



EDUCATION AND SOCIAL SERVICES SCRUTINY COMMITTEE

SUBJECT: 2024/25 BUDGET MONITORING REPORT (MONTH 3)

REPORT BY: FINANCIAL SERVICES MANAGER (SOCIAL SERVICES)

1. PURPOSE OF REPORT

1.1 To inform Members of projected revenue expenditure for Social Services for the 2024/25 financial year and its implications for the current and future financial years.

2. SUMMARY

2.1 The report will identify the reasons behind a projected underspend of £1,664k against a total Social Services budget for 2024/25 of £139,759, inclusive of transport costs.

2.2 It will demonstrate that much of the projected underspend for 2024/25 is due to non-recurring issues and will highlight increasing demand for residential care for children and supported living placements for vulnerable adults in particular, along with potential fluctuations in demand during the coming winter months. This demand will need to be closely monitored throughout the financial year if the Directorate is to balance its budget for the current financial year and into the medium-term.

3. RECOMMENDATIONS

3.1 Members are asked to note the projected underspend of £1,664k along with its implications for 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 23rd July 2024, the Education and Social Services Scrutiny Committee received the 2024/25 Social Services Revenue Budget report, which identified a total budget for Social Services of £137,968,118. There have been no budget virements to or from other directorates since that date so the revised 2024/25 budget for Social Services

remains unchanged.

- 5.1.2 Information available as of 30th June 2023 suggests a potential underspend of £1,038k against the revised budget identified above. Details of this potential underspend 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 £1,790,688 is included in the Economy & Environment Directorate budget in respect of transport costs for Social Services. Current information suggests a potential underspend of £626k against this budget, due to 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 £1,664k as summarised below: -

Division	Revised Budget (£000's)	Projection/Commitment (£000's)	(Over)/Under Spend (£000's)
Children's Services	38,076	38,399	(323)
Adult Services	96,283	95,230	1,053
Service Strategy & Business Support	3,609	3,301	308
Sub-Total Directorate of Social Services	137,968	136,930	1,038
Transport Costs	1,791	1,165	626
Grand Total	139,759	138,095	1,664

5.2 Children's Services

- 5.2.1 The Children's Services Division is currently projected to overspend its budget by £323k as summarised in the following table: -

	Revised Budget (£000's)	Projection/Commitment (£000's)	(Over)/Under Spend (£000's)
Management, Fieldwork & Administration	11,848	11,261	587
Residential Care Incl. Secure Accommodation	13,501	14,867	(1,366)
Fostering & Adoption	10,498	10,090	408
Youth Offending	526	435	91
Families First	85	32	53
After Care Support	672	1,063	(391)
Other Costs	946	651	295
Totals: -	38,076	38,399	(323)

Management, Fieldwork and Administration

- 5.2.2 The budget for management, fieldwork and administration staff within the Children's Services Division is set at 9% below the full cost of a fully staffed service with all staff at the top of their respective grade. It is expected that this 9% saving would be delivered through a combination of vacant posts, some staff employed at salaries below the top of the grade and some staff opting out of the Local Government Pension Scheme. Based on current levels of staffing it is likely that this 9% target will be exceeded by around 3%, contributing to a potential underspend of £587k. However, this assumes that around £824k of vacancy savings will be achieved between July 2024 and March 2025.

Residential Care Including Secure Accommodation

- 5.2.3 At the time of setting the 2024/25 budget, the Children's Services Division was committed to funding 1,503 weeks of independent sector residential care for children and 208 weeks of mother and baby support. Demand for these services has increased throughout the first quarter of the current financial year and as of 30th June 2024 the Division was committed to funding 1,829 weeks of independent sector residential care for children and 277 weeks of mother and baby support. This has resulted in a potential overspend of £2,150k. However, the Division is not currently supporting any placements in secure accommodation and there has been some slippage to the opening of the newly acquired in-house residential care homes in Aberbargoed and Cefn Fforest. These issues have partially offset the potential overspend on independent sector provision, resulting in a net overspend of £1,366k for residential care.

Fostering and Adoption

- 5.2.4 Since the 2024/25 budget was set, the Division has seen a significant reduction in the number of weeks of foster care that it is committed to support during 2024/25, from 15,329 to 13,696. This has led to a potential underspend of £480k, while a reduction in demand for residence orders and adoptions has added further potential underspends of £25k and £19k, respectively. These potential underspends have been partially offset by an increase in demand for special guardianship orders, resulting in a net underspend of £408k.

Youth Offending

- 5.2.5 Following a freeze in contributions into 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, considering the financial pressures faced by partner organisations, the LMB subsequently agreed one-off reimbursements to partners from service reserves to mitigate the 10% increase in contributions required in 2023/24 and 2024/25. This has resulted in a £91k underspend in respect of Caerphilly Children's Services' reimbursement for 2024/25.

Families First

- 5.2.6 During the first quarter of the 2024/25 financial year, several schemes that receive funding through the Families First Programme have reported potential underspends due to slippage. The Programme Board has agreed to maximise the grant funding received via the Children's and Communities Grant by reinvesting the slippage

identified to date to underwrite some of the cost of the Families First Central Support Team which would otherwise need to be funded from the Children's Services' divisional budget. This has resulted in a potential underspend of £53k.

Aftercare and Other Children Looked After Services

5.2.7 Of the £391k potential overspend identified in this area, around £192k relates to a single young person in supported lodgings. This individual originally presented as an unaccompanied asylum-seeking child but lost their asylum seeker status on turning 18 years of age and has no other means of support. The remaining £198k reflects an increase in demand for after care support.

Other Costs

5.2.8 We are currently forecasting a potential underspend of £295k in respect of other children's services costs. This includes £94k in respect of unaccompanied asylum-seeking children, following the loss of status referred to in paragraph 5.2.7. The remaining £201k relates to a contingency set aside within the budget in case of in-year increases in demand. This contingency budget will need to be vired to partially offset the increased demand for residential care if the current level of demand should persist.

5.3 **Adult Services**

5.3.1 The Adult Services Division is currently projected to underspend its budget by £1,053k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	(Over)/Under Spend (£000's)
Management, Fieldwork & Administration	10,097	10,382	(285)
Own Residential Care and Supported Living	9,638	9,373	265
Own Day Care	4,476	4,212	264
Supported Employment	69	69	0
Aids and Adaptations	735	718	17
Gwent Frailty Programme	2,812	2,750	62
External Residential Care	27,354	26,973	381
External Day Care	781	623	158
Home Care	12,725	12,024	701
Other Domiciliary Care	24,201	24,713	(512)
Resettlement	(1,020)	(1,020)	0
Services for Children with Disabilities	3,451	3,547	(96)
Other Costs	964	866	98
Totals: -	96,283	95,230	1,053

Management, Fieldwork and Administration

5.3.2 As is the case for Children's Services, the budget for management, fieldwork and administration staff within the Adult's Services Division assumes that a 9% saving would be delivered through a combination of vacant post, some staff employed at

salaries below the top of the grade and some staff opting out of the Local Government Pension Scheme. However, current staffing levels suggest that this 9% target will not be achieved within adult services at this point, leading to a potential overspend of £285k. This assumes that around £333k of vacancy savings will be achieved between July 2024 and March 2025.

Own Residential Care and Supported Living

- 5.3.3 Payroll costs incurred during the first quarter of the financial year indicate that we could see an underspend of £265k in respect of our own residential care and supported living homes largely due to reduced absence cover and salary spinal point savings. However, it is still early in the year and with the summer holiday period and winter sickness bugs still ahead of us this underspend could reduce by the year-end.

Own Day Care

- 5.3.4 We are also projecting a staffing underspend of around £264k in respect of our own day care services. However, this is largely due to delays in recruiting to posts that have moved from fixed base centres to provide more support to vulnerable adults within their own communities.

Aids and Adaptations

- 5.3.5 The projected underspend of £17k in this area reflects the level of demand for specialist equipment for children with disabilities that cannot be sourced through the Gwent Wide Community Equipment Service (GWICES).

Gwent Frailty Programme

- 5.3.6 The Gwent Regional Leadership Team will be recommending that the Regional Partnership Board approve a freeze in the level contributions payable by partners into the Gwent Frailty Pooled Fund for 2024/25. If this is approved then Caerphilly's contribution for 2024/25 would be the same as our approved contribution for 2023/24, which is £62k less than originally anticipated.

External Residential Care

- 5.3.7 The 2024/25 budget for external residential care included a contingency of £727k to react to in-year pressures. Based on existing placements, we are anticipating an underspend of £381k in respect of external residential care, which would suggest that we have absorbed £346k of in-year pressures.

External Day Care

- 5.3.8 As we continue to grow our in-house provision of day support in a community setting, we have continued to experience a reduction in demand for external day care provision, resulting in a potential underspend of £158k.

Home Care (In-House and Independent Sector)

- 5.3.9 The £701k underspend in respect of Home Care includes £239k relating to in-house service provision and £462k relating to independent sector provision. The underspend for the in-house service includes around £165k in respect of over provision in the budget for mileage costs while the remaining £74k could be attributed to spinal point

savings. The independent sector underspend would indicate a drop off in demand since the 2024/25 was set. However, demand for this service can increase significantly during the winter months so this underspend could reduce by the year-end.

Other Domiciliary Care

5.3.10 The Adult Services Division is currently supporting ten more adults with disabilities in supported living homes compared to when the 2024/25 budget was set, resulting in a potential overspend of £827k. This has been partially offset by a reduction in support provided through the shared lives scheme leading to a net overspend of £512k.

Children with Disabilities

5.3.11 Based on existing placements, we are currently anticipating an overspend of £200k in respect of residential care for children with disabilities. However, this has been partially offset by reductions in demand for domiciliary support and foster care, resulting in a net overspend of £96k in respect of children with disabilities.

Other Costs

5.3.12 The 98k underspend that is projected in respect of other adult services costs can be attributed to a reduction in the number of spot-purchased support packages for children with disabilities and adults with mental health needs.

5.4 **Service Strategy and Business Support**

5.4.1 The service area is currently projected to underspend by £308k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	(Over)/Under Spend (£000's)
Management and Administration	2,397	2,073	324
Office Accommodation	207	233	(26)
Office Expenses	133	124	9
Other Costs	872	871	1
Totals: -	3,609	3,301	308

Management and Administration

5.4.2 The underspend of £324k in respect of management and administration includes £170k because of the vacant director's post. The remaining £92k can largely be attributed to vacancy management within the Caerphilly Cares Service following a number of temporary secondments to Shared Prosperity Fund grant aided schemes.

Office Accommodation

5.4.3 The £26k overspend in respect of office accommodation can be attributed to a reduction in room hire charges for office hubs that are no longer managed by the Caerphilly Cares Service.

Office Expenses

- 5.4.4 The underspend of £9k in this area can be attributed to reduced printing costs because of a growth in virtual meetings and home working.

5.5 Conclusion

The net projected underspend for social services of £1,664k includes underspends of £1,002k in respect of temporary savings through a combination of management, fieldwork and administrative staff vacancies, salary spinal point savings and short-term funding streams. Furthermore, it is still early in the financial year and demand for social care can be volatile, particularly during the winter months later in the financial year. Also, it is worth noting that the £1,664k underspend only amounts to around 0.8% of the total service budget, so a small fluctuation in demand could eradicate the projected underspend. Therefore, divisional management teams must continue to monitor demand closely throughout the remainder of the current financial year and consider the impact of that demand upon future financial years' budgets.

6. ASSUMPTIONS

- 6.1 The projections within this report assume that any impact of the outstanding pay award for 2023/24 in excess of 4% 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.

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Appendices:

Appendix 1 Social Services Budget Monitoring Report 2024/25 (Month 3)