

**THE HIGHLAND COUNCIL**  
**HOUSING AND SOCIAL WORK COMMITTEE**  
**16<sup>th</sup> September 2009**

Agenda Item	
Report No	

**Report by Director of Social Work**

**MONITORING REPORT FOR FOUR MONTHS TO 31<sup>ST</sup> JULY 2009, AND  
RECOVERY PLAN**

**1. SUMMARY**

This report details the monitoring position for the service in the first four months of financial year 2009/10 which indicates an overspend at the end of the year of £3,424,000.

The report continues by outlining the actions being taken to reduce expenditure, to bring expenditure in line with budget by the end of the financial year.

**2. BACKGROUND:**

2.1 Members will recall from the report to the August Committee that at the end of the first three months of the financial year, it had been anticipated that expenditure within the social work budget would exceed budget by £3,437,000. The main variances are the same. This position reported here shows a very small improvement in that previously reported. While both predictions are based on a relatively short period of the financial year, the figures presented indicate a serious financial outlook.

2.2 The Social Work Service budget faces an extremely challenging and pressured financial position where demand for services in some areas is exceeding the resources available. This is in the context of a worsening future financial outlook for the public services generally. Notwithstanding the management team remain committed to working to recover the overspends here predicted. A budget recovery plan has been compiled and agreed with the Chief Executive and Director of Finance. What follows is an explanation of the pressures, a summary of actions taken to adjust budgets to meet demand and details of the management actions which form the budget recovery plan .

**3. DETAIL OF FINANCIAL SITUATION AND THE PRESSURES**

3.1 Attached as **APPENDIX 1** is the revenue monitoring figures for the service to the end of July 2009. These predict an overspend at the end of the financial year of £3,424,000. The Children and Families section of the budget predicts an underspend at the end of the year of £64,000. Community Care predicts an overspend of £3,930,000 (with Care at Home comprising £1,525,000 of the amount) and Corporate and Central Services predict an underspend of £341,000.

- 3.2 Included within these figures is the additional £1,000,000 (making a total of £3,075,000 to date including inflation) allocated by Council to support the enhanced provision of Care at Home. £1,000,000 of this sum is included in the line for Older People: Home Care – Independent Sector Care (ISC), being the start of the new contract recently awarded. The out-turn projection for ISC assumes that half of this sum will be expended by the end of this financial year. The balance of the allocation is included in the in house ‘Older People – Home Care’ line.
- 3.3 The projected amount of expenditure for the new Care at Home service structure assumes that there will be no corporate provision for the full actual impact of Job Evaluation. The unfunded portion of Job Evaluation has been calculated at £1,141,000. Job evaluation had a considerable impact in raising the salary grade of care at home workers.
- 3.4 Within the line ‘Older People: Care Homes’, the projected overspend (£422,000) arises from the employment of relief staff and overtime working, arising from staff vacancies and illness, plus additional pressures arising from Care Commission requirements.
- 3.5 The variance for the Older People: Care Homes ISC line is £819,000. This figure masks what is a larger pressure on this budget line, estimated at between £1,200,000 and £1,400,000 if delayed discharge targets are to be met. The partnership has agreed a target of Zero delayed discharge and priority has been given to funding this to enable early discharge from hospital. Any attempt to manage this expenditure down risks an adverse impact on delayed discharge. Managers across health and social work continue to work closely and creatively on this.
- 3.6 People with a Learning Disability lines continue to reflect the pressures on the service from this sector. The variance here on the ISC line is £878,000 and members should note that this is after the £750,000 added to the budget this year. There have been particular difficulties in Learning Disability Services, in that two care homes in the independent closed unexpectedly, resulting in a need to quickly arrange care packages for people in the community. Whilst this has involved a positive shift in the balance of care for some, it has resulted in significant additional costs. There is a recognition that some of the services are not configured in the most effective way and a number of tenancies are dispersed and packages spot purchased. The move to commissioning more services on a core a cluster model has the potential to help recover the position but this will take time. There is a growing pressure coming from young people in transition from children’s services some of whom have complex needs. There is an urgent need to strengthen partnership working in this area to ensure social care services are an integrated part of a range of services including employment education health and community resources designed to improve the quality of life and horizons of these young people. A report later in the agenda on self directed support highlights this importance of this and the work underway to make improvements.

## **4 BUDGET VIREMENTS**

As part of routine budget management, the Director of Social Work is empowered to effect budget adjustments or virements, on the understanding that any significant virements are reported at the first available opportunity, to the Housing and Social Work Committee. Budget adjustments have been made in

- Children and Families Direct Payments
- Community Care Direct payments
- Staffing budgets to reflect slippage targets across the service in children's services Community Care and Business Support.

This rebalancing of the budget better reflects the patterns of expenditure.

## **5. BUDGET RECOVERY PLAN AND MANAGEMENT ACTION**

5.1 A suite of management actions designed to address areas of overspend have been put in place and are being implemented robustly by the management team. They include those listed below. Whilst it is anticipated the actions will make a positive impact in the short term it is unlikely that these will be sufficient to recover this position this financial year. The service remains very committed to recovering the position in the longer term. Meetings with manager's staff are underway to discuss the budgetary position to ensure everyone is aware of the position and understands their role and responsibility in contributing to and supporting the recovery plan.

- Robust vacancy management across the Community Care service is being employed to control expenditure, with only essential posts filled. All vacancies are being scrutinised by the Director and Heads of Service before advertisement.
- Within the Older People Care Homes, overtime and relief staff outlays are being closely monitored and reported to area managers. In the longer term, proposals for a more flexible staffing structure are being developed.
- Non Staff Travel Costs across the service totalled in excess of £600,000 last year, and this pattern of expenditure continues this year. All expenditure in this area is being reviewed to ensure that clients are transported safely and that transport is funded appropriately. Review of the Service's use of minibuses is part of a longer term approach to maintain a system of transporting clients which achieves best value for the Council.
- Staff mileage budgets are now capped, and expenditure has been limited to ensure that mileage in the remainder of the financial year does not result in expenditure exceeding budget. All staff have been tasked with providing forward travel plans monthly to their line manager – these will be reviewed to ensure effective workload/time management and travel minimisation. All journeys over 50 miles require line manager authorisation.

- Ensuring regular review of all packages promoting re-ablement and the creative use of telecare.
- Manage reduction in the use of support hours by reviewing escort and travel duties.
- Maximise income recovery setting targets for speedy completion of financial assessments.
- Continue to review staff rotas, staff deployment and management to ensure efficient delivery of in house care at home service.
- Cease all non essential expenditure.

## 6. SUMMARY

- 7.1 In summary, the Social Work Service budget continues to face an extremely challenging situation. This report outlines and explains the specific pressures and highlights the management actions being taken to seek to address them.

## 7. RECOMMENDATIONS

Members are asked to note the current budget position within the Social Work Service and to endorse the corrective actions being taken by the Director and her team to recover the position.

It is recommended that the Director bring back a progress report on the recovery plan to the next Committee.

**Signature**

**Designation**

**Date**

**Background Papers:**

**Author/Reference**

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Director of Social Work

09 September 2009

W John Anderson, Service Finance Manager

## Appendix 1

## SOCIAL WORK SERVICES Revenue Expenditure Monitoring Report

1 April 2009 to 31 July 2009

Summary

	£000	£000	£000	£000
	Actual	Annual	Year	Year
	Year To	Budget	End	End
	Date		Estimate	Variance
<b>ISC = Independent Sector Care</b>				
<b>DP = Direct Payments</b>				
<b>BY ACTIVITY</b>				
<b>Children and Families</b>				
Social Work Teams	1,704	6,405	6,229	(176)
Looked after Children	2,482	7,694	7,774	80
Children's Direct Payments	131	241	241	0
Youth Action Service	2	27	3	(24)
Management & Planning	304	743	800	56
	<b>4,622</b>	<b>15,110</b>	<b>15,047</b>	<b>(64)</b>
<b>Community Care</b>				
Older People: Care Homes	3,331	12,262	12,684	422
Older People: Care Homes Income	(675)	(2,738)	(2,790)	(52)
Older People: Care Homes - ISC	7,626	19,228	20,047	819
: Other non-residential care	359	1,130	1,162	32
: Other non-residential care - ISC	526	1,279	1,224	(55)
People with a Learning Disability	1,620	4,837	5,152	314
People with a Learning Disability - ISC	2,759	11,165	12,043	878
People with a Learning Disability - DP	256	592	590	(2)
People with a Mental Illness	575	1,817	1,576	(241)
People with a Mental Illness - ISC	1,031	3,026	3,371	346
People with a Mental Illness - DP	1	6	1	(4)
People with a Physical Disability	420	1,519	1,277	(242)
People with a Physical Disability - ISC	1,268	3,335	3,747	412
People with a Physical Disability - DP	197	500	500	(0)
People Misusing Drugs/Alcohol - ISC	239	610	710	100
Community Care Teams	2,275	7,310	7,197	(113)
Management & Planning	134	1,233	924	(309)
Statutory Consultation	136	629	629	0
	<b>22,077</b>	<b>67,739</b>	<b>70,044</b>	<b>2,305</b>

<b>Corporate and Central Services</b>				
Older People: Home Care	3,670	10,085	11,251	<b>1,166</b>
Older People: Home Care - ISC	943	2,972	3,293	<b>321</b>
Older People: Home Care - DP	236	502	502	<b>0</b>
Telecare	4	(127)	(89)	<b>38</b>
Criminal Justice Service	885	3,267	3,272	<b>5</b>
Training	185	553	535	<b>(18)</b>
Business Support Services	1,066	4,728	4,662	<b>(65)</b>
Housing Support Services	3,885	11,270	11,271	<b>1</b>
Directorate	182	1,126	1,111	<b>(15)</b>
Health Board Resource Transfer	0	(10,045)	(10,295)	<b>(250)</b>
Other External Funding	(1,061)	(3,733)	(3,733)	<b>1</b>

**36,695**

**103,448**

**106,872**

**3,424**

**BY SUBJECTIVE**

Staff Costs	15,130	50,879	52,605	<b>1,726</b>
Other Costs	28,400	75,495	77,779	<b>2,282</b>
Gross Expenditure	<b>43,530</b>	<b>126,374</b>	<b>130,384</b>	<b>4,008</b>
Grants	(2,021)	(3,792)	(4,197)	<b>(404)</b>
Other Income	(4,814)	(19,134)	(19,315)	<b>(180)</b>
Gross Income	<b>(6,836)</b>	<b>(22,927)</b>	<b>(23,511)</b>	<b>(585)</b>

**36,695**

**103,448**

**106,872**

**3,424**

**Percentage of Budget Spent:**

**this month: 35%**

**at the same stage last year: 32%**