



SOCIAL SERVICES SCRUTINY COMMITTEE 1ST NOVEMBER 2021

SUBJECT: BUDGET-MONITORING REPORT (MONTH 5)

REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES

1. PURPOSE OF REPORT

- 1.1 To inform Members of the projected revenue expenditure for the Social Services Directorate and the financial impact of the Covid 19 pandemic upon the Directorate for the 2021/22 financial year.

2. SUMMARY

- 2.1 The report will identify the reasons behind a projected underspend of £671k for Social Services in 2021/22, inclusive of transport costs.
- 2.2 It will also identify the funding made available to Social Services during the 2021/22 financial year through the Welsh Government Covid 19 Hardship Fund.

3. RECOMMENDATIONS

- 3.1 Members are asked to note that the projected underspend of £671k against the Social Services budget for 2021/22 (inclusive of transport costs) includes a number of non-recurring underspends attributable to the impact of the Covid 19 pandemic which mask an underlying increase in demand for social care along with significant inflationary pressures within the social care market.

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 The 2021/22 original budget held within Social Services amounts to of £96,931,994 (excluding transport costs). In addition to this, an original budget for 2021/22 of £1,564,373 is held within the Communities Directorate in respect of social care transport provision.

- 5.1.2 These original budgets do not include any provision for pay awards. However, a provision of 1.75% with effect from 1st April 2021 is held within the corporate budget and will be distributed to service areas once the pay award for 2021/22 has been agreed. Therefore, the projected staff costs within this report are based on 2020/21 salary levels.
- 5.1.3 Information available as at 31st August 2021 suggests a potential underspend of £505k against the budget held within Social Services (see appendix 1 for details), while the social care transport budget is forecast to be underspent by £166k due to the ongoing closure of day care facilities in response to the Covid 19 pandemic. This would result in a total net underspend of £671k in respect of social care provision for 2021/22

Division	Original Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Children's Services	26,485	27,491	1,006
Adult Services	68,291	67,786	(505)
Service Strategy & Business Support	2,156	1,150	(1,006)
Sub Total Directorate of Social Services	96,932	96,427	(505)
Transport Costs	1,564	1,398	(166)
Grand Total	98,496	97,825	(671)

- 5.1.4 The identifiable costs associated with the Welsh Government's Covid 19 Hardship Fund along with the grant income made available by Welsh Government have been kept separate from the day-to-day running costs of the Children's Services and Adult Services Divisions and have been captured within the Service Strategy & Business Support costs identified in this report.

5.2 Children's Services

- 5.2.1 The Children's Services Division is currently projected to overspend its budget by £1,006k as summarised in the following table: -

	Original Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	9,753	9,571	(182)
Residential Care Incl. Secure Accommodation	5,898	7,105	1,207
Fostering & Adoption	9,075	8,784	(291)
Youth Offending	395	395	0
Families First	5	5	0
After Care Support	799	1,035	236
Other Costs	560	596	36
Totals: -	26,485	27,491	1,006

Management, Fieldwork and Administration

- 5.2.2 Members will be aware of the recruitment challenges faced within the Children's Services Division. Where appointments have been possible, they have tended to be newly qualified social workers appointed at the lower end of the incremental scale. As a result a potential underspend of £182k is currently forecast in respect of management, fieldwork and administrative staff within the Children's Services Division.

Residential Care Including Secure Accommodation

5.2.3 The Children's Services independent sector residential care budget for 2021/22 included a cost reduction target of around £1.8million in respect of 3 children with planned moves into in-house residential care and 6 children with planned moves into foster care. Unfortunately, the ongoing pandemic has delayed the moves for five of these children but it is hoped that these moves will be possible as services begin to recover. Therefore, it has been assumed that savings can be achieved for the final quarter of 2021/22 but these delays have led to an overspend for the first half of 2021/22 amounting to £707k. The first 5 months of 2021/22 has also seen a net increase of three independent sector residential placements taking the total projected overspend in this area to £1,207k

Fostering and Adoption

5.2.4 The Fostering and Adoption budget for 2021/22 includes a provision of £292k to allow the moves from independent sector that would help deliver the £1.8million cost reduction target identified in paragraph 5.2.3. With three of these moves into foster care still to take place, around £151k of the £291k underspend in this area can be attributed to these placements. The remainder of this underspend can be attributed to a continued drift from independent sector foster care placement towards more cost effective in-house placements.

Aftercare

5.2.5 The projected spend in respect of Aftercare Services has increased by around £378k since the month 3 position was reported to Members, resulting in a projected overspend of £236k. This increase is attributable to three young care leavers that moved in to supported living arrangements with large support packages at the end of August. These support packages cost in excess of £4k per week per person and are a reminder of the volatility within the children's services budget.

Other Costs

5.2.6 The £36k overspend projected in respect of other costs is due to two unaccompanied asylum seeking children that are being supported in foster care placements.

5.3 **Adult Services**

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,686	8,336	(350)
Own Residential Care and Supported Living	6,654	6,346	(308)
Own Day Care	4,107	3,707	(400)
Supported Employment	71	70	(1)
Aid and Adaptations	792	737	(55)
Gwent Frailty Programme	2,410	2,337	(73)
Supporting People (net of grant funding)	0	0	0
External Residential Care	14,795	15,094	299
External Day Care	1,584	1,281	(303)
Home Care	12,625	12,113	(512)
Other Domiciliary Care	15,137	15,724	587
Resettlement	(1,020)	(1,020)	0
Services for Children with Disabilities	1,189	1,786	597
Other Costs	1,261	1,275	14
Totals: -	68,291	67,786	(505)

- 5.3.1 The Adult Services Division is currently projected to underspend its budget by £505k as summarised in the table above.

Management, Fieldwork and Administration

- 5.3.2 The current projection in respect of Adult Services management, fieldwork and administrative staff is an underspend of £350k. Of this movement, £84k relates to reduced mileage claims following the continuation of restrictions linked to Covid 19 although this underspend could increase if restrictions continue beyond December. A further £83k can be attributed to fees received by the Client Finances Team in respect of earlier years. The remainder of the underspend in this area is largely due to vacancies with the Occupational Therapy Team and the Older Peoples' social work teams.

Own Residential Care and Supported Living

- 5.3.3 The temporary redeployment of staff from day care and respite care settings during Covid 19 restrictions has reduced the need to employ casual cover for staff absences within residential homes and supported living properties resulting in an overall projected underspend of £308k in this area.

Own Day Care

- 5.3.4 The £400k underspend forecast against our own day care services can be attributed to the day care facilities remaining closed throughout the Covid 19 pandemic as some posts will have remained vacant during the closures. This forecast includes provision of £424k in respect of increasing service provision in the latter part of the financial.

Aids and Adaptations

- 5.3.5 The £55k projected underspend in this area includes a refund of £25k from the Gwent Wide Integrated Equipment Service (GWICES) in respect of our contributions to the service for the 2020/21 financial year. The remainder of the underspend is largely due to reduced demand for specialist equipment for children with disabilities.

Gwent Frailty Programme

- 5.3.6 The underspend of £73k in respect of the Gwent Frailty Programme is largely attributable to vacant posts within the Reablement Service with a number of substantive post holders having been seconded in to newly created grant aided posts.

Supporting People

- 5.3.7 Phase 2 of Homeless Support Services has resulted in an increase of around £2.2million in grant funding for Supporting People Services compared with earlier years. However, it is anticipated that this additional funding will be spent in full.

External Residential Care

- 5.3.8 A shortfall of around £460k is currently forecast in income from service users reflecting the reduced levels of income collected in the first quarter of the year following the sales of service users' property. However, this has been partially offset by a reduction in short term respite care provision due to Covid 19 restrictions resulting in a net overspend of £299k in this area. It should be noted that it is extremely difficult to predict when service users' properties will be sold along with their sale value and as such, income levels could recover in the remainder of the financial year.

External Day Care

5.3.9 An underspend of around £303k is forecast in respect of external day care provision. This is largely due to the ongoing reduction of some services in response to Covid 19.

Home Care (In-House and Independent Sector)

5.3.10 An underspend of around £512k is predicted in respect of Home Care services for 2021/22. This underspend has increased by around £363k since the month 3 position was reported to Members. Staff shortages across the sector have limited the capacity of care providers resulting in a reduction in service provision, despite rising demand for these services.

Other Domiciliary Care

5.3.11 Demand for supported living placements has increased during 2021/22 resulting in a potential overspend of £849k. However, this has been partially offset by a reduction in shared lives care provision due to Covid 19 restrictions resulting in a net projected overspend of £587k. This assumes that there will be a recovery in the level of shared lives service provision in the latter part of the financial year as Covid 19 restrictions are eased.

Children with Disabilities

5.3.12 The ongoing pandemic has intensified many of the challenges experienced within families of children with disabilities and has led to an increase in demand for residential and respite care. With some placements costing as much as £7k per week, just a small increase in numbers can have a significant budgetary impact and we are currently projecting an overspend of £597k in respect of services for children with disabilities.

Other Costs

5.3.13 An overspend of £24k in respect of additional staffing cover for the Telecare help line has been offset by slippage within the Caerphilly Cares Service leaving an overspend against the Other Costs budget of £14k due to additional demands for deprivation of liberty safeguard (DoLS) assessments.

5.4 Service Strategy and Business Support

5.4.1 The service area is currently projected to underspend by £1,006k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management and Administration	913	897	(16)
Office Accommodation	225	233	8
Office Expenses	153	127	(26)
Other Costs	865	(107)	(972)
Totals: -	2,156	1,150	(1,006)

Management and Administration

5.4.2 The underspend of £16k in respect of management and administration is largely due to spinal column point savings.

Office Accommodation

- 5.4.3 The overspend of £8k in this area is largely due to the Cwm Ifor Family Centre site in Caerphilly which has been vacated by Barnados, who had previously picked up the running costs of the property.

Office Expenses

- 5.4.4 Restrictions on staff attending our office buildings due to Covid 19 has led to a reduction in printing and postage costs which has contributed to a projected underspend of £26k in this area.

Other costs

- 5.4.5 The underspend of £972k projected in this area can largely be attributed to the Welsh Government's Covid 19 Hardship Grant Scheme.
- 5.4.6 Around £4,126k has been claimed through this grant scheme between April and August 2021 including £622k to support in-house service provision. Welsh Government have indicated that this scheme will remain in place in its current form until the end of September 2021 at which point it will begin to taper off for the remainder of the current financial year. Based on recent occupancy levels within care homes and taking account of the tapering arrangement, it is thought that the total claim for the year could amount to around £7.6million including over £1million to support in-house services. While some additional in-house costs due to Covid 19 are easily identifiable (e.g. Covid 19 testing in care homes) much of the additional costs are less identifiable such as sickness cover provided by existing staff and lost income due to reduced occupancy. These less identifiable costs are captured within the Adult Services projected costs reported in section 5.3 of this report while the grant funding has been captured within the Business Support projections reported in section 5.4 of this report. As a result, a net underspend of £976k relating to the Covid 19 Hardship Grant is now included within the £1,006k underspend identified for Service Strategy & Business Support. A summary of Covid 19 related costs and grant funding is provided in the following table.

	Costs Accrued to 31st August 2021	Potential Costs September 2021 to March 2022	Total Anticipated Cost for 2021/22
Children's Services			
Residential placements	£171,960	£222,600	£394,560
vehicle hire to enable social distancing	£4,668	£6,468	£11,136
Sub Total Children's Services	£176,628	£229,068	£405,696
Adult Services			
Financial support to care providers	£2,786,252	£2,230,143	£5,016,395
Additional support for service users	£351,666	£334,641	£686,307
Personal Protection	£16,445	£29,109	£45,553
Independent Homes- Lateral Flow Testing	£164,293	£240,000	£404,293
In-House testing	£16,904	£21,000	£37,904
Sub Total Adult Services	£3,335,560	£2,854,893	£6,190,453
SSP Enhancement Scheme	£18,023	£45,429	£63,452
TOTAL IDENTIFIABLE COSTS	£3,530,211	£3,129,389	£6,659,600
ADD IN-HOUSE STAFF COSTS AND LOST INCOME	£595,052	£381,082	£976,134
TOTAL W.G. GRANT CLAIMABLE	£4,125,263	£3,510,472	£7,635,735

5.5 Conclusion

- 5.5.1 An underspend of £671k is currently forecast for Social Services for 2021/22 (including transport costs). However, the Covid 19 pandemic continues to curtail service activity in many areas during the current financial year and has also led to increased staffing vacancies, reduced travel costs and reduced office running costs. These underspends are unlikely to recur in future years once Covid 19 restrictions have been lifted. However, there is an underlying increase in demand for childcare placements, supported living placements and domiciliary care for adults. The pandemic has also highlighted the fragilities in the social care market, which could lead to pressure on fee levels once Welsh Government Hardship Fund support is withdrawn. Therefore, it is critical that the Directorate continues to focus on initiatives to manage demand and provide cost effective services.

6. ASSUMPTIONS

- 6.1 The projections within this report assume that day services, shared lives services and staff travelling will begin to recover towards pre-pandemic levels in the latter part of the financial year as restrictions are eased.
- 6.2 The projections within this report assume any pay award that may be agreed for 2021/22 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 Equality Impact Assessment is not needed because the issues covered are for information purposes only, therefore the Council's full EIA process does not need to be applied.

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.

12. URGENCY (CABINET ITEMS ONLY)

- 12.1 This report is for information only and as such does not require a Cabinet decision.

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Appendices:

Appendix 1 Social Services Budget Monitoring Report 2021/22 (Month 5)