

SOCIAL SERVICES AND STRATEGIC HOUSING BUDGET MONITORING 2003/04 – 12 MONTHLY REPORT

Report By: Head of Business Services

Wards Affected

County-wide

Purpose

1. To inform the Committee of the provisional final outturn budget monitoring position for Social Care and Strategic Housing for the financial year 2003/04.

Financial Implications

2. As detailed within the report.

Background

3. Following the Council's Performance Management Framework, budget monitoring reports should be made regularly to relevant Scrutiny Committees. This is the final budget monitoring report for the financial year 2003/04.

Social Services Budget 2003/04

4. The budget for the financial year 2003/04 was set by Council on 7th March 2003. Additional resources of £1.3million were allocated to the Social Care programme area, with £300,000 of the £1.3million specifically to be used for the purpose of addressing difficulties with delayed discharges.
5. In summary, after allowing for inflation the total budget available for Social care in 2003/04 was as follows:

	£
Base budget (after inflation)	31,962,950
Growth allocated	<u>1,300,000</u>
Total budget Social Care	33,262,950

6. On 10th July, 2003 Cabinet noted the final revenue outturn report for the financial year 2002/03. Cabinet endorsed that the overspend on Social Care in excess of

- the 2% permitted under the Council's Financial Standing Orders would be met from reserves. This then meant that the overspend carried forward to the 2003/04 budget was £582,000.
7. Reports made to previous meetings of the Scrutiny Committee have shown steady reductions in the "debt" carried forward from 2002/03. The process of closing the accounts is currently being finalised, but the final outturn is expected to be an overspend of £245,000 (including the carried forward £582,000). This is 0.7% of the budget and will be carried forward to the financial year 2004/05.
 8. The objective to keep expenditure within the social care budget has been a considerable challenge. It should be acknowledged how difficult this has been for all staff and for users and the public waiting for services. This pressure on older peoples services in particular will impact on the 2004/05 financial year.
 9. The key risk area of childrens agency placements has been identified as an issue in previous reports. This budget has naturally been particularly difficult to predict.
 10. Although there were only 27 children in such placements at the end of March 2004, the total spend on this budget was £1.6million. The current cost of placement for an individual child ranges from £560 per week to £4,300 per week. In the last 3 months of the 2003/04 financial year 6 new placements have been agreed. This will obviously place pressure on the 2004/05 budget. Childrens Services managers are already planning for some more flexibility within our own fostering service placements to meet childrens needs rather than more expensive options.

Strategic Housing Budget 2003/04

11. The 2003/04 budget for Strategic Housing is £1,247,000. In addition, an underspend of £191,000 has been carried forward from 2002/03.
12. The projected end of year underspend to be carried forward to 2004/05 is £60,000 (after incorporating the 2002/03 underspend). It is not expected that there will be an underspend in future years. The reason for the underspend in this year is the time taken to review services and recruit to posts within the new Strategic Housing function and also reflects the cautious approach taken in committing to expenditure in the first year following transfer.

Summary

13. The Directorate's aim to completely eradicate the "debt" brought forward on the Social Care budget has not proved possible, but to reduce the overspend to under 1% of the budget must be seen as an achievement. However, it should be noted that this is at a cost to service delivery, which will remain a challenge in 2004/05.
14. The County Treasurer will be reporting to Cabinet in July 2004 on the final overall budget outturn position, when the accounts are complete.

RECOMMENDATION

THAT the provisional final budget monitoring outturn for the 2003/04 financial year be noted.

BACKGROUND PAPERS

- None