
Move on Accommodation at Ty Isaf	£50,000.00
Vehicle Replacement	£77,992.86
Total New Earmarked Reserves	<u>£1,015,492.86</u>

5.3 Proposed Appropriation from General Service Reserves to Earmarked Service Reserves

- 5.3.1 On 30th May 2018, Cabinet approved the transfer of £242k from Social Services general reserve balances to fund the in-year implications of increases in foster carer fees approved during the 2018/19 financial year. Subsequently, in December 2018, Welsh Government announced additional one-off grant funding which could be used to mitigate existing pressures within children's services. Consequently, a delegated decision was taken by the Corporate Director for Social Services and Housing to fund the 2018/19 foster carer fee increases from the new grant and to defer the transfer of reserves until 2019/20. However, the allocation of £1.5m growth for Social Services in the 2019/20 corporate budget settlement meant that the on-going financial implications of the fee increases could be funded from core budgets and therefore the £242k transfer from general reserves is no longer required.
- 5.3.2 Instead it is proposed to transfer the £242k to an earmarked reserve to enable capital works to be undertaken at a number of Adult Services direct care establishments in order to improve bathroom facilities and to enable Wi-Fi access.
- 5.3.3 If this proposal is approved the Social Services general reserve balance would stand at just over £2million which is around 2.31% of the Social Services revenue budget for 2019/20. This is around £0.6million below the corporate cap of 3% but is considered to be a reasonable balance to hold in case of (i) potential increases in demand for social care; (ii) potential price increases caused by market uncertainties and (iii) unfavourable outcomes in respect of on-going legal challenges.

5.4 **Conclusion**

- 5.4.1 The re-direction of surplus earmarked reserves proposed within this report would ensure surplus balances are re-invested in services that contribute towards the Council's Well-being Objectives and either (i) provide potential for longer term savings/cost avoidance; (ii) address immediate capacity concerns or (iii) provide better outcomes for service users.

6. **ASSUMPTIONS**

- 6.1 There are no assumptions included in this report.

7. **LINKS TO RELEVANT COUNCIL POLICIES**

- 7.1 The effective utilisation of service reserves will ensure that the Authority is well placed to

achieve its stated aims and contribute towards national objectives.

7.2 Corporate Plan 2018-2023

Appendix 2 provides details of how the services funded through re-directed service reserves could contribute towards the Corporate Well-being Objectives included in the Corporate Plan for 2018-2023.

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 Effective financial management including the effective utilisation of service reserves is a key element in ensuring that the Well-being Goals within the Well-Being and Future Generations (Wales) Act 2015 are met.

9. EQUALITIES IMPLICATIONS

- 9.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified; therefore a full EIA has not been carried out.

10. FINANCIAL IMPLICATIONS

- 10.1 As detailed throughout the report and summarised in appendix 1.

11. PERSONNEL IMPLICATIONS

- 11.1 Posts funded from service reserves have the potential to be at risk if a longer term funding stream cannot be identified. Wherever possible this risk is mitigated through fixed-term appointments to such posts.

12. CONSULTATIONS

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

13. STATUTORY POWER

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

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Appendices: Appendix 1 – Proposed Movements in Social Services Reserves
Appendix 2 - Potential Impact on Wellbeing Objectives of Social Services Reserves Proposals.

Proposed Movements in Social Services Reserves

	Current Balances	Proposed Virements	Draw Upon Invest to Save Reserve	Proposed Balances	Comments	Exit Strategy
	£	£	£	£		
General Reserve					2.31% of 19/20 budget to be held in case of placement pressures/price increases and pending Supreme Court ruling.	
Social Services	-£2,328,335.23	£242,000.00		-£2,086,335.23		
Sub Total	-£2,328,335.23	£242,000.00	£0.00	-£2,086,335.23		
Earmarked Reserves						
Finance IT System	-£26,285.16			-£26,285.16	For future developments in WCCIS	Additional resource to be removed once changes have been implemented.
Frailty Invest to Save Loan repayment	-£131,438.00			-£131,438.00	Instalments due in 2019/20 and 2020/21	Loan repaid in full by 2020/21.
Learning Disability Social Workers	-£91,000.00			-£91,000.00	2 Social Workers for 12 months to tackle review backlog	Temporary additional staffing capacity removed once backlog is cleared.
AMHP Training Backfill	-£72,000.00			-£72,000.00	1 Snr Social Worker in Mental Health & 1 Social Worker in Hospital Discharge	Temporary additional staffing capacity removed once training is completed.
POVA Co-ordinator	-£72,467.04	£72,467.04		£0.00	Core funded from 2019/20 growth allocation	
Gwent Safeguarding Partnership	-£212,635.00	£212,635.00		£0.00	Core funded from 2019/20 growth allocation	
Social Worker Recruitment	-£338,666.00	£338,666.00		£0.00	Core funded from 2019/20 growth allocation	
Children Services Pressures incl. Legal Costs	-£110,681.47	£110,681.47		£0.00	Grant Funded from 2019/20	
Invest to save trials	-£281,043.35		£281,043.35	£0.00	Time limited, delivering recurring savings to offset increasing demand	
Family Aid for Parents with Learning Disabilities	£0.00		-£257,500.00	-£257,500.00	5 grade 6 Child Care Support Workers from April 2019 to March 2021	If successful, posts could be made permanent, funded from reductions in LAC placements. £170k annual saving required to fund ongoing cost which would be around 10 in-house fostering placements or 1 residential placement.
Equipment to Enable single-handed home care calls	£0.00	-£128,256.65	-£23,543.35	-£151,800.00	£100k equipt + 1 grade 10 Snr OT for 12 months for installation/training	Would need to deliver savings of around 65 hours per week to fund a permanent Snr OT plus around 12.5 hours per week for every £10k of equipment required.

	Current Balances	Proposed Virements	Draw Upon Invest to Save Reserve	Proposed Balances	Comments	Exit Strategy
	£	£	£	£		
Feasibility Study for Regional Deputyship Service	£0.00	-£56,800.00		-£56,800.00	1 grade 11 post for 12 months	Temporary additional staffing capacity removed once review is complete and Regional Service is in place (if feasible).
Additional Service Manager Capacity	£0.00	-£321,400.00		-£321,400.00	2 Hay grade C posts for 24 months to support ICF developments and LAC reduction expectations and project manage the development of the new children's centre	Temporary additional staffing to be removed once developments are completed.
Move on Accommodation at Ty Ni for Children Leaving Care	£0.00	-£100,000.00		-£100,000.00	Revenue Contribution towards Capital Outlay for new build	Ongoing revenue implications will be limited to upkeep of the property and utility costs when the property is vacant. There are no additional staffing requirements.
Move on Accommodation at Ty ISAF for Children Leaving Care	£0.00	-£50,000.00		-£50,000.00	Revenue Contribution towards Capital Outlay for garage conversion	Ongoing revenue implications will be limited to upkeep of the property and utility costs when the property is vacant. There are no additional staffing requirements.
Replacement MPVs and minibuses	£0.00	-£77,992.86		-£77,992.86	Ty Ni, Ty Hapus and Learning Disability Establishments.	Should help to reduce transport overspend through reduced maintenance costs.
Capital Works at Adult Services Establishments	£0.00	-£242,000.00		-£242,000.00	Wi-fi and Bathroom Upgrades	One-off capital works with no on-going revenue implications.
Sub Total	-£1,336,216.02	-£242,000.00	£0.00	-£1,578,216.02		

Potential Impact on Wellbeing Objectives of Social Services Reserves Proposals

Proposed Use of Earmarked Reserves	Proposed Value	Well Being Objective Contributed Towards	Specific Outcome Achieved
Family Aid for Parents with Learning Disabilities	£257,500.00	1.Improve education opportunities for all.	8.Safeguard all children and young people in order to create a climate for learning, particularly for those most vulnerable.
		6.Support citizens to remain independent and improve their well-being.	1. Support people to 'help themselves' by providing comprehensive advice and information including signposting to other services.
			3.Provide support to reduce the need for higher tier statutory interventions.
			4.Identify and support carers.
Equipment to Enable single-handed home care calls	£151,800.00	6.Support citizens to remain independent and improve their well-being.	1. Support people to 'help themselves' by providing comprehensive advice and information including signposting to other services.
			3.Provide support to reduce the need for higher tier statutory interventions.
Feasibility Study for Regional Deputyship Service	£56,800.00	6.Support citizens to remain independent and improve their well-being.	6.Continue to identify opportunities to work collaboratively wherever appropriate.
Additional Service Manager Capacity	£321,400.00	1.Improve education opportunities for all.	8.Safeguard all children and young people in order to create a climate for learning, particularly for those most vulnerable.
		5.Creating a county borough that supports a healthy lifestyle in accordance with the Sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015.	1.Aim to reduce inequalities in health across the county borough.
		6.Support citizens to remain independent and improve their well-being.	3.Provide support to reduce the need for higher tier statutory interventions.
6.Continue to identify opportunities to work collaboratively wherever appropriate.			

Proposed Use of Earmarked Reserves	Proposed Value	Well Being Objective Contributed Towards	Specific Outcome Achieved
Move on Accommodation at Ty Ni for Children Leaving Care	£100,000.00	1.Improve education opportunities for all.	8.Safeguard all children and young people in order to create a climate for learning, particularly for those most vulnerable.
		6.Support citizens to remain independent and improve their well-being.	3.Provide support to reduce the need for higher tier statutory interventions.
Move on Accommodation at Ty ISAF for Children Leaving Care	£50,000.00	1.Improve education opportunities for all.	8.Safeguard all children and young people in order to create a climate for learning, particularly for those most vulnerable.
		6.Support citizens to remain independent and improve their well-being.	3.Provide support to reduce the need for higher tier statutory interventions.
Replacement MPVs and minibuses	£77,992.86	6.Support citizens to remain independent and improve their well-being.	3.Provide support to reduce the need for higher tier statutory interventions.
Capital Works at Adult Services Establishments	£242,000.00	1.Improve education opportunities for all.	5. Improve 'Digital Skills' for all ages.
		3.Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being.	4.Deliver adaptations to support the health and well-being of people in their homes and maximise the delivery and appropriate use of accessible homes.
		6.Support citizens to remain independent and improve their well-being.	3.Provide support to reduce the need for higher tier statutory interventions.