

NORTH LANARKSHIRE COUNCIL
AGENDA ITEM No 17(b) **REPORT**

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE	Subject: REVENUE MONITORING REPORT
From: HEAD OF HOUSING AND SOCIAL WORK RESOURCES	001.04.10 – 25.06.10 (PERIOD 3)
Date: : 05 AUGUST 2010	Ref: JH/RP
	HOUSING (NON HRA) AND SOCIAL WORK SERVICES

1. Purpose of Report

This report advises the Corporate Management Team on the overall financial position of Housing (Non HRA) and Social Work Services for 2010/11 financial year to 31st March 2011. Explanations are provided for the major outturn variances.

2. Summary of Financial Position

- 2.1. The Housing (Non-HRA) service is currently projecting a year-end overspend of £70,000, which is attributable to under-recovery of home loan repayments.
- 2.2. The Social Work service is currently projecting an underspend of £526,037 for the year. The overall outturn position has been reached through a combination of underspends in property costs, supplies and services, transport and payments to other bodies which are partially offset by overspends in employee costs and an under-recovery of income.
- 2.3. Additional details regarding budget variations are outlined in paragraph four below, and the appendices to this report.

3. Risks and Uncertainty

- 3.1. Although risks are inherent in any financial planning and monitoring process, the current economic climate has the potential to impact upon the Council's ability to provide services within its existing budgetary provision.
- 3.2. The most significant risks which may impact upon the financial outcome of Housing (Non HRA) and Social Work Services include:
 - 3.2.1. Growing demand on fostering services resulting in a continued need to buy in services from External Providers at higher costs. Currently the pressure on funding for secure accommodation placements is contained, but a combination of uncertainty regarding future demand levels for placements and the costs involved in making placements, could result in an adverse effect on Social Work finances.

4. Major Variations from Budget

- 4.1. A summary of the major variances projected at year-end within each division is outlined within table 1 below.

Service Division	Outturn Position (£s)	Analysis
Housing (Non HRA)	£70,000 Overspend	Under-recovery of home loan repayments.
Social Work Services	£526,037 Underspend	The overall outturn position has been reached through a combination of underspends in property costs, supplies and services, transport and payments to other bodies which are partially offset by overspends in employee costs and an under-recovery of income.
Total	£596,037 Underspend	

Table 1

- 4.2. The Social Work Service has a total employee costs budget of £84.4 million consisting of Home-care staff of £23.9m and other services of £60.5m. The overall projected outturn variance is a net overspend of £0.180m (0.21%).

4.2.1. Home-care staff – due to the nature of this service and the need to provide a constant level of service delivery, budgeted turnover savings are not appropriate. The Service currently has no FTE vacancies, which equates to a break-even position in basic salary costs. This outturn position will be reviewed in more detail in subsequent reports.

4.2.2. Other staff – the budget of £60.5m is net of turnover savings and other unbudgeted expenditure (maternity cover and sickness cover) of £3.6m which equates to 171 FTE based on average salary of £20,767. Currently there are 175 FTE vacant posts within the service which partially offsets these unbudgeted costs, resulting in an overspend of £0.180m.

- 4.3. The Housing Service has a total employee costs budget of £5.9 million; however turnover to the value of £0.287 million has been deducted at source. This equates broadly to 4.6%, or 10 FTE if using £29.0k as the average salary. Currently the Service is sitting with the equivalent of 14.4 FTE vacant posts, including 6 Trainee Community Wardens posts held due to the ongoing housing restructure. The projected outturn is breakeven.

- 4.4. Payments to other bodies accounts for £98.7m of the annual budget, and is expected to underspend by £0.131m for the current financial year. Funding of £2m was received in respect of demographic growth for 2010/ 11. Other, unanticipated funding pressures in the Council mean that a proportion of this amount will be used for that purpose on a non-recurring basis.

- 4.5. Within Non-HRA there is an anticipated under-recovery of £70k in home loans repayments.

5. Management Actions


- 5.1. Monitoring of the phasing of expenditure in relation to demographic growth will be ongoing throughout the financial year to maximise slippage taking cognisance of the current financial climate.

6. Financial Concurrence

- 6.1 Prepared in accordance with the Scheme of Financial Delegation, the financial information contained within this report has been agreed with the Head of Financial Services.

7. Recommendation

It is recommended that the contents of this report be noted.



R Paul
Head of Housing and Social Work Resources
07 July 2010

For further information on this report please contact Ian McCulloch on telephone 01698 332834 or John Hogg on telephone 01698 332022

FINANCIAL MONITORING REPORT

1 April 2010 to 25 June 2010 (P3)

COMMITTEE: HOUSING AND SOCIAL WORK SERVICES

DIVISION : HOUSING (NON HRA) AND SOCIAL WORK SUMMARY

Appendix 1

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)	ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCE (8)	% (9)	ANALYSIS (10)
		£	£	£	£	£	£		
1.	SOCIAL WORK SERVICES	31,468,713	31,141,674	327,039 Underspend	167,281,538	166,755,500	526,038 Underspend	0.3%	The overall outturn position has been reached through a combination of underspends in property costs, supplies and services, transport and payments to other bodies which are partially offset by overspends in employee costs and an under-recovery of income.
2.	HOUSING (NON HRA)	2,029,463	2,051,159	(21,696) Overspend	12,324,392	12,394,392	(70,000) Overspend	-0.6%	
3	TOTAL	33,498,176	33,192,833	305,344 Underspend	179,605,930	179,149,892	456,038 Underspend	0.3%	

FINANCIAL MONITORING REPORT
1 April 2010 to 25 June 2010 (P3)
COMMITTEE: HOUSING AND SOCIAL WORK SERVICES

DIVISION : HOUSING (NON HRA) AND SOCIAL WORK SUMMARY

LINE ID (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)	ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCE (8)	% (9)	ANALYSIS (10)
		£	£	£	£	£	£		
1.	EMPLOYEE COSTS	19,898,981	20,078,688	(179,706) Overspend	90,364,029	90,544,422	(180,393) Overspend	0.2%	Pressures due to unbudgeted employee expenditure
2.	PROPERTY COSTS	975,150	818,775	156,375 Underspend	6,675,232	6,490,253	184,979 Underspend	2.8%	Reduced spend on other minor property costs
3.	SUPPLIES AND SERVICES	1,717,784	1,434,254	283,530 Underspend	6,970,518	6,619,246	351,272 Underspend	5.0%	Reduced spend for supplies for service users
4.	TRANSPORT & PLANT	657,664	592,464	65,200 Underspend	3,657,137	3,516,031	141,106 Underspend	3.9%	Projection based on previous demand for vehicle contract hires.
5.	ADMINISTRATION COSTS	270,919	268,420	2,499 Underspend	3,584,379	3,554,014	30,365 Underspend	0.8%	Slippage in development initiatives
6.	PAYMENTS TO OTHER BODIES	12,813,977	12,813,935	42 Underspend	98,693,923	98,562,610	131,313 Underspend	0.1%	Slippage in relation to demographic growth
7.	OTHER COSTS	75,435	75,468	(33) Overspend				-1.5%	
8.	APPORTIONED EXPENSES	1,468	1,468	0 On Target				0.0%	
9.	CFCR	0	0	0 On Target				0.0%	
10.	CAPITAL FINANCING CHARGES	603,448	603,448	0 On Target				0.0%	
11.	TOTAL EXPENDITURE	37,014,826	36,686,920	327,907 Underspend	218,067,828	217,415,208	652,620 Underspend	0.3%	
12.	INCOME	3,516,650	3,494,087	(22,563) Under-recovery	38,461,898	38,265,315	(196,583) Under-recovery	-0.5%	Under-recovery of home loan repayments and other budgets
13.	NET EXPENDITURE	33,498,176	33,192,833	305,344 Underspend	179,605,930	179,149,892	456,038 Underspend	0.3%	

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)	% (6)	ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCE (8)	% (9)	ANALYSIS (10)	
						£	£	£			
1	Care Element Transfer/Nursing Homes	4,324,523	4,324,523	0	On Target	27,281,365	27,281,365	0	On Target	0.0%	
2	Community Care Development	157,363	70,543	86,820	Underspend	682,125	548,595	133,530	Underspend	19.6%	Slippage in development programme
3	Supplementation/Supported Living	4,466,537	4,466,537	0	On Target	36,772,655	36,772,655	0	On Target	0.0%	
4	Direct Payments	426,327	426,327	0	On Target	1,518,702	1,518,702	0	On Target	0.0%	
5	Independent Homecare	234,373	235,149	(776)	Overspend	4,657,000	4,755,505	(8,505)	Overspend	-0.1%	Spend currently under review due to change of providers
6	Housing Support	120,000	117,858	2,142	Underspend	1,708,031	1,688,883	19,148	Underspend	1.1%	
7	Private Sector Housing Grants	302,065	302,065	0	On Target	3,663,000	3,663,000	0	On Target	0.0%	
8	Voluntary Organisations	584,314	579,262	5,052	Underspend	4,700,082	4,562,754	137,328	Underspend	2.9%	Developments within various care groups
9	Fostering/Adoption/Kinship Carers	649,289	647,465	1,824	Underspend	3,925,466	3,924,120	1,346	Underspend	0.0%	
10	Residential/ Secure Accommodation	452,581	296,513	156,068	Underspend	2,237,584	1,525,385	712,199	Underspend	31.8%	Current demand for placement contained within budget
11	Agency Fees	229,089	510,323	(281,234)	Overspend	1,530,288	2,320,146	(7 9,858)	Overspend	-51.6%	Current demand on the External Fostering Service exceeding budget.
12	Payments to Other Bodies	205,785	215,270	(9,485)	Overspend	6,583,445	6,688,141	(4,696)	Overspend	-1.6%	Developments within various care groups
13	Social Work (Scotland) Act - Sectional Payment	429,557	413,630	15,927	Underspend	1,428,503	1,343,611	84,892	Underspend	5.9%	Based on demand through 2009/10
14	Children-Disability Services	47,302	(15,141)	92,443	Underspend	421,780	268,900	152,880	Underspend	36.2%	Slippage in development programme
15	Independent Living Fund	69,438	73,828	(4,390)	Overspend	517,717	593,766	(6,049)	Overspend	-14.7%	Deficit in funding compared to demand
16	Other Local Authorities	75,000	73,409	1,591	Underspend	890,920	775,545	115,375	Underspend	13.0%	Developments within various care groups
17	Other	40,434	106,374	(65,940)	Overspend	175,260	331,538	(1 6,278)	Overspend	-89.2%	Main areas Medical fees and basic living allowances
NET EXPENDITURE		12,813,977	12,813,935	42	Underspend	98,693,923	98,562,609	131,314	Underspend	0.1%	