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**Report To:** Health and Social Care Committee    **Date:** 22 October 2009  
**Report By:** Acting Corporate Director Social Care and Chief Financial Officer    **Report No:** FIN/59/AP/TW  
**Contact Officer:** Angela Edmiston    **Contact No:** 01475 712143  
**Subject:** 2009/10 Social Work Revenue Budget – Period 5 to 31 August 2009

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## 1.0 PURPOSE

1.1 To advise Committee of the 2009/10 Revenue Budget position at Period 5 to 31 August 2009.

## 2.0 SUMMARY

2.1 The total Health and Social Care Committee budget for 2009/10 is £51,211,970 with a further £997,000 brought forward as earmarked reserves. The latest projection is a net overspend of £85,000.

2.2 This is a reduction in the projected overspend of £199,000 since last reported, arising mainly from the following projections:

- A net reduction in the employee cost overspends of £130,000.
- An increase in residential nursing and free personal care of £73,000.
- A further reduction in numbers of children in residential schools of £215,000.
- An increase in external home care packages of £90,000.
- An increase in transport charges of £48,000 in line with the 08/09 outturn.
- Efficiency savings of £100,000 within Older Persons.

2.3 In respect of the above the service is making every effort to ensure conformity within the budget parameters. There are particular pressure areas which will need continued vigilance to ensure that targets are met, specifically that relating to the under-achievement of meeting the turnover saving in respect of employee costs. This is subject to an ongoing review in co-operation with Finance Services and it is anticipated that appropriate action can be taken to secure this target.

## 3.0 RECOMMENDATIONS

3.1 The Committee note the current projected overspend for 2009/10 of £85,000, and the ongoing action being undertaken by Social Work Services to bring spend back within budget.

## 4.0 BACKGROUND

- 4.1 The purpose of the report is to advise Committee of the current position of the 2009/10 budget and to highlight the main issues contributing to the projected overspend of £85,000.

## 5.0 2009/10 PROJECTION

- 5.1 The main issues to highlight in relation to the current projected overspend of £85,000 as detailed in Appendix 1, are:

### Employee Costs

The projected overspend of £301,000 in Appendix 1 relates to:

Turnover Savings: - A turnover savings target of £570,640 has been set for Social Work for 2009/10. The current projection for turnover savings for 2009/10 is a shortfall of £439,000. This is an increase of £45,000 since reported to the last Committee.

Manual Costs: - There is a projected underspend in manual costs of £138,000, which is a further increase in the underspend of £67,000 since the last Committee. This is due to a managed reduction in internal homecare hours.

Overtime Costs: - The Service has implemented restrictive action to tackle the overspend reported to the last Committee and has secured a significant reduction. As a result, the current projection is anticipated to be on target for overtime, which is a reduction of £108,000 since reported to the last Committee.

### Strategy

There is a projected underspend of £45,000 within respite short breaks. This is a reduction in the underspend of £6,000, since reported to the last Committee.

### Older Persons

There is a projected underspend of £59,000, which is a reduction in the underspend of £8,000 since reported to the last Committee. This is due to an increase of £24,000 in the residential nursing costs and £49,000 in free personal care nursing due to three emergency client placements. This has been offset by a reduction in manual employee and overtime costs of £68,000, which are included in the employee cost projections above.

There is also to a projected increase of £90,000 in the provision of external homecare payments. This is due to the home care service being provided directly by St Margaret's Court for additional support as a result of the level of need of the clients living there. There is also a projected increase in transport costs of £14,000 in line with the 08/09 outturn.

### 2010/11 efficiencies

A saving of £100,000 has been agreed against the Sutherland monies as part of the 1% efficiency savings in 2010/11. No expenditure has yet been committed against this sum in 2009/10 and as a result £100,000 has been put forward as a saving towards the overspend in the financial year 2009/10. This is included within the underspend in Older Persons in the table below and Appendix 1 attached.

### Learning Disabilities

There is a projected overspend of £153,000. This is a reduction of £14,000 since reported to the last Committee. This is due to a projected increase in transport costs of £8,000 in line with last years out-turn which has been partly offset by a reduction in adult supplementation within Bank Street due to some clients moving to community based accommodation.

### Child Care

There is a projected underspend of £313,000. This is an increase in the underspend of £137,000 since reported to the last Committee.

Residential Schools: - A supplementary estimate of £520,000 was awarded due to the level of the projected overspend within residential schools in 2008/09 and the trend in prior years. This was awarded based upon the level of children placed in residential schools and the cost to the Council in the last few years.

However, in the financial year 2009/10, the number of children placed within the schools has fallen considerably (placements at 31/3/08 were 24 compared with 15 as at the 31/8/09) resulting in a projected underspend of £457,000.

This is a further costs reduction of £215,000 since the last Committee, however, it remains that any increase in admittances could significantly reduce this underspend, therefore, the contingency of £100,000 as previously reported is still included within these projections.

Fostering / Adoption: - There is a projected overspend within the fostering / adoption budget of £138,000, which is an increase of £20,000 since reported to the last Committee. This is due to an increase in the numbers of children in Social Work care placed within other Local Authorities.

A separate report is being submitted to the Health & Social Care Committee regarding fostering and kinship rates, detailing the impact on the Service of any increase in the rates paid. Any cost implications from this report are not included in the current projection.

A projected overspend of £15,000 has also been included for transport costs in line with the 2008/09 outturn.

### Physically and Sensory Impaired

There is a projected overspend of £103,000, which is an increase of £59,000 since reported to the last Committee. This is due to the admittance of a new client and increased use of physiotherapist services and a projected increase in transport re-charges in line with the 08/09 outturn.

### Addiction / Substance Abuse

There is a projected underspend of £22,000 not reported to the last Committee, due to projected savings within client packages.

### Support Management

As shown in the table below there is a projected overspend of £448,000, which is a reduction of £45,000 since reported to the last Committee. This is due to a net reduction in staffing and overtime costs of £63,000 since reported to the last Committee, which are included in the employee note above. This is offset by a projected reduction in transport costs offset by a further increase in agency payments to other local authorities.

## Assessment and Care Management

There is a projected overspend of £22,000 which is an increase of £5,000 since reported to the last Committee due to a projected increase in transport costs in line with the 08/09 outturn.

## Homelessness

There is a projected underspend of £200,000. This was reported to the last Committee. This is due to the rationalisation of the temporary accommodation budget following the operation of an integrated budget for a full year post stock transfer.

## **6.0 IMPLICATIONS**

6.1 The current projected outturn per Social Work is:

Actual 2008/09 £000	Service	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Projected Out-turn 2009/10 £000	Projected Over/ (Under) Spend £000
1,203	Strategy	1,065	1,108	1,063	(45)
18,724	Older Persons	19,747	19,762	19,703	(59)
4,342	Learning Disabilities	4,123	3,912	4,065	153
969	Mental Health	1,147	1,127	1,125	(2)
10,999	Children and Families	11,012	10,894	10,581	(313)
2,527	Physically and Sensory Impaired	2,359	2,285	2,388	103
624	Addiction / Substance Misuse	653	596	574	(22)
2,748	Support / Management	3,098	3,533	3,981	448
1,181	Assessment and Care Management	1,233	1,471	1,493	22
920	Mainstream Delayed Discharge	952	952	952	0
0	Criminal Justice *	0	0	0	0
5,374	Supporting People	5,058	5,039	5,039	0
698	Homelessness	765	765	565	(200)
0	Resource Transfer / Delayed Discharge *	0	0	0	0
(216)	Fairer Scotland Fund / Financial Inclusion	0	0	0	0
<b>50,093</b>	<b>Total Net Expenditure</b>	<b>51,212</b>	<b>51,444</b>	<b>51,529</b>	<b>85</b>

\* Criminal Justice / Resource Transfer and Delayed Discharge are fully funded from external income, hence the zero budgets and expenditure.

## **7.0 VIREMENT**

7.1 The Committee are requested to approve virement as detailed in Appendix 3 attached. This is included in the figures within table in 6.1 above and Appendix 1 attached.

## **8.0 EARMARKED RESERVES**

8.1 As shown in Appendix 2 attached, Social Work expenditure to date is 32.62% of the projected spend on earmarked reserves in 2009/10.

## **9.0 EQUALITIES**

9.1 There are no equality issues within this report.

## **10.0 OTHER ISSUES**

### **10.1 Budget Re-alignment**

Included within the projections above in table 6.1 and Appendix 1 are budget re-alignments for Social Work property costs, supplies and services and administration costs. The budget now reflects the projected expenditure within these budget lines and the net impact is nil. This is in line with last years outturn and the projections to 31 August 2009. There is no requirement for this to be reported as virement due to the non material level of the budget changes and is in line with the financial regulations.

### **10.2 Transport Costs**

As shown in Appendix 1 attached and in the notes above there is a projected overspend in transport costs of £48,000. This is based upon the outturn in 2008/09. The Council has conducted a transport review and as a result of this all transport budgets will require to be re-aligned, therefore any changes to the current projection will be reviewed once this is completed.

## **11.0 CONSULTATION**

11.1 The report is prepared jointly between Finance & Social Work Services.

**SOCIAL WORK****REVENUE BUDGET MONITORING REPORT****PERIOD 5: 1st April 2009 - 31st August 2009**

2008/09 Actual £000	Subjective Heading	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Projected Out-turn 2009/10 £000	Projected Over/(Under) Spend £000	Percentage Variance
	<b>SOCIAL WORK</b>					
26,468	Employee Costs	26,714	27,605	27,906	301	1.09%
1,810	Property costs	1,409	1,884	1,884	0	0.00%
1,245	Supplies and Services	1,004	1,014	1,014	0	0.00%
489	Transport and Plant	415	442	490	48	10.86%
854	Administration Costs	714	719	730	11	1.53%
32,907	Payments to Other Bodies	32,171	33,235	33,142	(93)	(0.28%)
(13,676)	Income	(11,215)	(13,455)	(13,637)	(182)	1.35%
<b>50,097</b>	<b>SOCIAL WORK NET EXPENDITURE</b>	<b>51,212</b>	<b>51,444</b>	<b>51,529</b>	<b>85</b>	<b>0.17%</b>
	Transfer to Reserves				0	
<b>50,097</b>	<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>51,212</b>	<b>51,444</b>	<b>51,529</b>	<b>85</b>	

**HEALTH & SOCIAL CARE COMMITTEE****MATERIAL OVER / UNDERSPENDS (Excluding Transfers to Earmarked Reserves)****PERIOD 5: 1st April 2009 - 31st August 2009**

Outturn 2008/09 £000	Budget Heading	Revised Budget 2009/10 £000	Proportion of Budget	Actual to 31st August 2009 £000	Projection 2009/10 £000	Over/(Under) Budget £000
1,110	Fostering / Adoption	1,080	450	572	1,218	138
2,793	Child Care Supplementation	2,782	1,159	1,010	2,325	(457)
2,555	Adult Supplementation / Additional Support Hours	2,570	1,071	1,129	2,765	195
1,816	Free Personal Care	1,946	811	705	1,995	49
0	Physically Sensory Impaired - Payments to the Health Board	0	0	6	20	20
55	Respite Breaks	134	56	25	89	(45)
0	Voluntary Sector Training	30	8	0	0	(30)
18	Agency - Support Services / Assessment & Care Management	0	0	11	24	24
95	Payment to Other Local Authorities	81	34	30	121	40
1,070	External Homecare Packages	1,323	551	551	1,413	90
7,745	Residential Nursing	8,261	3,442	3,165	8,285	24
(504)	Turnover Target	(571)	(238)	(132)	(132)	439
5,781	Manual Costs	6,109	2,226	2,084	5,970	(139)
489	Transport Charges	415	173	221	463	48
0	Homelessness Bad Debt Budget	69	29	0	0	(69)
0	Sutherland Efficiency Savings	905	377	335	805	(100)
(498)	Homelessness temporary accommodation Income	(649)	(162)	(188)	(780)	(131)
	<b>TOTAL MATERIAL VARIANCES</b>					<b>96</b>

EARMARKED RESERVES POSITION STATEMENT

Appendix 2

COMMITTEE: Health and Social Care

Project	Lead Officer/ Responsible Manager	c/f Funding 2008/09	New Funding 2009/10	Total Funding 2009/10	Actual To Period 05 2009/10	Projected Spend 2009/10	Amount to be Earmarked for 2010/11 & Beyond	Lead Officer Update
		£000	£000	£000	£000	£000	£000	
Telecare Grant	Gillian McCready	107	200	307	27	307	0	Full spend projected by year end. Social Work are currently identifying expenditure funded from telecare.
Demonstrators Grant	Gillian McCready	113		113	30	90	23	£90k expenditure projected, balance requested to be earmarked to 2010/11. Service to seek permission from Scottish Government to carry forward.
Homelessness Task Force Grant	Jim Anderson	224		224	193	198	26	Retention for 2010/11. Contract will otherwise be completed in 2009/10.
Financial Inclusion - FSF	Anne Feeney	224	112	336	97	336	0	Full spend anticipated prior to 31/3/10, confirmed with Service Manager.
- Champions Fund	Anne Feeney	196	0	196	72	196	0	Contract runs to 2011, with further funding in 2010/11. Invoices to come from 3 other authorities for staffing costs which will be charged quarterly. Inverclyde Council payroll costs charged monthly. Full spend expected.
FSF Social Care **	Colin Struthers	123	676	799	206	779	20	FSF funding to cover to March 2010. Detail of projects below. Underspend anticipated of £20k in road to recovery due to recruitment problems. FSF are aware of the project slippage and are currently in the process of deciding how this slippage will be dealt with.
Pilot to enhance job opportunities for care leavers	Sharon McAlees	10		10	0	10	0	Report agreed at CMT. Full spend is expected in 09/10.
<b>Total</b>		<b>997</b>	<b>988</b>	<b>1,985</b>	<b>625</b>	<b>1,916</b>	<b>69</b>	

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Fairer Scotland Fund - Choose Life	B Young	3	22	25	0	25	0
Fairer Scotland Fund - Drugs Carers Programme	D Carmichael	35	69	104	34	104	0
Fairer Scotland Fund - YPAT Culture Change	C Park	20	165	185	65	185	0
Fairer Scotland Fund - Road to Recovery	D Carmichael	18	173	191	60	171	20
Fairer Scotland Fund - Homeless Detox	C Park	47	247	294	47	294	0
		<b>123</b>	<b>676</b>	<b>799</b>	<b>206</b>	<b>779</b>	<b>20</b>

**HEALTH & SOCIAL CARE COMMITTEE****VIREMENT REQUESTS**

<b>Budget Heading</b>	<b>Increase Budget</b>	<b>(Decrease) Budget</b>
	£	£
Social Work Services - Rent		(21,000)
Social Work Transport Costs	21,000	
	<b>21,000</b>	<b>(21,000)</b>

**Note**

The above is virement of an uncommitted rent budget within Supporting People towards over committed transport costs in Learning Disabilities.