

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Social Work & Health Department

Social Work and Health Improvement Committee: 10 December 2008

Subject: Social Work Budgetary Position 2008/09 as at Period 7 to 15 November 2008

1. Purpose

- 1.1** The purpose of this report is to advise members of the performance of the Social Work and Health budget for the period to 15 November 2008.

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 November 2008 to the phased budget as at 15 November 2008.

3. Main Issues

- 3.1** The overall variance for the service to period 7 is £314,355 adverse. The main variances to date are as follows:

- 3.2 Operations and Servicing** is adverse by £121,200. There are two contributory factors:

- Employee costs are currently shown as £242,693 adverse however due to the secondment of staff to the Scottish Government £140,737 can be offset against a similar favourable variance shown in income. The remaining £101,956 variance is due to difficulties in achieving budgeted turnover savings due to low levels of staff turnover.
- Income as stated above is favourable by £140,737 which is income from the Scottish Government for seconded staff.

Residential Accommodation for Young People is shown as adverse by £165,923. There are three contributory factors:

- Income is shown as favourable by £79,499 which is as a result of carried forward grants. This is being used to partially offset the other variances described below.
- Employee costs are reported as adverse by £128,841. This is due to temporary additional employees funded as noted above, staff turnover savings not being achieved and the cost of sickness cover.

- Payments to other bodies are also shown as adverse by £90,127. This is mainly being caused by increased need for Foster Carers which is causing an increase in the need to access such care through fostering agencies which are considerably more expensive than those directly appointed by the department.

3.3 Residential Schools is shown as adverse by £156,250. This is due to two issues:

- A number of residential schools where we have children placed have applied an above inflation price increase in 2008/09 (some by up to 34%). On average the effect of this has seen an increase in base costs of placements of around 10%. This is in excess of budgetary provision for inflation. The Department, along with others in the West of Scotland has attempted to avoid paying the inflationary uplift; however this has not proved to be possible due issues around the availability of supply of such placements when they are needed and alternatives not being readily available.
- The number of children who require to be placed in secure accommodation is currently greater than anticipated in the budget. We normally budget for an average of 1.5FTE such placements at any time during the year, and we have recently been carrying 4 such placements. It is hoped that such placements are not long term, however the movement of such children out of these placements is not totally within the control of the Council, as all such children are there on placement orders, and as such any further placements require to be agreed by the Children's Panel.

As a result of these two factors the current projected overspend on Residential Schools is approximately £250,000. Further updates will be provided in future reports.

3.4 Other Services for Young People is shown as adverse by £33,419. This variance is due to two factors:

- Income is shown as favourable by £62,055 which is as a result of carried forward grants. This is being used to partially fund the variances described below.
- Payments to other bodies is shown as adverse by £91,526 which is being caused by increased pressure on the supplementation budget for Children with Special Needs arising from increases in numbers and increases in assessed need.

3.5 Residential Accommodation for Older People is shown as favourable by £157,254. This variance is due to three factors:

- Employee costs are shown as favourable by £116,770. This reflects some success in reducing the dependency on agency staff to fill

vacancies in homes but is mainly caused by a provision of £271,000 brought forward to settle a pay and grading dispute which is now not required. This is a one-off gain in 2008/09 which masks the underlying continued cost pressure on homes due to staffing difficulties. Further initiatives are being implemented to remove as many agency staff as possible by filling vacant posts.

- Supplies and Services are shown as adverse by £28,645 which is being caused by the increased cost of food and other catering items.
- Payments to other bodies are shown as favourable by £72,277 as numbers of people placed in care homes is slightly lower than budgeted.

3.6 Residential Accommodation – Learning Disability is shown as favourable by £69,658. This variance is mainly due to the following:

- Payments to other bodies are shown as favourable by £56,600. This is due to ongoing assessments of need and ongoing negotiations with service providers around contract costs.

3.7 Residential Accommodation – Physical Disability is shown as adverse by £109,118. This variance is mainly due to the following:

- Payments to other bodies are shown as adverse by £106,542 due to increased uptake of Direct Payments and significant pressure on the supplementation budget driven by increased client needs and additional clients requiring care packages. This variance is currently projected to reach £170,000 by the end of this year.

3.8 Day Centres – Learning Disability is shown as adverse by £68,056. This variance is mainly due to two contributory factors:

- Employee costs are adverse by £44,346 due to staff turnover savings not being achieved and due to the cost of sickness cover.
- Income is adverse by £26,022 due to slippage in the implementation of new charges as per the budget setting meeting in February. These charges are now being levied as agreed.

3.9 Other Services – Disability is shown as favourable by £23,314. This variance is mainly due to the following:

- Income is favourable by £25,880. This is income being received for the secondment of a member of staff to GGILES with no back filling of this post.

3.10 Home Help Services are shown as favourable by £135,437. Two significant variances are the main contributors to this position:

- Employee costs are shown as £113,117 favourable. This is due to effective management of workforce levels around identified assessed care needs and offsetting some increase in Direct Payment costs shown elsewhere.
- Payments to other bodies are shown as favourable by £49,657 as we are managing levels of demand in the most cost-effective way.

3.11 Addiction Services are shown as adverse by £72,610. This variance is mainly due to the following:

- Income is adverse by £42,862. This is income which was included in the budget but is no longer available to the department.

4 Personnel Implications

4.1 There are no direct personnel implications of the budgetary control report.

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. The position regarding the cost of Residential Schools provision continues to represent such a risk along with pressure on children's services in general and physical disability supplementation costs.

7. Conclusion

7.1 The main issues identified to date relate to cost pressures in the cost of children's care services and services for clients with physical disabilities. The Department is continuing to make every attempt to minimise placement of children in residential schools where appropriate alternative placements in the community or other residential accommodation are available and suitable. The department's management team have agreed actions aimed at reducing the overspend position.

8. Recommendation

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

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

Background Papers: None

Wards Affected: All