

**7 (B). SOCIAL SERVICES BUDGET MONITORING
2002/03 QUARTERLY REPORT****Report By: Head of Business Services****Wards Affected**

County-wide

Purpose

1. To inform the Committee of the budget monitoring position for Social Services for the final quarter of 2002/03.

Financial Implications

2. As detailed within the report.

Background

3. The budget approved by Council on 8th March 2002 assumed no budget reductions in the Social Care Programme area and initially provided additional resources of £850,000. Cabinet allocated further resources of £50,000 to the Social Care area from unallocated funds on 18th April 2002. This means that the Social Services budget received a total of £900,000 additional resources in 2002/03.
4. It has been agreed that quarterly budget monitoring reports be submitted to this Committee. The first quarter's budget monitoring report was presented on 19th September 2002, second quarter's report to the meeting on 25th November 2002 and the third quarter to the meeting on 13th March 2003. This report is for the final quarter of the financial year, which includes expenditure up to 31st March 2003.

Social Services Budget 2002/03

5. The final overspend carried forward from the financial year 2001/2 was £457,000. The Council's resolution to seek to reduce the permitted overspend from 2% to not more than 1% of the revenue budget would imply that the permitted overspend to be carried forward from 2002/03 would need to be reduced from £582,000 (2%) to £291,000 (1%)
6. The third quarter's budget monitoring report, presented to this Committee on 13th March 2003, indicated that the projected overspend for this financial year was £1.050million, which included the budget overspend of £457,000 brought forward from 2001/02. This was a reduction on the overspend predicted at the second quarter's report.

Current Position

7. At the end of March 2003, the projected year end position for Social Care is an overspend of £760,000, including the £457,000 brought forward from 2001/02.
8. At the meeting on 13th March, it was reported that the overspend would continue to reduce, due to the savings targets set for managers being partially realised. Whilst some of the savings have been achieved, this is at a cost to service delivery.
9. Particular pressure is on the Adults Services budgets. As at the end of May 2003, a total of 50 people were awaiting permanent funding for residential and nursing places. Some of these are in hospital and any delay in the provision of care has a potential impact on hospital waiting lists through delayed discharges.
10. Towards the end of the financial year, the Director agreed some additional funding from the Primary Care Trust to enable solutions to help with delayed discharges. An outline business case for older peoples services will be presented to Cabinet on 19th June 2003.

Summary

11. In summary, whilst the budget settlement for 2002/03 was positive, it must be viewed in the context of continuing service pressures. The Directorate has been successful in reducing the overspend as far as possible before the end of the financial year.. The pressures will inevitably impact on the budget for 2003/04. The budget plan for 2003/04 has been agreed with the County Treasurer and will be formally reviewed in September 2003.

RECOMMENDATION

THAT the budget monitoring report be noted

BACKGROUND PAPERS

- Council 8 March 2002
- Social Care and Housing Scrutiny Committee 19 September 2002, 25 November 2002, 13 March 2003