

REPORT

TO	SOCIAL WORK COMMITTEE	Subject : Financial Monitoring Report
FROM	DIRECTOR OF FINANCE	
DATE	10 JANUARY 1997 Ref. : PH/BC2	

Introduction

The Financial Monitoring Report attached sets out the position of the department's spending level against the approved budget for the period 1st April 1996 to 8th December 1996 (i.e.. 9 Accounting periods).

The report contains only that expenditure which is within their direct control , and therefore excludes items such as loan charges , central administration recharges , and the central repairs account , each of which will be reported by the appropriate charging department.

Background

The 1996/97 Revenue Budget was prepared at a time of major change within Local Government and in many cases without the benefit of comparative prior year information. Many expenditure heads were simply a proportionate share of the former Strathclyde region's budget , and as such may not have been specifically based on the past needs of North Lanarkshire.

With this in mind the committee is asked to note that the 1996/97 budgets continue to be re-aligned to reflect accurate provision , thereby entering the process of ongoing refinement.

Financial Performance

The total overspend (pages 2 to 8) for the year to date is £1,578(or 0% of the Budget to date).

The main overspends are in the area of Employee Costs but these overspends are compensated by savings made in other areas including Payments to Other Bodies.

The major variances are as follows:-

Shortfall in Wage Awards	£ 72,626	Overspend
Costs of Early Retirals	£ 109,385	Overspend
Sick Cover for RA Children	£ 48,645	Overspend
Care Staff additional costs	£ 14,456	Overspend
Additional posts (Rehabilitation & CSO)	£ 11,402	Overspend
Disaggregation shortfall - Community Alarms	£ 58,364	Overspend
Staff vacancies in excess of built-in turnover	£ 117,419	Underspend
Savings made in Payments to Other Bodies	£ 200,000	Underspend

Summary

The department has attempted to address the total overspend position reported in earlier periods and consequently has taken action to reduce expenditure in Payments to Other Bodies. It is anticipated that this reduction in expenditure will offset the overspend in Employee Costs. The department is closely monitoring the current position to ensure that the expenditure for 1996/97 is contained within the approved estimates.

Recommendation

The committee note the contents of this report..

FINANCIAL MONITORING REPORT

1 April 1996 To 8 December 1996

COMMITTEE : SOCIAL WORK

SERVICE : SOCIAL WORK SUMMARY

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIAN ES			% (9)
					TOTAL (6)	TIMING (7)	ACTUAL (8)	
£			£	£	£	£	£	
30,596,857	1.	EMPLOYEE COSTS	20,865,901	21,592,057	(726,156)	(528,697)	(197,459)	-1%
3,028,638	2.	PROPERTY COSTS	1,426,432	1,430,213	(3,781)	(6,881)	3,100	0%
2,989,534	3.	SUPPLIES AND SERVICES	722,017	651,793	70,224	70,224		
2,301,940	4.	TRANSPORT & PLANT	1,006,298	981,261	25,037	32,256	(7,219)	-1%
541,740	5.	ADMINISTRATION COSTS	353,919	327,130	26,789	26,789		
19,185,283	6.	PAYMENTS TO OTHER BODIES	12,489,590	11,817,747	671,843	471,843	200,000	2%
1,747,150	7.	OTHER EXPENDITURE	23,495	26,670	(3,175)	(3,175)		
60,391,142	8.	TOTAL EXPENDITURE	36,887,652	36,826,871	60,781	62,359	(1,578)	-0%
8,568,360	9.	INCOME	4,792,765	4,767,920	(24,845)	(24,845)	-	
51,822,782	10.	NET EXPENDITURE	32,094,887	32,058,951	35,936	37,514	(1,578)	-0%

ANALYSIS OF MAJOR VARIANCES

Analysis of the major variances are on pages 3 - 8

FINANCIAL MONITORING REPORT

1 April 1996 To 8 December 1996

COMMITTEE : SOCIAL WORK

SERVICE : OPERATIONS & SERVICING

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCES			
					TOTAL (6)	TIMING (7)	ACTUAL (8)	% (9)
£			£	£	£	£	£	
11,519,306	1.	EMPLOYEE COSTS	7,696,272	7,691,058	5,214	(51,721)	56,935	0
1,111,378	2.	PROPERTY COSTS	661,667	660,625	1,042	(2,058)	3,100	0
138,540	3.	SUPPLIES AND SERVICES	65,956	64,853	1,103	1,103	-	
668,310	4.	TRANSPORT & PLANT	457,933	456,877	1,056	-	1,056	0
330,110	5.	ADMINISTRATION COSTS	245,223	246,845	(1,622)	(1,622)	-	
770,250	6.	PAYMENTS TO OTHER BODIES	590,835	593,523	(2,688)	(2,688)	-	
268,990	7.	OTHER EXPENDITURE	-	-	-	-	-	
14,806,884	8.	TOTAL EXPENDITURE	9,717,886	9,713,781	4,105	(56,986)	61,091	0
4,356,650	9.	INCOME	1,830,058	1,831,917	1,859	1,859	-	
10,450,234	10.	NET EXPENDITURE	7,887,828	7,881,864	5,964	(55,127)	61,091	0

ANALYSIS OF MAJOR VARIANCES

EMPLOYEE COSTS

56,935

The current underspend relates to the following factors :-

£

The shortfall in the wage awards	(29,466)
Superannuation budget contribution not in line with actual	(108,851)
Overspend relating to Costs of Early Retirals	(70,407)
The current level of Manual Worker vacancies	4,964
The current level of APTC vacancies	260,695

Timing Variance

Timing variance due to recharges for employees no longer with North Lanarkshire	(51,721)
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PROPERTY COSTS

3,100

There is a current saving associated with Other Property Costs due to management action to reduce expenditure.

TRANSPORT & PLANT COSTS

1,056

The current level of vacancies has led to a reduction in expenditure for Travelling Expenses.

FINANCIAL MONITORING REPORT

1 April 1996 To 8 December 1996

COMMITTEE : SOCIAL WORK

SERVICE : RESIDENTIAL ACCOMMODATION CHILDREN

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)				% (9)
					TOTAL (6)	TIMING (7)	ACTUAL (8)	
£			£	£		£	£	
1,580,626	1.	EMPLOYEE COSTS	1,051,115	1,099,760	(48,645)	-	(48,645)	-5%
197,820	2.	PROPERTY COSTS	32,004	24,277	7,727	7,727		
610,840	3.	SUPPLIES AND SERVICES	118,704	110,243	8,461	8,461		
21,670	4.	TRANSPORT & PLANT	14,584		(3,625)	(3,625)		
29,620	5.	ADMINISTRATION COSTS	19,921	10,714	9,207	9,207		
2,503,830	6.	PAYMENTS TO OTHER BODIES	1,729,154	1,697,777		31,377		
3,160	7.	OTHER EXPENDITURE	-	-				
4,947,566	8.	TOTAL EXPENDITURE	2,965,482	2,960,980	4,502	53,147	(48,645)	-2%
7,860	9.	INCOME	4,224	7,860	3,636	3,636	-	
4,939,706	10.	NET EXPENDITURE	2,961,258	2,953,120	8,138	56,783	(48,645)	-2%

ANALYSIS OF MAJOR VARIANCES

EMPLOYEE COSTS

The overspend is related to the employment of temporary staff to maintain staffing levels dealing with a difficult client group, while permanent staff are on sickness absence.

PAYMENTS TO OTHER BODIES

The timing variance is due to the delay in the receipt of bills from other authorities for placements in their homes.

FINANCIAL MONITORING REPORT

1 April 1996 To 8 December 1996

COMMITTEE : SOCIAL WORK

SERVICE : RESIDENTIAL ACCOMMODATION ELDERLY

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCES			
					TOTAL (6)	TIMING (7)	ACTUAL (8)	% (9)
£			£	£		£	£	
4,419,384	1.	EMPLOYEE COSTS	2,954,422	3,168,498	(214,076)	(88,821)	(125,255)	-4%
507,910	2.	PROPERTY COSTS	110,765	124,012	(13,247)	(13,247)		
1,076,690	3.	SUPPLIES AND SERVICES	94,878	68,636	26,242	26,242		
54,380	4.	TRANSPORT & PLANT	34,427	18,320	16,107	16,107		
23,010	5.	ADMINISTRATION COSTS	16,144	10,864	5,280	5,280		
7,776,070	6.	PAYMENTS TO OTHER BODIES	5,229,767	4,684,919	544,848	344,848	200,000	4%
866,050	7.	OTHER EXPENDITURE	-		-	-		
14,723,494	8.	TOTAL EXPENDITURE	8,440,403	8,075,249	365,154	290,409	74,745	1%
1,400,420	9.	INCOME	901,193	903,346	2,153	2,153	-	
13,323,074	10.	NET EXPENDITURE	7,539,210	7,171,903	367,307	292,562	74,745	1%

ANALYSIS OF MAJOR VARIANCES

EMPLOYEE COSTS

Timing Variance

The current overspend largely relates to Care Staff salary costs.

Actual Variance

The actual overspend of £125,255 relates to early retiral costs associated with the closure of Stewarton House (£44,215) and the shortfall in wage awards (£11,040). Also costs related to Stewarton House (£70,000) which closed mid May 1996 although the budget assumed closure in April 1996.

PAYMENTS TO OTHER BODIES

The timing variance represents resources which shall be utilised to pay for the additional Respite Care and Development identified within Community Care. This includes a reallocation to Employee Costs Budget.

The budget in respect of funding places in nursing homes and residential homes for the elderly run by the independent sector is under extreme pressure at present and although no overspend is represented, pressures are building within the system and the situation is being closely monitored.

FINANCIAL MONITORING REPORT

1 April 1996 To 8 December 1996

COMMITTEE : SOCIAL WORKSERVICE : RESIDENTIAL ACCOMMODATION MEN H'CPD

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCES			
					TOTAL (6)	TIMING (7)	ACTUAL (8)	% (9)
£			£	£		£	£	
331,739	1.	EMPLOYEE COSTS	273,352	287,808	(14,456)	-	(14,456)	-5%
27,320	2.	PROPERTY COSTS	10,755	8,141	2,614	2,614	-	
51,790	3.	SUPPLIES AND SERVICES	12,137	9,275	2,862	2,862	-	
1,180	4.	TRANSPORT & PLANT	788	1,150	(362)	(362)	-	
3,550	5.	ADMINISTRATION COSTS	2,457	1,739	718	718	-	
2,600,030	6.	PAYMENTS TO OTHER BODIES	1,013,063	986,394	26,669	26,669	-	
942,510	7.	OTHER EXPENDITURE	600	170	430	430	-	
3,958,119	8.	TOTAL EXPENDITURE	1,313,152	1,294,677	18,475	32,931	(14,456)	-1%
59,790	9.	INCOME	36,814	31,179	(5,635)	(5,635)	-	
3,898,329	10.	NET EXPENDITURE	1,276,338	1,263,498	12,840	27,296	(14,456)	-1%

ANALYSIS OF MAJOR VARIANCES

EMPLOYEE COSTS

The overspend is related to the employment of temporary staff to maintain staffing levels dealing with a difficult client group, while permanent staff are on sickness absence.

PAYMENTS TO OTHER BODIES

This timing variance within Payments to Other Bodies represents resources which have been earmarked to pay for additional Respite Care developments identified within Community Care.

FINANCIAL MONITORING REPORT**1 April 1996 To 8 December 1996****COMMITTEE : SOCIAL WORK****SERVICE : HOME HELP SERVICE**

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCES			
					TOTAL (6)	TIMING (7)	ACTUAL (8)	% (9)
£				£		£	£	
5,383,359	1.			4,016,571	(230,907)	(230,907)		
-	2.							
5,810	3.	SUPPLIES AND SERVICES	4,032	2,848	1,184	1,184		
		TRANSPORT & PLANT	155,748	140,812	14,936	14,936		
4,600	5.	ADMINISTRATION COSTS	2,770	1,026	1,744	1,744		
719,950	6.	PAYMENTS TO OTHER BODIES	163,149	140,232	22,917	22,917		
	7.	OTHER EXPENDITURE						
6,319,569	8.	TOTAL EXPENDITURE	4,111,363					
953,820	9.	INCOME	660,336	660,231	(105)	(105)	-	
5,365,749	10.	NET EXPENDITURE	3,451,027	3,641,258	(190,231)	(190,231)		

ANALYSIS OF MAJOR VARIANCES**EMPLOYEE COSTS**Timing Variance

The overspend relates to Home Help wages, due to the training programme which was started in 1995. However, due to delays the implementation has required to be continued into the current year. Staff are employed to cover for those being trained, to ensure that the service provision to clients is not adversely affected. The overspend shall be met by input of Community Care resources.

In addition, area teams are requiring to review clients needs and ensure that the levels of services being provided are commensurate with needs. This action is necessary to keep budgets in line with expenditure.

PAYMENTS TO OTHER BODIES

Currently the Home Help service is being reviewed to ensure that expenditure levels relating to service provision equate to the overall Home Help budgetary provision.

FINANCIAL MONITORING REPORT

1 April 1996 To 8 December 1996

COMMITTEE : SOCIAL WORK

SERVICE : OTHER SOCIAL WORK SERVICES

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCES			
					TOTAL (6)	TIMING (7)	ACTUAL (8)	% (9)
£			£	£		£	£	
7,159,253	1.	EMPLOYEE COSTS	5,105,076	5,328,362	(223,286)	(157,248)	(66,038)	-1%
1,156,910	2.	PROPERTY COSTS	611,241	613,158	(1,917)	(1,917)	-	
1,103,350	3.	SUPPLIES AND SERVICES	426,310	395,938	30,372	30,372	-	
1,274,090	4.	TRANSPORT & PLANT	342,818	345,893	(3,075)	5,200	(8,275)	-2%
152,420	5.	ADMINISTRATION COSTS	67,404	55,942	11,462	11,462	-	
3,909,935	6.	PAYMENTS TO OTHER BODIES	3,763,622	3,714,902	48,720	48,720	-	
816,190	7.	OTHER EXPENDITURE	22,895	26,500	(3,605)	(3,605)	-	
15,572,148	8.	TOTAL EXPENDITURE	10,339,366					
1,789,820	9.	INCOME	1,360,140					
13,782,328	10.	NET EXPENDITURE	8,979,226	9,147,308	(168,082)	(93,769)	(74,313)	-1%

ANALYSIS OF MAJOR VARIANCES

EMPLOYEE COSTSTiming Variance

The timing variance is due to the pending reallocation of Community Care monies for Sheltered Housing and Day Centres for the Physically and Sensory Handicapped.

Real Variance

The current overspend of £66,038 represents the following :-

Shortfall in wage awards	(15,426)
Costs of additional post within Rehabilitation of offenders due to the co-ordination into the new North Lanarkshire Structure, this post has now been vacated.	(9,850)
Budgetary disaggregation shortfall within Community Alarms	(58,364)
Additional post within Community Service by Offenders	
Scheme to co-ordinate scheme within North Lanarkshire	(1,552)
Vacant posts within the "7 Day Centre"	19,154

PAYMENTS TO OTHER BODIES

The timing variance represents the payments still to be made on various Voluntary Organisation payments, Supplementation Rates and Community Care monies.

TRANSPORT AND PLANT COSTS

The overspend relates to a disaggregation shortfall from the Community Alarms scheme.