

## Annex 1 – Directorate Financial Summaries

### People

- 1 Within the People directorate a net overspend of £8.5m is forecast. The reasons for this variation are explained in the following paragraphs.

### SAFEGUARDING

- 2 The budgets reported in this section are the majority of adult social care spend including external care, council run provision and social work staffing. It includes social care costs of children and the teams that support those children.
- 3 In terms of Adult Social Care, the gross position has worsened by approximately £1.4m, however this has been offset by mitigation of £1.5m from working across the health and social care system to identify areas of savings and cost reduction. There are more explanations in the paragraphs below and the following table describes the major movements since Q1 (figs in £k)

Forecast overspend at Q1	+1,729
Continuation of Hospital Discharge Programme helps position by being able to recover costs four weeks after discharge until 31 <sup>st</sup> March 2022	-1,000
Additional Cost of absorbing ex Ricall staff in to CYC	+356
Increase in OP Nursing Home Placement	+502
Increase in all Residential placements across all customer groups	+744
Increase in high cost Direct Payment customers	+258
Increase in Social Work staff costs	+376
Other minor movements	+115
System wide mitigation	-1,500
Forecast overspend at Q2	+1,580

- 4 The residential and nursing budget is being influenced by the current discharge requirements. People are being discharged sooner and with a higher level of care and support needs than previously.
- 5 There is funding available to support the first 4 weeks following discharge but after that time people are still requiring 24 hour care for a period of time or are prevented from returning home due to higher care needs or requirements of 24hr support at home. This has put pressure on the care home market due to amount of care required to support

additional needs. Discussions are taking place with Health to see if there's any resource across the system that could be redirected to address this growing pressure.

- 6 Commissioners are also exploring alternative options of excess to other regional care providers.
- 7 The projections in ASC also assume that a further £812k of savings will be made between now and the year end so the non delivery of these savings will exacerbate the overspend.
- 8 External Care budgets are projected forward based on current customer numbers. There is a small contingency set aside in the Better Care Fund for additional costs over Winter should the total number of individuals increase beyond current levels. System wide discussions are happening to consider what needs to be in place to be ready for the anticipated difficult Winter ahead.
- 9 It is clear that the impact of the pandemic is still being felt in the health and social care sector. Several factors are causing considerable pressures on the workforce and budget including but not limited to:
  - The individuals approaching ASC have more complex needs giving the paucity of available services over the last 18 months
  - A significant increase in the volume of referrals compared to pre-pandemic
  - A lack of social workers resulting in high use of agency and attendant high costs
  - A lack of care workers resulting in reduced market capacity at higher prices, particularly in the home care sector
  - A rise in provider failure and packages being passed back to the council
- 10 The pressures have been recognised corporately and a People Services Board has been set up to work collegiately across the council to support the People directorate by diverting expertise and resource to address the most pressing problems. This programme is still in its infancy and as yet too immature to determine whether this is helping ease the directorate's pressures

### **ASC Older People (OP) and Physical & Sensory Impairment (P&SI) budgets**

- 11 OP permanent residential and nursing is projected to overspend by £512k, a movement of £733k since Q1. This is largely due to an

increase in the average number of customers compared to Q1: OP residential customers have increased by 7 (£278k) and there are 8 more nursing customers (£482k).

- 12 P&SI Supported Living schemes are projected to overspend by £627k in 2021/22, an increase of £77k since Q1. This is in line with previous years and is largely due to the cost per customer being around £10k p.a. higher than when the budget was last rebased.
- 13 OP and P&SI Community Support budgets are expected to overspend by £459k in 2021/22. This is largely due to the average hourly rate for homecare being higher than in the budget (£630k) and to there being 22 more customers on exception contracts (£417k), offset by increased customer contributions. This is an increase of £314k since Q1 which is largely due to an increase in customers who have had to be placed with more expensive providers not on the Council's provider framework.
- 14 Staffing across Social work teams has increased by £356k in Q2 to an £828k overspend. This is due to having unfunded posts, not achieving the historic vacancy factor and vacant posts in the team being covered by WWY staff.
- 15 £1m has been removed from the external care projection as the Government announced the continuation of the Hospital Discharge Programme for a further six months to 31st March 2022 which will allow the Council to recover costs four weeks after discharge from hospital. This has helped the financial position and we still await further guidance on the recent government announcements re additional health and social care funding.

### **ASC Learning Disabilities (LD) and Mental Health (MH) budgets**

- 16 Learning disability residential budgets are projected to underspend by £127k in total. There are four more CHC customers in working age placements than assumed in the budget (£190k), partially offset by having two more customers in placement (£118k). There are two fewer customers in LD OP placements than in the budget (£118k), which is partially offset by the average cost of a placement being £6k more than budgeted for (£63k). Overall across the two budgets there has been an increase in projected costs of £340k since Q1, largely due to having 2 more working age customers in placement and to the average cost of a LD OP placement having increased by around £10k.
- 17 LD Supported Living schemes are projected to underspend by £310k due to having 8 fewer customers in placement than was assumed in

the budget. The underspend has increased by £264k since Q1, largely due to the average number of customers being 3 fewer than in the first quarter.

- 18 LD CSB budgets are projected to overspend by £270k. This is largely due to the average cost of a homecare placement being £36k more than in the budget. The overspend has increased by £287k since Q1 due to the backdated placement of an additional customer with costs going back to October 2020 (£190k) and in addition it is now likely that £97k of 2021/22 savings against this budget will not be achieved by the year end.
- 19 There is projected to be an overspend of £128k on Direct Payments for LD customers. This is due to the average direct payment paid per customer being £5k more than when the budget was last rebased (£609k) and the average transport DP paid per customer is also higher (£127k). This is largely offset by having three fewer customers than when the budget was set (£72k), having one additional CHC customer (£36k) and in addition, based on recoveries to date, there is likely to be an overachievement of the budget for recoveries this year (£500k).
- 20 There is a projected overspend of £289k on the LD Social Work team. This is due to the use of temporary WWY posts which have now been extended to the end of the financial year.
- 21 The Safeguarding and Mental Health budgets are projected to overspend by £342k in total, broken down as follows:

• Residential Care	£23k
• Nursing Care	-£64k
• Community Support (incl Supported Living)	£49k
• Direct Payments	-£72k
• Deprivation of Liberty Safeguarding (DoLS)	£22k
• Social Work Team	£303k
• Other minor variations	£81k
- 22 The main overspends are on the MH Social Work staffing budget due to temporary unfunded WWY posts which have now been extended to the end of the financial year (£310k), MH CSB mainly due to the average cost of a home care package being £13k more than in the budget (£100k) and on the Safeguarding Team due to being over establishment on Service Manager hours and use of agency staff (£81k).

- 23 The MH budget pressures were more significant in 2020/21. The budget growth given in 2021/22 allowed us to rebase most of the external care budgets so the variances in MH are not as marked as last year. MH spend is, however, an area that is growing faster than the budget we have to support it so we will continue to see if there are better ways of supporting individuals, particularly regarding supported living.

### **ASC In house services Budgets**

- 24 Be Independent is projected to overspend by £327k. There is still a budget gap of £130k relating to the financial position of the service when brought back into the Council, together with an ongoing historical overspend on recharges (£50k). In addition to this there is a projected underachievement of income on sales (£49k), a projected overspend IT systems (£48k), and other overspends across the budget. We are investigating whether some of these costs can be capitalised against existing capital budgets.
- 25 Yorkcraft is projected to overspend by £54k. This is due to a budget saving of £62k agreed in 2020/21, which has not been achieved. There is a project team currently looking at future directions for the Yorkcraft service who will also review how this saving can be made by the end of the year.
- 26 Small Day Services are projected to underspend by £115k. This is largely due to vacancies at Pine Trees, Community Base and the Community Support Assistants as some of the services are not currently open due to Covid restrictions.
- 27 There is currently projected to be an overspend of £121k on the Community Care team arising from Riccall Carers going into administration and the subsequent transfer of staff to the Council.

### **Children's Specialist Services**

- 28 Before detailing the variances to be reported it is important to highlight some of the key reasons for the current budgetary position for Childrens Social Care in York.
- 29 The number of Looked After Children in York has increased significantly in the past 2 and a half years. The Looked After Children population had been stable for a number of years, in the range 190-210 at any one time however on appointment the new Directorate Management Team identified unsafe drift and delay for some children

in the system. This was subsequently identified by Ofsted and corrective action has led to significant recalibration in the system. Numbers of care orders and children on pre proceedings continues to be stable and those in need of child protection have now returned at or below our statistical neighbour average. This means the flow of children coming into the care system has significantly reduced. However, the complexity of needs of these children remains high and capacity in the system to meet need at this level nationally is a significant challenge which is subject to an independent care review.

- 30 At the time of this monitor the CYPIC number is 269. Within the next 3 years some 25% of these will leave local authority care. A Reducing Service Costs Board has been established in Specialist Services chaired by the Assistant Director which will review arrangements to reduce CYPIC numbers safely, the effectiveness and impact of the Edge of Care Service, current FGC activity and progress on foster care recruitment. In addition a Strategic Overview of Permanence Group has been established, chaired by the Assistant Director to monitor the new Permanence Strategy through tight oversight of children with a plan of permanence and ensuring rigorous use of trackers in order to prevent delay and manage demand in the system.
- 31 The placements budgets are predicted to overspend by a total of £3,669k (an increase of £141k since Q1). This includes variances of £1,147k on Fostering (including IFAs), £255k on adoption/SGO/CAO allowances and £2,465k on Out of City Placements.
- 32 The fostering projection is based on all local foster carer positions being filled, so where a child reaches 18 or a foster placement ends, then it is assumed that this is filled. The IFA and Out of City Placement projections are based on all existing placements at the monitor date and take account of all placements expected to end during 2021/22, with no provision included for any new placements. The Out of City placements overspend being reported here is a significant increase (£1.5m) on previous years due to the recalibration of the proportion of these costs between the General Fund and the DSG.
- 33 Staffing budgets within the Permanency Teams are also predicted to overspend by £395k (£521k in Q1), again due mainly to vacancies being filled by temporary staff.
- 34 Safeguarding Interventions are predicted to overspend by approximately £410k (£303k in Q1), mainly due to increases in the Court and Child Protection Teams who are dealing with the increase in cases. Legal fees are predicted to overspend by approximately £430k.

- 35 Staffing budgets with Children's Social Work Services are also predicted to overspend by approximately £291k (£172k in Q1). This is mainly due to temporary staffing across the service, which the directorate has worked hard to eliminate with permanent appointments.
- 36 Significant staffing overspends totalling £565k (£558k in Q1) are predicted in the MASH and Assessment teams mainly due to vacancies being covered by temporary and agency staffing.
- 37 Within Disabled Children's Services overspends on Short Breaks of £121k (£108k in Q1), Direct Payments of £298k (£199k in Q1) and staffing of £85k are predicted
- 38 It is important to note that the staffing projections included in this monitor assume that the Early Help restructure will begin to take effect from the 1st October 2021. Limited provision has been made in these projections for temporary staffing beyond this date so any further delay in implementation or of removal of posts not required following the restructure will worsen the staffing overspend position.
- 39 A number of other more minor variations make up the remaining projected net overspend.

## **COMMISSIONING AND PREVENTION**

### **ASC commissioning and contracting budgets**

- 40 There are no major variances to report in this area.

### **Education and Skills**

- 41 Education Psychology is predicted to overspend by £74k, mainly due to an unbudgeted post costing £43k and unachieved vacancy factor of £29k.
- 42 The Home to School Transport budget was already in a historic overspend position of approximately £200k. The savings targets for the SEN element of home to school transport have not been achieved because of a growth in the number of pupils/students requiring transport and the specialist requirements of that transport. The main increase in numbers have been at post 16/19 where because of the city now being able to provide more specialist education provision for this group of students more locally, subsequently we have had to provide more transport to the likes of York College, Askham Bryan, Choose 2 and Blueberry Academy. The changes in legislation to allow EHCPs to

ages 19-25, resulting in significantly more students accessing this option, has significantly increased our transport spend accordingly.

- 43 The overall overspend on Home to School transport is predicted to be £309k. The main pressures are on SEN taxi transport budgets, but an additional pressure has been created due to the need for three additional buses as a result of increased numbers of children eligible for transport to Huntington and Fulford schools, offset by an increased allocation of Extended Rights for Free Travel grant for 2021/22.
- 44 These figures are based on the existing contract costs for the 2020/21 academic year. The prices for the new academic year are not known at this point and could change depending on the effect of pupil movements in September. The effect of the new academic year provision on budgets will be reported at a later monitor, as soon as the information is available.
- 45 Underspends are projected in both the Governance Service (£41k) due to increasing external income for services, and in Early Years (£33k) due to savings on non-staffing budgets and the effect of an increase in the 5% Early Years block contribution.

### **School Funding and Assets (including DSG)**

- 46 The DSG position at 1st April 2021 is a deficit of £9.940m. Detailed work is ongoing to assess the 2021/22 position taking into account the savings already agreed as part of the budget process. At present the likely in-year deficit for 2021/22 is in the region of £3.5m, an improvement of approximately £1.5m on the final 2020/21 position. However this position will increase the overall deficit to approximately £13.5m at the end of 2021/22. Detailed work is ongoing to put in place a recovery plan to bring the position back to an in year balance.

### **Place**

- 47 The Directorate is currently forecasting an underspend totalling £53k (including commercial portfolio). Close monitoring will continue to ensure that this position is maintained through the remainder of the financial year.
- 48 There is a continued shortfall in commercial waste income as the service is still returning to normal operating levels. The government income compensation scheme has continued for the first quarter of 2021/22 which requires councils to fund the first 5% of shortfalls and then will split the balance 75% government funding and 25% council

funded. This compensation is assumed within the forecast. For the remainder of the year income levels will continue to be monitored as it is uncertain to what level income will recover.

- 49 Whilst Transport is forecast to outturn broadly in line with budget there are a number of pressures across the service. These include staffing costs within highway regulation and IT costs relating to the implementation of the permitting system (£200k) along with higher CCTV monitoring and maintenance costs (£100k). There are forecast savings as Concessionary Fares payments are lower than budget as passenger numbers remain lower than budget assumptions.
- 50 There was a gross shortfall of £245k from quarter 1 on revenues from car parking. Income in April was 37% below budget as lockdown measures continued through the month. Income recovered from the middle of May and was 12% ahead of budget in June. The government income compensation scheme remains in place for quarter 1 and once compensation is considered the net cost to the council will be £136k. It is proposed that this is funded from the general covid grant.
- 51 Income in quarter 2 has been 14% ahead of budget in particularly in August where revenues were 27% above budget. In total income was £290k above budget.
- 52 For the remainder of the year whilst income from off street parking is assumed to be broadly in line with budget there are anticipated shortfalls from season ticket revenues and penalty charge notices. Preliminary forecasts are a surplus of £69k after taking into account the Government compensation scheme.
- 53 There is a forecast shortfall in planning fees of c 10% (£157k) which have not fully recovered to budgeted levels.
- 54 Within Housing, Economy & Regeneration the main forecast variance relates to the reimbursement of Business Rates paid for Alliance House (£530k). This underspend is offset by a forecast overspend on commissioning design and facilities management (£277k). The savings agreed as part of the budget are looking unlikely to be delivered and there remain pressures across the trading account. There is a forecast saving of £57k from staff vacancies across the rest of the directorate.

### **Housing Revenue Account**

- 55 The Housing Revenue Account budget for 2021/22 was set as a net surplus of £741k. There were carry forwards of £2,819k agreed as part of the outturn report meaning the revised budget stands as a £1,599k

deficit. Overall, the account continues to be financially strong and is forecasting a nil variance against this revised budget.

- 56 There is a shortfall in dwelling rental income of c£320k due to the number of void properties and the work required to bring the properties to a lettable standard. Housing Operations & Building Services have been working together to improve the turnaround of void properties and have commenced a pilot scheme at the beginning of October to reduce the void days across the central areas. This shortfall in rental income also impacts the service charges income, which has a shortfall of £40k. These pressures will be offset by lower than budgeted debt costs as both the interest rate on debt being lower than that modelled in the business plan and land for the Housing Delivery Programme has not been appropriated as planned. Overall the HRA is forecasting to come in on budget at quarter 2.
- 57 The HRA working balance position as at 31st March 2021 was £28.8m. The HRA projected outturn position means the working balance will reduce to £27.2m at 31st March 2022. This compares to the balance forecast within the latest business plan of £26.8m.
- 58 The working balance has been increasing in order to start repaying the £121.5m debt that the HRA incurred as part of self financing in 2012. The current business plan assumes that reserves are set aside to enable to the debt to be repaid over the period 2023/24 to 2042/43.

### **Corporate Services, including Customers & Communities and Public Health**

- 59 Overall the remaining Council services are expected to outturn within budget. There are a number of minor variations being managed and work will continue to try and identify additional savings to help the overall position.

### **Corporate Budgets**

- 60 These budgets include Treasury Management and other corporately held funds. It is anticipated that overall a £800k underspend will be achieved, predominantly as a result of reviewing capital financing assumptions.