



CABINET - 1ST MAY 2024

SUBJECT: RE-PURPOSING OF SOCIAL SERVICES EARMARKED RESERVES

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

1.1 For Cabinet Members to consider an alternative use of Social Services earmarked reserves in order to extend a number of fixed term arrangements put in place to alleviate capacity issues across the directorate.

2. SUMMARY

2.1 The report identifies around £793k of social services reserve balances that were earmarked for specific purposes in earlier years which, as a result of recent events, are no longer required for their original purpose.

2.2 Consequently, it is proposed to re-invest those earmarked balances to continue to provide a range of temporary arrangements that are currently in place to address workforce pressures across the directorate. This re-purposing of earmarked reserves would allow these temporary arrangements to remain in place throughout 2024/25 and in some cases, into 2025/26. This will allow some time for the longer term future of these temporary arrangements to be considered in the context of other financial pressures faced by the directorate in 2025/26 and subsequent years.

3. RECOMMENDATIONS

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

4. REASONS FOR THE RECOMMENDATIONS

4.1 To deliver a balanced budget for 2024/25 while continuing to address a range of capacity issues across the directorate.

5. THE REPORT

5.1 Children's Services Earmarked Reserves

- 5.1.1 On 26th September 2022, Cabinet approved £436,400 of Social Services reserves to be earmarked to underwrite the cost of a number of additional posts with the MyST therapeutic support service, on an invest to save basis. It is anticipated that around £170,100 of this reserve will be drawn upon in 2023/24 to fund the additional posts within MyST. However, those additional posts will be permanently funded from the Children's Services revenue budget with effect from 2024/25, through savings in child placement costs delivered by the team. This will leave £266,300 in the earmarked reserve which is no longer required.
- 5.1.2 During the 2021/22 financial year, delegated decisions were posted by the Director of Social Services and Housing to allocate £39,000 of Social Services reserves to fund a temporary communications officer post and a further £60,000 to fund a fixed term contract with Safe Families For Children. Both of these fixed term arrangements have now ended and as a result of maximising opportunities for grant funding, £13,521.22 and £12,905.46 respectively remain within these earmarked reserves that are no longer required.
- 5.1.3 It is proposed that the £292,726.68 surplus Children's Services reserve balances identified in paragraphs 5.1.1 and 5.1.2 should be re-purposed to extend a number of fixed term arrangements within Children's Services that are currently funded from earmarked reserves that would otherwise be exhausted in the near future.
- 5.1.4 It is proposed that £120,961 of the surplus Children's Services reserve balances should be re-purposed to extend a fixed term senior practitioner post within the Information, Advice and Assistance Team until 31st March 2026. The purpose of this post is to create a safeguarding hub.
- 5.1.5 It is proposed that £59,978 of the surplus Children's Services reserve balances should be re-purposed to extend a fixed term duty officer post within the Information, Advice and Assistance Team until 31st March 2026 in order to manage the workload pressures experienced within the team over recent years.
- 5.1.6 It is proposed that the remaining £111,787.68 of the surplus Children's Services reserve balances should be re-purposed to extend a fixed term independent reviewing officer post within the Safeguarding Team, in order to manage the workload pressures experienced within the team over recent years. This would fund the post until mid-February 2026.

5.2 Adult Services Earmarked Reserves

- 5.2.1 On 1st July 2020, Cabinet approved the creation of a £500,000 earmarked reserve to mitigate the impact of Welsh Government's plans to taper specific grant funded through the Regional Integration Fund (formerly known as the Integrated Care Fund). Those plans were suspended for 2021/22, 2022/23 and 2023/24 and so the £500,000 reserve remains in place. Furthermore, there will be no need to draw upon this reserve in the future because on 5th February 2024, Welsh Government confirmed that:-
"Ministers have recently reviewed this position again and have concluded that given the ongoing financial challenges for the public sector at this time and the vital role integrated community care models are playing in building capacity within our health and social care system, they will now remove the tapering element of the Regional Integration Fund."

- 5.2.2 Therefore, it is proposed that the £500,000 surplus reserve balance should be re-purposed to extend a number of fixed term arrangements within Adult Services that are currently funded from earmarked reserves that would otherwise be exhausted in the near future.
- 5.2.3 On 7th July 2021, Cabinet approved a transfer of funding to Social Services earmarked reserves which included provision to fund additional resources to tackle an increasing backlog in DoLS referrals (Deprivation of Liberty Safeguards). Since then, the number of referrals has continued to grow. Therefore, it is proposed to re-purpose £67,533 in order to extend the additional resources through to 31st March 2025.
- 5.2.4 On 12th August 2022, the Director of Social Services and Housing posted a delegated decision to allocate £75,000 of Social Services reserves to contribute towards the cost of an autism lead officer, initially for a two year period. That resultant earmarked reserve is expected to be exhausted in early March of 2025. Therefore, it is proposed that £1,667 of the surplus reserve balance should be re-purposed to extend the autism lead post until 31st March 2025. This is a tripartite arrangement between Adult Services, Children's Services and Education.
- 5.2.5 On 26th September 2022, Cabinet approved a transfer of funding to Social Services earmarked reserves which included provision to fund the following fixed term positions through to 31st March 2024:-
- a) Adult Services duty officer in the Information, Advice and Assistance Team;
 - b) A part time mental health worker attached to the Housing Team;
 - c) A direct payments worker in the Physical Disabilities and Sensory Impairment Team;
 - d) One senior practitioner in each of the two Community Mental Health Teams.
- 5.2.6 The workload pressures that these fixed term posts were intended to address are still being experienced. Therefore, it is proposed to re-purpose £166,386 of the surplus reserve balance in order to extend the posts identified in paragraph 5.2.5 until 31st March 2025.
- 5.2.7 On 16th February 2023, the Director of Social Services and Housing posted a delegated decision to allocate £55,000 of Social Services reserves to fund a new post that would provide additional activities to enhance the well-being of residents of our in-house residential homes. This reserve is expected to be exhausted by April 2024 so it is proposed to re-purpose £42,512 of the surplus reserve balance in order to extend the well-being post until 31st March 2025.
- 5.2.8 The Cabinet decision of 26th September 2022 also approved a transfer of funding to Social Services earmarked reserves to provide additional care hours at Beatrice Webb and Ty Clyd residential homes, in response to the increasing needs of service users being admitted to residential care. Those needs have not diminished so it is proposed to re-purpose the remaining £221,902 of the surplus reserve balance to fund the additional resources in these homes until 30th June 2025.

5.3 **Conclusion**

The re-purposing of surplus earmarked reserves proposed within this report would enable the directorate to continue to respond to a number of capacity issues in the short term and allow the senior management team time to consider a sustainable long-term response.

6. ASSUMPTIONS

- 6.1 The costs identified within this report include provision for a 4% pay award for 2024/25 and 2025/26.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 No integrated impact assessment has been completed for this report as the recommended proposals contained in the report would simply allow the directorate to maintain the level of service currently being provided. The services that would be underwritten by the re-purposed reserve balances would continue to contribute towards the Council's Well-being Objectives and (i) address immediate capacity concerns (ii) provide better outcomes for service users and (iii) provide potential for longer term savings/cost avoidance.

8. FINANCIAL IMPLICATIONS

- 8.1 The financial implications of the proposals contained within this report are summarised in Appendix 1.
- 8.2 The temporary solution of re-purposing reserves would allow the senior management team time to consider the long term sustainability of the services that would be funded by the re-purposed reserves.

9. PERSONNEL IMPLICATIONS

- 9.1 The re-purposing of reserves proposed in this report would secure a number of staff contracts until at least 31st March 2025. If the proposals are not approved then re-deployment opportunities would need to be explored in order to avoid having to issue termination notices to staff.

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: Corporate Management Team
Jo Williams, Head of Adult Services, willij6@caerphilly.gov.uk
Gareth Jenkins, Interim Director for 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
Robert Tranter, Head of Legal Services and Monitoring Officer,
trantrj@caerphilly.gov.uk
Lynne Donovan, Head of People Services, donovl@caerphilly.gov.uk
Cllr. Elaine Forehead, Cabinet Member for Social Care, forehe@caerphilly.gov.uk

Appendices:

Appendix 1 – Summary of Proposed Re-Purposing of Social Services Earmarked Reserves