

REPORT

AGENDA ITEM No. 2(a)

TO	SOCIAL WORK COMMITTEE	Subject : Financial Monitoring Report
FROM	DIRECTOR OF FINANCE	
DATE	21 FEBRUARY 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 2nd February 1997 (i.e.. 11 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.

Financial Performance

The total underspend (pages 2 to 8) for the year to date is £38,863 (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	£ 88,854	Overspend
Costs of Early Retirals	£ 121,697	Overspend
Sick Cover for RA Children	£ 68,708	Overspend
Care Staff additional costs	£ 32,858	Overspend
Additional posts (Rehabilitation & CSO)	£ 11,924	Overspend
Disaggregation shortfall - Community Alarms	£ 73,439	Overspend
List D Schools	£ 105,808	Underspend
Staff vacancies in excess of built-in turnover	£ 52,809	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 2 February 1997

COMMITTEE : SOCIAL WORK

SERVICE : SOCIAL WORK SUMMARY

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCES			
					TOTAL (6)	TIMING (7)	ACTUAL (8)	% (9)
£			£	£	£	£	£	
30,596,857	1.	EMPLOYEE COSTS	25,457,828	26,289,987	(832,159)	(677,187)	(154,972)	-1%
3,028,638	2.	PROPERTY COSTS	1,639,448	1,640,853	(1,405)	(4,505)	3,100	0%
2,989,534	3.	SUPPLIES AND SERVICES	757,577	687,657	69,920	69,920	-	
2,301,940	4.	TRANSPORT & PLANT	1,390,830	1,357,569	33,261	42,526	(9,265)	-1%
541,740	5.	ADMINISTRATION COSTS	416,810	386,219	30,591	30,591	-	
19,185,283	6.	PAYMENTS TO OTHER BODIES	15,091,659	14,630,439	461,220	261,220	200,000	1%
1,747,150	7.	OTHER EXPENDITURE	23,925	30,572	(6,647)	(6,647)		
60,391,142	8.	TOTAL EXPENDITURE	44,778,077	45,023,296	(245,219)	(284,082)	38,863	0%
8,568,360	9.	INCOME	6,089,262	6,056,093	(33,169)	(33,169)	-	
51,822,782	10.	NET EXPENDITURE	38,688,815	38,967,203	(278,388)	(317,251)	38,863	0%

ANALYSIS OF MAJOR VARIANCES

Analysis of the major variances are on pages 3 - 8 .

FINANCIAL MONITORING REPORT

1 April 1996 To 2 February 1997

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	9,478,865	9,373,728	105,137	(63,195)	168,332	0
1,111,378	2.	PROPERTY COSTS	715,985	710,182	5,803	2,703	3,100	0
138,540	3.	SUPPLIES AND SERVICES	119,555	118,454	1,101	1,101		
668,310	4.	TRANSPORT & PLANT	508,210	507,488	722		722	0
330,110	5.	ADMINISTRATION COSTS	281,239	284,353	(3,114)	(3,114)		
770,250	6.	PAYMENTS TO OTHER BODIES	661,420	657,026	4,394	4,394		
268,990	7.	OTHER EXPENDITURE	-	-				
14,806,884	8.	TOTAL EXPENDITURE	11,765,274	11,651,231	114,043	(58,111)	172,154	0
4,356,650	9.	INCOME	3,282,659	3,276,264	(6,395)	(6,395)	-	
10,450,234	10.	NET EXPENDITURE	8,482,615	8,374,967	107,648	(64,506)	172,154	0

ANALYSIS OF MAJOR VARIANCES

EMPLOYEE COSTS

168,332

The current underspend relates to the following factors :-

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The shortfall in the wage awards	(32,740)
Superannuation budget contribution not in line with actual	(138,964)
Overspend relating to Costs of Early Retirals	(74,563)
The current level of Manual Worker vacancies	5,666
The current level of APTC vacancies	408,933

Timing Variance

Timing variance due to recharges for employees no longer with North Lanarkshire	(63,195)
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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

722

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

FINANCIAL MONITORING REPORT

1 April 1996 To 2 February 1997

COMMITTEE : SOCIAL WORK

SERVICE : RESIDENTIAL ACCOMMODATION CHILDREN

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCES			
					TOTAL (6)	TIMING (7)	ACTUAL (8)	% (9)
£			£	£		£	£	
1,580,626	1.	EMPLOYEE COSTS	1,294,315	1,363,023	(68,708)	-	(68,708)	-5%
197,820	2.	PROPERTY COSTS	36,218	30,317	5,901	5,901		
610,840	3.	SUPPLIES AND SERVICES	128,347	116,394	11,953	11,953	-	
21,670	4.	TRANSPORT & PLANT	17,860	22,457	(4,597)	(4,597)	-	
29,620	5.	ADMINISTRATION COSTS	24,299	13,492	10,807	10,807	-	
2,503,830	6.	PAYMENTS TO OTHER BODIES	2,182,332	2,159,552	22,780	22,780	-	
3,160	7.	OTHER EXPENDITURE			-	-	-	
4,947,566	8.	TOTAL EXPENDITURE	3,683,371	3,705,235	(21,864)	46,844	(68,708)	-2%
7,860	9.	INCOME	5,965	4,258	(1,707)	(1,707)	-	
4,939,706	10.	NET EXPENDITURE	3,677,406	3,700,977	(23,571)	45,137	(68,708)	-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 2 February 1997

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	3,635,540	3,863,943	(228,403)	(96,333)	(132,070)	-4%
507,910	2.	PROPERTY COSTS	125,809	144,240	(18,431)	(18,431)		
1,076,690	3.	SUPPLIES AND SERVICES	78,917	51,591	27,326	27,326		
54,380	4.	TRANSPORT & PLANT	42,740	17,004	25,736	25,736		
23,010	5.	ADMINISTRATION COSTS	19,536	15,387	4,149	4,149		
7,776,070	6.	PAYMENTS TO OTHER BODIES	6,390,798	6,056,540	334,258	134,258	200,000	3%
866,050	7.	OTHER EXPENDITURE				-	-	
14,723,494	8.	TOTAL EXPENDITURE	10,293,340	10,148,705	144,635	76,705	67,930	1%
1,400,420	9.	INCOME	1,116,051	1,127,643	11,592	11,592	-	
13,323,074	10.	NET EXPENDITURE	9,177,289	9,021,062	156,227	88,297	67,930	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 £132,070 relates to early retiral costs associated with the closure of Stewarton House (£49,650) and the shortfall in wage awards (£12,420). 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 2 February 1997

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	325,183	358,041	(32,858)	-	(32,858)	-10%
27,320	2.	PROPERTY COSTS	12,436	9,492	2,944	2,944		
51,790	3.	SUPPLIES AND SERVICES	15,153	9,392	5,761	5,761		
1,180	4.	TRANSPORT & PLANT	963	1,476	(513)	(513)		
3,550	5.	ADMINISTRATION COSTS	3,003	2,080	923	923		
2,600,030	6.	PAYMENTS TO OTHER BODIES	1,470,537	1,440,256	30,281	30,281		
942,510	7.	OTHER EXPENDITURE	700	170	530	530		
3,958,119	8.	TOTAL EXPENDITURE	1,827,975	1,820,907	7,068	39,926	(32,858)	-2%
59,790	9.	INCOME	46,199	40,688	(5,511)	(5,511)	-	
3,898,329	10.	NET EXPENDITURE	1,781,776	1,780,219	1,557	34,415	(32,858)	-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

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 2 February 1997****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.	EMPLOYEE COSTS	4,679,267	5,050,774	(371,507)	(371,507)		
	2.	PROPERTY COSTS						
5,810	3.	SUPPLIES AND SERVICES	4,928	3,367	1,561	1,561		
205,850	4.	TRANSPORT & PLANT	153,674	140,286	13,388	13,388		
4,600	5.	ADMINISTRATION COSTS	3,370	1,985	1,385	1,385		
719,950	6.	PAYMENTS TO OTHER BODIES	279,000	275,019	3,981	3,981		
-	7.	OTHER EXPENDITURE	-					
6,319,569	8.	TOTAL EXPENDITURE	5,120,239	5,471,431	(351,192)	(351,192)	-	
953,820	9.	INCOME	738,100	732,481	(5,619)	(5,619)	-	
5,365,749	10.	NET EXPENDITURE	4,382,139	4,738,950	(356,811)	(356,811)	-	

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

The overspend relates to Home Help wages.

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 2 February 1997

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	6,044,658	6,280,478	(235,820)	(146,152)	(89,668)	-1%
1,156,910	2.	PROPERTY COSTS	749,000	746,622	2,378	2,378	-	
1,103,350	3.	SUPPLIES AND SERVICES	410,677	388,459	22,218	22,218	-	
1,274,090	4.	TRANSPORT & PLANT	667,383	668,858	(1,475)	8,512	(9,987)	-1%
152,420	5.	ADMINISTRATION COSTS	85,363	68,922	16,441	16,441	-	
3,909,935	6.	PAYMENTS TO OTHER BODIES	4,107,572	4,042,046	65,526	65,526	-	
816,190	7.	OTHER EXPENDITURE	23,225	30,402	(7,177)	(7,177)	-	
15,572,148	8.	TOTAL EXPENDITURE	12,087,878	12,225,787	(137,909)	(38,254)	(99,655)	-1%
1,789,820	9.	INCOME	900,288	874,759	(25,529)	(25,529)	-	
13,782,328	10.	NET EXPENDITURE	11,187,590	11,351,028	(163,438)	(63,783)	(99,655)	-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 £89,668 represents the following :-

Shortfall in wage awards	(17,140)
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	(73,439)
Additional post within Community Service by Offenders	(2,074)
Scheme to co-ordinate scheme within North Lanarkshire	12,835
Vacant posts within the "7 Day Centre"	

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.