

Directors Narrative

1 Comments of Directors relating to projections in Table 3

Director of Legal Services and Partnerships

- 1.1 I am content my Directorate will deliver within its overall budget based upon the actions separately described by my Assistant Directors, and the mitigations in place in relation to the COVID 19 impact. A review of activity has also identified a number of savings across the Directorate, which can be achieved this year without impacting on the delivery plan.

Director of Children's Services

- 1.2 The Directorate will not deliver within its overall budget primarily due to significant pressures in looked after children's placement costs and agency social work costs.
- 1.3 Hull has one of the highest rates of children looked after (CLA) in the country. It is a significant outlier against regional and national rates and against statistical neighbours, who have similar levels of deprivation as Hull. The rate is further increasing at a higher rate than comparators with an increase from 790 CLA at the end of September 2019 to 915 at the end of December 2020.
- 1.4 The significant improvement work around permanence and sufficiency will bring about reductions in drift and delay for children in the care system. This will have two effects; addressing the large bulge of children whose permanency has been insufficiently addressed, and where alternative orders would be appropriate, and the shift towards addressing permanency at the outset for children coming into social care services. This will bring long term impact on the length of time that children remain in care, having significant impact in the overall population.
- 1.5 The work with the Practice Improvement Partners around edge of care work and use of existing placement provision will also provide significant reductions over time. Hull does have a significant 'early help offer' with a range of family support, targeted support and youth services but these are not closely aligned with the edge of care arrangements or co-ordinated in a way that ensures resources are used most effectively. There is also a very strong early help offer for families at universal level but again these need harnessing across departments, partners and sectors in order to deliver sustainable intensive support to keep children safe in their families and communities. A key part of this work is to engage all stakeholders in owning a new vision around Hull's philosophy of keeping children safe, and the role of preventative, targeted and specialist services, including Children Looked After services in delivering this.

- 1.6 Keeping children at home and in their community requires confident and skilled practitioners. The focus on improving the quality of practice and enabling social workers to develop through the practice framework and signs of safety will address these areas. However this is not a quick fix and measures need to be put in place to ensure that we are bolstering the system at a time when it is under significant pressure.
- 1.7 The cost of agency social workers to maintain manageable caseloads and oversight in front line practice is also causing a financial overspend. A wide ranging programme of recruitment is currently underway to mitigate this including plans to “grow” more of our own social workers including opportunities for social work apprenticeships for existing non-qualified staff and recruiting more newly qualified graduates from local universities.
- 1.8 The main area of pressure and risk elsewhere within the Directorate is Home to School Transport costs.
- 1.9 Within the DSG the High Needs Block continues to have a cumulative deficit. Service reviews are ongoing to reshape services to sustainably meet rising levels of demand and increasing levels of need.

Director of Public Health and Adult Services

- 1.10 The following commentary reports a financial in-year pressure of £1.262m for the full year which resides almost entirely within the Adult Social Care service within the Directorate, the split per service is shown above. Financially, again there has been little change in the reported position nor the underlying issues and assumptions underpinning this month’s position. The following is more detail around assumptions and variances, to enable a more detailed understanding of the complex issues that ASC face being in the middle of a second wave of the Covid pandemic, with new impacts from new variants of the infection manifesting themselves.
- While it unfortunate to have to continue to report an adverse variance, that the position has not changed markedly all through the year despite the enormous pressures faced by the service provides some comfort that the position is known and understood.

Adult Social Care

- 1.11 The month nine position to the end of December reports a consistent pressure of £1.250m on ASC and a small variance on City Safe. It is this forecast position that the final outturn variance is compared to when reported to Members in May.
- 1.12 Budget setting and in year monitoring has become more sophisticated with a better understanding of demand for care and support and the

likely movement across the year and the cost to the Council for meeting the care needs of the city's most vulnerable residents. Saying that, the impact of Covid on the activity has been significant and has tested our understanding of how forces impact on care numbers and the interplay of demand on one care setting has on other settings.

1.13 The following table summarises the position on spend for care placements including:

- Details of the annual budget per care category
- The assumed and current forecast for the average number of people through the year. The average number of people, along with the average cost per person to derive the forecast, the average does not equate to the number of people at any one time.
- In cases where it is pertinent, the average weekly cost is quoted where they are having an impact on the variance being reported.
- Similarly, the contributions that people make towards their care are mentioned when this has a bearing on the forecast being made.

The assumptions being made that inform the forecast are detailed per care category.

APPENDIX D

Care Category	Budget £m	Budgeted Clients	Forecast Clients (Average for the year)	Variance Expected £m	Issues and Assumptions
Residential Over 65	28.242	1060	937	(0.920)	Savings expected. But moderated because recent increases expected to continue through to the year end, although at a lower level than previously forecast . Average weekly cost £552 compared to budgeted weekly costs of £511, requests for additional 1:1 care are being seen which is impacting on the average weekly amount per person which has an impact on the underspend from activity. 38% of spend covered by people contributing to their care, so for every £1 saved, 38p less income comes in to the Council. The assumption used in the forecast is that client numbers remain steady through to the year end, but at this point in the year any changes will have little financial impact
Res over 65 short stay	2.655	37k bed nights	41k bed nights	0.400	Not being able to review clients to move to permanent due to Social Workers not being able to visit care homes. Eighty-eight people in short stay over eight weeks. Charges to people in short stay are lower than those in permanent care impacting on the income to ASC
Residential Under 65	14.791	292	293	1.069	Average weekly costs increasing due to client complexity, budget weekly cost £972, current actual weekly costs £1,050, an 8% increase The assumption used in the forecast is that there is no change in client numbers through to the end of the year.
Nursing Care	2.151	62	58	(0.120)	Less people and reduced average weekly cost resulting in small underspend The assumption used in the forecast is that client numbers remain steady through to the year end
Day Care	2.569	269	243	0.098	Contractual commitment honoured to ensure alternative service provision maintained. Providers continue to support clients in non-congregated settings. Assumption, planned time paid through to the year end.
Home Care	11.778	1009	1004	0.654	Increase in client complexity and therefore hours per person, keeping people out of care homes. Budgeted Hours per week 13.15, Current Hours per week 14.34, a 9% increase in hours per person. Assumption, no change in client numbers through to year end
Supported Living	6.713	106	118	0.371	Increase in complex cases requiring expensive support. Average weekly costs £1,174 Only 3% of costs covered by people contributing to their care. The assumption used in the forecast is that there is no change in client numbers through to the end of the year.
Shared Lives	0.895	43	39	(0.089)	Less people in the shared lives service The assumption used in the forecast is that there is no change in client numbers through to the end of the year.
Direct Payments	11.127	644	614	(0.024)	Small variance overall but less people receiving a direct payment but at a higher than budgets weekly cost (Budget £332 / Actual £343). The assumption used in the forecast is that there is no change in client numbers through to the end of the year.
Total Variance on bought in services	69.794			1.439	
Other variances - Agency Staff				0.250	Significant reduction compared to previous years, but still using a small number to cover key vacancies
Other staffing variances				(0.439)	Savings on permanent staff but offset in part by using agency staff to cover key vacancies
Variance for the Service				1.250	

1.14 Whilst the impact of the Covid pandemic have resulted in some projected underspends in areas such as residential care for over 65s care (highlighted in green above) these savings are totally subsumed by

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a range of areas that are now projecting budget overspends e.g. homecare and supported living (highlighted in amber above).

- 1.15 While headlines focus on long term residential care and the reduced numbers, Covid19 has had an impact on the ability to review people who have been placed in short stay or respite beds. Ordinarily social workers will review people and if appropriate move people on to long term permanent categories on the system within a six week period.
- 1.16 Visiting restrictions to care homes have prevented Social Workers being able to undertake review meetings, which are required to be face to face, not virtual meetings. Consequently there is back log of people who need reviewing, currently seventy people have been in short stay for over eight weeks. It is highly likely that once reviews resume the result will be an uptake of permanent residential placements. Once these reviews are completed the projected demand for Residential care will nearer to predicted levels and as such there are no significant savings against this budget line.
- 1.17 The costs, loss of income and delayed savings due to Covid19 for the full year are estimated at £16.9m for ASC. This is being managed corporately and will be included in detail by the Director of Finance in his element of the monitoring report.
- 1.18 The impact on the numbers of people receiving a service and the financial impact plays out differently for different care categories:
 - For residential care there was an increase in packages towards the end of 2019-20 when people were discharged from hospital to make way for the expected increase in admissions due to Covid19. But in the first nine months of this year admissions are reduced and there has been an increase in people exiting care homes. The work of Social Worker reviewing short stay clients over the next few months, if visits resume, will impact on numbers adversely and reduce any potential underspend.
 - For homecare there has been a modest reduction in numbers, but moving to paying providers planned time means that this is revisited quarterly and only then will a financial saving be seen if levels remain reduced. At the same time we are seeing average package sizes increasing.
 - Day-care, as per government advice, while services are being provided differently and not building based the Council have continued to make payments to providers based on pre Covid19 levels. In addition, charges for those people who have had their day care suspended has ceased. My commissioners are working with providers to reopen services where it is safe to do so with reduced client numbers and package sizes.
 - Supported living has seen a modest increase in people, although supported living packages are expensive resulting in an adverse financial impact.

Health and Wellbeing

- 1.19 The Health and Wellbeing Service is expected to deliver on budget in 2020-21.

City Safe

- 1.20 The City Safe Service is expected to deliver broadly on budget in 2020-21, but with a small adverse variance.

Director of Regeneration

- 1.21 Regeneration Directorate will exceed its allocated budget across Property and Major Projects and these overspends cannot be mitigated within the Service.

1.22 Property & Assets

£100k base budget pressure within catering due to falling numbers and an overhead that is still not achievable.

£160k Orchard Park shops head lease purchase delayed, resulting in a 12 month rent exposure.

£200k NPS volume discount/profit share - arising as a result, proposals to reduce costs in the 2021/22 business plan.

-£500k Saving ENERGY - Further analysis needed as we move into autumn/winter but reduction due to buildings being closed but additional costs are significant due to ventilation systems operating to comply with COVID guidance.

-£21k postage saving due to homeworking.

£465k Commercial Rents existing base pressure due to sale of income generating assets in 2019/20, fees and charges increase applied that is not achievable. £100k additional NNDR cost for vacant/uninhabitable units/shops.

1.23 Major Projects

Rental cost pressure of £75k for Earle House.

There is a £19k pressure on the income target for city centre sites. The income target has increased in line with fees and charges, however the number of sites in the city centre have reduced, and therefore the income target is unachievable.

A £21k forecasted pressure on Employees, £11k of which is Vacancy Management.

A £10k non pay pressure due to a Kitchen refurb within Earle House to ensure kitchen was fit for purpose following a Health & Safety Risk Assessment.

1.24 Streetscene

The underspend position assumes approval of the inflation contingency request.

Director of Finance and Transformation

- 1.25 My Directorate is currently projecting an overspend over the allocated Budget, with an overall position now worsened, compared to the one previously reported. This is mainly the result of increased pressures in Leisure Commissioning due to the closure of Ice Arena and other venues.

These additional costs cannot be mitigated within the Service Area. Corporate Finance position has improved, as the result of reduced pressures in Revenue and Benefits contracts and some Pay savings. The overspend in Digital and ICT is the result of operational and support pay pressures and additional telecom billing charges.

It is anticipated that some of the remaining pressures will be mitigated within the Directorate later on in the year.