



EDUCATION AND SOCIAL SERVICES SCRUTINY COMMITTEE - 28TH NOVEMBER 2023

SUBJECT: 2023/24 BUDGET MONITORING REPORT (MONTH 5)

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 £3,147k 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 £3,147k 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. There have been no budget virements approved across service areas since that date so the revised 2023/24 budget for Social Services remains unchanged.

5.1.2 Information available as at 31st August 2023 suggests a potential underspend of £2,796k against the revised budget identified above. 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 £351k 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 £3,147k as summarised below:-

Division	Revised Budget (£000's)	Projection/ Commitment (£000's)	(Over)/Under Spend (£000's)
Children's Services	35,943	35,661	282
Adult Services	87,487	85,232	2,255
Service Strategy & Business Support	3,707	3,448	259
Sub-Total Directorate of Social Services	127,137	124,341	2,796
Transport Costs	1,754	1,403	351
Grand Total	128,891	125,744	3,147

5.2 Children's Services

- 5.2.1 The Children's Services Division is currently projected to underspend its budget by £282k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	(Over)/Under Spend (£000's)
Management, Fieldwork & Administration	11,771	11,078	693
Residential Care Incl. Secure Accommodation	12,627	12,572	55
Fostering & Adoption	9,753	10,069	(316)
Youth Offending	478	435	43
Families First	4	4	0
After Care Support	771	1,078	(307)
Other Costs	539	425	114
Totals: -	35,943	35,661	282

Management, Fieldwork and Administration

- 5.2.2 Continuing recruitment difficulties have contributed to a potential underspend of £693k in respect of Children's Services management, administration and social work staff.

Residential Care Including Secure Accommodation

- 5.2.3 At their meeting of 17th October, Scrutiny Members were informed of a potential overspend of £111k in respect of residential care for children, due to the additional cost of staff recruited in readiness for the opening of up to 4 new in-house residential homes over the forthcoming year. Since then one young person has moved on from a temporary high cost placement in to a lower cost secure placement. As a result we are now forecasting a potential underspend of £55k in respect of residential care for children.

Fostering and Adoption

- 5.2.4 Members will be aware of the 11.5% increase in the number of children with Special Guardianship Orders during the first quarter of the current financial year which resulted in a

potential overspend of £324k. There has been little change in the position over the last 2 months with the potential overspend reducing slightly to £316k.

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 number of care leavers with continuing support packages has continued to increase since the month 3 position was reported to members, with support being provided for longer periods. This has resulted in an increase in the potential overspend to £307k

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 £193k. However, this has been partially offset by a £79k increase in the cost of supporting unaccompanied asylum seeking children, resulting in a net underspend of £114k in respect of Children's Services other costs.

5.3 **Adult Services**

- 5.3.1 The Adult Services Division is currently projected to underspend its budget by £2,255k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	(Over)/Under Spend (£000's)
Management, Fieldwork & Administration	10,041	9,764	277
Own Residential Care and Supported Living	9,329	8,272	1,057
Own Day Care	4,787	4,121	666
Supported Employment	77	70	7
Aid and Adaptations	865	875	(10)
Gwent Frailty Programme	2,750	2,505	245
External Residential Care	22,266	23,631	(1,365)
External Day Care	979	808	171
Home Care	12,496	10,495	2,001
Other Domiciliary Care	21,561	21,697	(136)
Resettlement	(1,020)	(1,020)	0
Services for Children with Disabilities	2,256	2,912	(656)
Other Costs	1,100	1,102	(2)
Totals: -	87,487	85,232	2,255

Management, Fieldwork and Administration

- 5.3.2 Continuing vacancies throughout July and August have increased the potential underspend in respect of management, fieldwork and administration posts within Adult Services to around £277k.

Own Residential Care and Supported Living

- 5.3.3 The £1,057k underspend forecast in respect of our own residential care and supported living homes, includes around £385k 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 Alternative service provision within our own day opportunities is expected to result in an underspend of £666k. However, the service area continues to face recruitment difficulties so the 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. However, this has been partially 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.

Gwent Frailty Programme

- 5.3.6 The underspend of £245k 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 On 17th October, Scrutiny Members were informed of a potential overspend of £111k in respect of residential and nursing care for vulnerable adults, due to increasing occupancy within residential and nursing homes. Since then, demand for placements has continued to grow, which in turn has increased the potential overspend in this area by £171k to £1,365k.

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 £171k.

Home Care (In-House and Independent Sector)

- 5.3.9 Since the month 3 position was reported to Members, the Adult Services division has made some progress in reducing the level of unmet need for domiciliary care from 330 hours per week to 117 hours per week. This has in turn reduced the potential underspend in respect of home care services by £452k to £2,001k. Of this amount, £1,837k relates to in-house service provision and £164k to external provision.

Other Domiciliary Care

- 5.3.10 Increased demand for supported living and extra care since 2022/23 have largely been offset by a drop-off in shared lives provision and direct payments. 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 £136k in respect of other domiciliary care.

Children with Disabilities

5.3.11 The £656k overspend predicted in respect of Children with disabilities, can largely be attributed to increased demand for residential care placements and additional staffing required 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 £2k 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 £259k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	(Over)/Under Spend (£000's)
Management and Administration	2,299	2,088	211
Office Accommodation	331	385	(54)
Office Expenses	133	106	27
Other Costs	944	869	75
Totals: -	3,707	3,448	259

Management and Administration

5.4.2 The underspend of £211k in respect of management and administration includes £94k as a result of the vacant director's post. The remaining £117k can largely be attributed to delays in filling newly created posts within the Caerphilly Cares Service.

Office Accommodation

5.4.3 £28k of the overspend projected in this area relates to a 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 £27k in this area can be attributed to reduced printing costs as a result of a growth in virtual meetings and home working.

Other Costs

5.4.5 The £75k potential underspend in this area includes £38k in respect of the Joint Workforce Development Team administered by Blaenau Gwent Local Authority and £27k in respect of the Regional Partnership Support Team administered by Torfaen Local Authority. The

remaining £10k underspend relates to miscellaneous IT expenditure as a result of service reserves being used to fund most of the recent expenditure.

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

5.5.1 The projected in-year underspend of £3,147k could increase the Social Services general reserve balance by £1,573k to £4,286k and increase corporate reserve balances by the same amount. These additional reserve balances 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, 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 Social Services 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 projected in-year underspend of £3,147k for Social Services in 2023/24. If those staffing shortages can be resolved then the increase in service reserves that would result from the 2023/24 underspend could help to balance the Social Services budget 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, 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. Teresa Parry, Chair, parryt@caerphilly.gov.uk
Cllr. Brenda Miles, Vice-Chair, milesb@caerphilly.gov.uk

Appendices:

Appendix 1 Social Services Budget Monitoring Report 2023/24 (Month 5)