

SOCIAL AND HEALTH CARE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Friday 9 th February 2024
Report Subject	Council Fund Budget 2024/25
Cabinet Member	Cabinet Member for Social, Health & Wellbeing Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value & Procurement
Report Author	Corporate Finance Manager and Chief Officer (Social Services)
Type of Report	Strategic

EXECUTIVE SUMMARY

From last summer onwards members have received regular updates on the Council's challenging budget position for the 2024/25 financial year.

The Welsh Local Government Provisional Settlement was announced on 20 December 2023 as planned with responses to the consultation on the settlement invited by the deadline of 2 February 2024. A summary of the key headlines were set out in a report to Cabinet on 16 January which also updated on the 'remaining gap' of £12.946m which the Council will need to bridge to enable it to set a legal and balanced budget

As a result of this position, all Portfolios were asked to revisit their cost base to re look at potential ways of reducing budgets or removing cost pressures to contribute more to meeting the remaining gap.

The purpose of this report is to provide details of additional proposals for the Social Services portfolio.

The Committee is invited to review and comment on the Portfolios options to reduce budgets.

RECOMMENDATIONS

1	Review and comment on the Social Services portfolio's options to reduce budgets.
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REPORT DETAILS

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Notes:

1. Defer Children's residential budget pressures (£0.200m)

A further small residential setting, run by Flintshire County Council, for children requiring a residential placement is planned for 2024/25. The home will not be operational at the start of the year and is expected to be running from the midpoint of the financial year. Previously the opening was assumed from the start of the year. This reduces the budget requirement for 2024/25 but this will be required in the 2025/26 budget.

2. Vacancy management (0.100m)

Within Social Services there is a target which captures in-year vacancy savings, this efficiency will further increase the target.

3. Reduce regional contribution (£0.025m)

An annual contribution is paid to the Regional Team, we are negotiating a reduction to the annual amount on a recurring basis. This will require agreement by the Regional Team.

4. Service review Adult and Children Services (£0.075m)

When posts become vacant, they will be reviewed as to whether they can be deleted from the structure without adversely impacting on front line service delivery.

5. Deferral of Pressure for in house home care (£0.100m)

Recruitment to the in-house provided home care service is currently challenging so this pressure is being deferred until 2025/26.

6. Extra BCUHB contribution to Marleyfield (£0.050m)

This is for an increased contribution from BCUHB for Marleyfield Older People's Residential Care Home. Agreement from BCUHB will be required.

7. Disability day service efficiency (£0.040m)

There is scope for an efficiency within the currently budgeted amount for the day and work services for people with learning disabilities and mental ill health.

8. Appointee service charging (£0.050m)

There would be a charge for appointee services whenever the Council acts as an appointee. Consultation process will be required which could delay the implementation.

	<p>9. Efficiencies to planned contracts with third sector (£0.020m).</p> <p>With some service Level agreements ending this year there is scope to reduce the contracted amount when retendering.</p> <p>10. Grant maximisation in Children’s Services (£0.050m)</p> <p>Efficient use of grant to maximise service deliverability. Targeting grants to reduce costs on statutory services.</p> <p>11. Reduced NEWCES (Northeast Community Equipment Service) contribution (£0.010m)</p> <p>NEWCES would concentrate resources to purchase equipment of medium and high value. By not purchasing equipment of smaller value a modest saving is expected.</p> <p>12. Grant Funding for Adult Social Services. 2024/25 only (£0.100m)</p> <p>Efficient use of grant to maximise service deliverability. Targeting grants to reduce costs on statutory services.</p> <p>13. Disability services charging for college placements pending financial assessments. (£0.020m)</p> <p>Young adults attending residential college would be financially assessed and expected to make contributions in the same way as other care. This would require consultation before implementing.</p> <p>14. Older People Commissioning - increase to income budget (£0.050m)</p> <p>In 2022/23 there was an overachievement of income received for the charging of contributions to care.</p> <p>15. Care Commissioning budget pressure reduction (£1.686m)</p> <p>Remodelling the care commissioning annual uplift resulted in a lower budget pressure requirement.</p>
1.06	<p>Ongoing Risks</p> <p>A number of ongoing risks, outlined below, are being monitored and given further consideration which may change the additional budget forecast requirement further.</p>
1.07	<p>1. Recruitment and Retention of Social Workers</p> <p>There is a significant challenge to recruit and retain experienced Social Workers, particularly within Children’s Services. As safeguarding levels must be maintained this is resulting in greater use of agency social workers, which are more expensive.</p> <p>2. Commissioned care fees</p>

The past couple of years have seen much higher rates of inflation than usual, this has led to an increase in the running costs and carer wages for care providers. Although provision is being made for inflationary increases to the fees paid by Flintshire County Council, there will be pressure from some independent care providers for much greater uplifts than those budgeted.

3. In-year Government Grants

Historically there has been frequent opportunity within Social Services to receive in-year government grants. This sometimes allowed for resources to be redirected and through efficient working, in-year savings would be achieved. These savings frequently mitigated in-year pressures. The opportunity to receive grants for the forthcoming year is expected to diminish which will adversely impact the portfolio's ability to mitigate in-year cost pressures.

4. Service Demand

There is a constant increase in demand for social care. Whilst some growth in demand is managed through the budget process, such as within disability services for children transferring to adulthood, there are increases in demand on other services such as mental healthcare. Increases in demand where the Local Authority has a statutory duty mean that the portfolio will incur greater costs than currently planned for.

1.08 Out of County Placements

The position on Out of County placements remains an ongoing risk and the projected overspend in the current financial year is now £1.603m. An amount of only £0.500m is included in the current forecast which will need to be reviewed as part of final budget setting.

1.09 Budget Timeline

An outline of the local budget timeline at this stage is set out in the table below:

Table 4: Budget Timeline

Date	Event
1 to 9 February 2024	Overview and Scrutiny Committees
20 February 2024	Cabinet and Council – Final Budget Setting
27 February 2024	WG Final Budget/Settlement

2.00	RESOURCE IMPLICATIONS
2.01	<p>Revenue: the revenue implications for the 2024/25 budget are set out in the report.</p> <p>Capital: there are no new implications for the approved capital programme for either the current financial year or for future financial years – the capital programme will be subject to a separate report</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<ul style="list-style-type: none"> • Cabinet • Member Budget Briefings July and October 2023 • Specific Overview and Scrutiny Committees • Corporate Resource Overview and Scrutiny Committee Meetings

4.00	RISK MANAGEMENT
4.01	As set out in the report.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> • MTFs and Budget 2024/25 Cabinet Report July 2023 • MTFs and Budget 2024/25 Cabinet Report September 2023 • Member Briefing Slides • Cabinet Report December 2023 • Cabinet Report January 2024 • Member Briefings January 2024

7.00	GLOSSARY OF TERMS
7.01	<p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p> <p>Revenue: a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges</p>

for the repayment of debt, including interest, and may include direct financing of capital expenditure.

Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.

Budget Requirement: The amount of resource required to meet the Councils financial priorities in a financial year.

Forecast: An estimate of the level of resource needed in the future based on a set of demands or priorities.

Capital: Expenditure on the acquisition of **non-current assets** or expenditure which extends the useful life of an existing asset.

Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.

Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.

Welsh Local Government Association: the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.

Financial Year: the period of 12 months commencing on 1 April.

Local Government Funding Formula: The system through which the annual funding needs of each council is assessed at a national level and under which each council's Aggregate External Finance (AEF) is set. The revenue support grant is distributed according to that formula.

Aggregate External Finance (AEF): The support for local revenue spending from the Welsh Government and is made up of formula grant including the revenue support grant and the distributable part of non-domestic rates.

Provisional Local Government Settlement: The Provisional Settlement is the draft budget for local government published by the Welsh Government for consultation. The Final Local Government Settlement is set following the consultation.

Funding Floor: a guaranteed level of funding for councils who come under the all-Wales average change in the annual Settlement. A floor has been a feature of the Settlement for many years.