

WEST DUNBARTONSHIRE COUNCIL

Report by the Interim Executive Director of Social Work and Health

Social Work and Health Improvement Committee: 18 November 2009

Subject: Social Work Budgetary Position 2009/10 as at Period 5 – year to 15 September 2009

1. Purpose

- 1.1** To advise members of the performance of the Social Work and Health budget for the period to 15 September 2009.
- 1.2** To provide Members with information on steps being taken to reduce the level of current overspend by the end of the financial year, as requested at the meeting of 16 September 2009.

2. Background

- 2.1** Attached as Appendices A, B and C are budgetary control statements for the Social Work Services Department.
- 2.2** It should be noted that this report compares the actual expenditure to 15 September 2009 to the phased budget as at 15 September 2009.

3. Main Issues

- 3.1** The overall variance for the service to period 3 is £333,131 adverse. The main variances to date are as follows:
- 3.2** **Operations and Servicing** is adverse by £104,414. The main contributory factor is:

Employee costs are currently shown as £34,892 adverse. The department continues to have difficulty achieving turnover savings in this part of the budget. The level of variance at period 5 while higher than that at period 3 is showing signs of slowing down as action being taken starts to have an effect.

- 3.3** **Residential Accommodation – Young People** is adverse by £61,124. The main contributory factors are:

- Higher cost fostering placements due to foster carers previously with WDC transferring to fostering agencies. These placements are considerably more expensive than those with our own foster carers.
- Some Residential Schools costs come under this budget in addition to G03-Residential Schools. This budget is under similar pressure to the main Residential Schools budget. An over spend is expected of around £50k by the end of the year, due to higher level of client need in 2009/10 than in the previous year (on which the budget was set).

- These adverse variances are partially offset by anticipated underspend in Young People Leaving Care costs of £36,000.

3.4 Residential Schools is shown as adverse by £75,145. This is due to ongoing level of secure placements which is causing an overspend. Both secure and “normal” residential schools placements are, however, reduced due to efforts of service manager. Still very volatile but projected overspend has reduced since BC3.

The current projected overspend on Residential Schools is approximately £220,000. This has reduced by £80,000 since period 3. Further updates will be provided in future reports.

3.5 Other Services – Young People are shown as adverse by £32,124. The main variance is in relation higher staffing costs for specialist services. It is anticipated that a compensating underspend can be achieved in payments to other bodies by the end of the year.

3.6 Residential Accommodation for Older People is shown as favourable by £37,629. This variance is due to three factors:

- Employee costs are shown as adverse by £39,602. The situation regarding use of agency staff is still prevalent although the service manager is currently pursuing a new recruitment campaign. The need for agency staff is driven by high absence levels and vacant posts.
- Property costs are shown as adverse by £49,739 which is being caused by the increased cost electricity and gas. As previously reported budgets for these items appear to be insufficient due to recent and sustained price increases. At present costs this variance will exceed £100,000 by the end of the financial year.
- Both of these adverse variances above are however being overcome by a large favourable variance of £118,000 as the cost of purchased care home places is lower than budgeted due to numbers of clients placed in external care homes being less than expected in the budget.

3.7 Residential Care – Learning Disability is shown as adverse by £128,280. This variance is mainly due to two factors:

- Residential care and housing support costs for adults with learning disabilities are adverse by £83,335. This is partly due to increased client need and new clients. In addition the manager is presently having difficulty achieving a saving of £170,000 which requires the NHS placing and funding a client whose care is currently arranged and funded by the council.
- Income received is also lower than budgeted and is adverse by £41,597 due to an error in the budget compilation.

3.8 Physical Disability is shown as adverse by £27,485. This variance is mainly due to an increase in the number of clients receiving Direct Payments and an increase in the amount of Direct Payment being paid to one client (due to changing need). This increase is being partially offset by a decrease in Home Care costs.

3.9 Day Centres – Learning Disability is shown as favourable by £39,755. This variance is mainly due to savings on transport (£25,000) and property costs (£15,000) as a result of the temporary closure of Auchentoshan centre.

3.10 Mental Health is shown as adverse by £34,311. This variance is mainly due to:

- Increased client need and new clients. The budget is currently adverse by £55,000.
- This budget is currently making a partially offsetting saving of £20,797 on employee costs due to vacant posts for Mental Health Officers.

3.11 Home Help Services are shown as favourable by £59,755. Three significant variances are the main contributors to this position :

- Employee costs are shown as £17,941 favourable. This is due to effective management of workforce levels around identified assessed care needs.
- Payments to other bodies are shown as favourable by £14,150. This is related to some of the increase costs described above under Physical Disability.
- Income from charges to clients is exceeding the level expected in the budget and is currently £24,933 favourable.

3.12 Other Specific Services is shown as adverse by £25,803. This variance is mainly due to the recharge of Homeless rents from HEED. This recharge is beyond the control of the Social Work service and it is expected to be offset by a favourable variance in Housing Benefit subsidy claimed by HEED.

3.13 General – measures being taken to limit potential overspend

Steps being taken to relieve the projected overspend position include:

- Since identifying that the budget is likely to overspend this year the department imposed a freeze on the filling of vacant posts with only operationally essential posts being filled. This freeze pre-dated the current corporate freeze and is expected to result in a significant saving by the end of the financial year which has not been fully reflected in budgetary control reports to date. Similarly regarding the current freeze on non-essential non-staffing items the department had introduced measures to control such expenditure earlier than the corporate freeze.
- Numbers of children placed in Residential Schools is being addressed where possible and it is expected that the current projection shown at 3.4 above will reduce by the year-end.

- Ongoing review of current care and housing support provision is expected to result in cost reductions by the year-end.

4. Personnel Issues

- 4.1** The ongoing freeze on filling of posts has resulted in a significant number of posts remaining vacant and these are expected to remain vacant until the end of the year. This will undoubtedly place strain on remaining employees and this may result in delays in the delivery of some functions as work is prioritised.

5. Financial Implications

- 5.1** Other than the financial position noted above there are no financial implications of the budgetary control report.

6. Risk Analysis

- 6.1** The main financial risks to the ongoing financial position relate to unforeseen client needs being identified between now and the end of the financial year which may result in increased costs arising from expensive service provision. This can affect several parts of the service as highlighted earlier in this report.

7. Conclusion

- 7.1** The main issues identified to date relate to cost pressures in relation to care costs across the department as levels of need in a number of client group areas has changed since the setting of the budget. The department is continuing to make every attempt to manage the situation as best it can through the measures identified at section 3.13 above, however due to the nature of the service being provided there remains potential for further cost increases resulting from changing care needs. It is expected that the potential level of overspend to the year-end indicated by this current report will reduce and that future reports are expected to show an improving position. Though it is unlikely that a year-end break-even position will be achieved.

8. Recommendation

- 8.1** Members are asked to note the contents of this report.

Stephen West
Interim Director of Social Work and Health

Person to Contact: Stephen West, Head of Service – Strategy, Resources and Modernisation - Tel. No. 01389 737705

Appendices: Appendix A - Summary Budgetary Control Report
Appendix B - Detailed Budgetary Control Report
Appendix C - Report on Budgetary Variances

Background Papers: None

Wards Affected: All