



## **SOCIAL SERVICES SCRUTINY COMMITTEE 11TH OCTOBER 2022**

**SUBJECT: BUDGET MONITORING REPORT (MONTH 5)**

**REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES & HOUSING**

### **1. PURPOSE OF REPORT**

1.1 To inform Members of projected revenue expenditure for the Social Services Directorate 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 £804k 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 £804k 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 9<sup>th</sup> 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 August 2022 suggests a potential overspend of £1,036k 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 £232k 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 £804k as summarised below:-

Division	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Children's Services	29,422	33,055	3,633
Adult Services	76,286	73,708	(2,578)
Service Strategy & Business Support	2,249	2,230	(19)
<b>Sub-Total Directorate of Social Services</b>	<b>107,957</b>	<b>108,993</b>	<b>1,036</b>
Transport Costs	1,626	1,394	(232)
<b>Grand Total</b>	<b>109,583</b>	<b>110,387</b>	<b>804</b>

## 5.2 Children's Services

- 5.2.1 The Children's Services Division is currently projected to overspend its budget by £3,633k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	10,269	9,624	(645)
Residential Care Incl. Secure Accommodation	8,146	12,416	4,270
Fostering & Adoption	9,118	9,214	96
Youth Offending	435	435	0
Families First	8	8	0
After Care Support	837	749	(88)
Other Costs	609	609	0
<b>Totals: -</b>	<b>29,422</b>	<b>33,055</b>	<b>3,633</b>

### *Management, Fieldwork and Administration*

- 5.2.2 The month 3 budget monitoring report received by the Social Services Scrutiny Committee on 9<sup>th</sup> September identified the reasons for a £518k underspend in this area. Continued vacancies, particularly across the Children's Services locality social work teams has increased this underspend to £645k.

### *Residential Care Including Secure Accommodation*

- 5.2.3 The number of young people entering independent sector residential care since month 3 has matched the number that have left. However, some of the recent admissions have been particularly challenging cases, including 2 mother and baby placements at a cost of around £7k per week and 1 residential placement costing in excess of £9k per week. This has increased the overspend in this area by £545k since month 3, resulting in a potential overspend of around £4.27million.

### *Fostering and Adoption*

- 5.2.4 An increase in demand for in-house foster care placements and special guardianship arrangements since month 3 has resulted in a potential overspend of £40k for fostering and adoption placements. The professional fees associated with the growth and increasing complexity of children looked after cases is expected to add a further overspend of around £56k.

### *Aftercare*

- 5.2.5 A recent increase in the provision of support to care leavers aged over 18 years has reduced the potential underspend in this area since month 3 by around £105k to £88k.

## 5.3 **Adult Services**

- 5.3.1 The Adult Services Division is currently projected to underspend its budget by £2,578k as summarised in the following table: -

	<b>Revised Budget (£000's)</b>	<b>Projection/ Commitment (£000's)</b>	<b>Over/(Under) Spend (£000's)</b>
Management, Fieldwork & Administration	9,027	9,080	53
Own Residential Care and Supported Living	7,146	6,777	(369)
Own Day Care	4,196	3,191	(1,005)
Supported Employment	74	74	0
Aid and Adaptations	824	865	41
Gwent Frailty Programme	2,517	2,339	(178)
Supporting People (net of grant funding)	0	0	0
External Residential Care	18,215	19,013	798
External Day Care	1,783	1,411	(372)
Home Care	12,129	10,615	(1,514)
Other Domiciliary Care	17,918	17,748	(170)
Resettlement	(1,020)	(1,020)	0
Services for Children with Disabilities	2,138	2,217	79
Other Costs	1,339	1,398	59
<b>Totals: -</b>	<b>76,286</b>	<b>73,708</b>	<b>(2,578)</b>

### *Management, Fieldwork and Administration*

- 5.3.2 The £53k projected overspend in this area can be attributed to a number of fixed term appointments made in the Learning Disabilities Assessment and Care Management team to tackle backlogs and improve transition from children's services.

### *Own Residential Care and Supported Living*

- 5.3.3 Of the £369k underspend forecast in respect of our own residential care and supported living homes, around £256k 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.

### *Own Day Care*

- 5.3.4 Alternative service provision within our own day opportunities is expected to result in an underspend of £1,005k. 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 £41k 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 £178k 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. This increased number of service users has contributed to a potential overspend of £798k.

### *External Day Care*

- 5.3.9 External day care provision has not yet recovered to pre-pandemic levels resulting in a projected underspend of £372k. This underspend has increased by around £29k since the month 3 position was reported to Members, largely due to some additional day time support packages provided at supported living establishments coming to an end as Covid 19 restrictions are eased.

### *Home Care (In-House and Independent Sector)*

- 5.3.10 The £1,514k underspend in respect of Home Care includes £518k in respect of in-house service provision and £996k in respect of independent sector provision. The in-house underspend has increased by around £170k since the month 3 position was reported to Members This is because the month 3 projections had been over-estimated as they were skewed by a one off payment made to care staff in June relating to Welsh Government's commitment to ensure all care staff are paid at least the Real Living Wage. The independent sector underspend has also increased since month 3 as it has become apparent that the value of outstanding payments to care providers relating to the 2021/22 financial year had been over-estimated as we had not predicted the extent of the recruitment difficulties that were experienced by provider organisations towards the latter part of that year. The underspends for both in-house and independent sector home care reflect the staff recruitment difficulties faced across the sector that have culminated in 410 hours of unmet need at the end of September. 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 increased since month 3 but is still significantly below pre-

pandemic levels, resulting in a potential underspend of £373k. Further underspends are forecast due to a reduction in extra care service provision (£65k) and the termination of some direct payment arrangements (£45k). However, this has been partially offset by increased demand for supported living placements (£104k), a reduction in Supporting People contributions towards the cost of supported living placements (£123k) and a shortfall in income from non-residential charges due to a reduction in home care provision (£87k). All this has contributed to a net underspend of £169k in this area.

#### *Children with Disabilities*

- 5.3.12 The £79k overspend projected in respect of Children with Disabilities can be attributed to the full year impact of a supported lodging placement that commenced late in 2021/22 and an increase in demand for direct payments.

#### *Other Costs*

- 5.3.13 The £59k 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 £19k as summarised in the following table: -

	<b>Revised Budget (£000's)</b>	<b>Projection/ Commitment (£000's)</b>	<b>Over/(Under) Spend (£000's)</b>
Management and Administration	941	931	(10)
Office Accommodation	251	268	17
Office Expenses	144	118	(26)
Other Costs	913	913	0
<b>Totals: -</b>	<b>2,249</b>	<b>2,230</b>	<b>(19)</b>

#### *Management and Administration*

- 5.4.2 The underspend of £10k in respect of management and administration is largely due to reduced mileage claims as a result of a growth in virtual meetings following the Covid 19 pandemic.

#### *Office Accommodation*

- 5.4.3 The overspend of £17k in this area is largely due to the additional offices used to accommodate staff that have been relocated from Ty Pontygwndy.

#### *Office Expenses*

- 5.4.4 The underspend of £26k 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 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 £804k could readily be funded from the general service reserve balance. However, this would reduce the general service reserve balance to around £1.474million which is just 1.35% 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.

## 5.6 **Conclusion**

5.6.1 The projected in-year overspend of £804k 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. Therefore, it is critical that the Children's Services Division continues to pursue strategies to reduce our reliance on independent sector residential care and that senior officers and Members take every opportunity to lobby Welsh Government for additional funding for social care.

## 6. **ASSUMPTIONS**

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

## 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.

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Appendices:

Appendix 1 Social Services Budget Monitoring Report 2022/23 (Month 5)