

AGENDA ITEM No. 3
NORTH LANARKSHIRE COUNCIL
REPORT

TO	SOCIAL WORK COMMITTEE	SUBJECT	1997 BUDGET MONITORING
FROM	DIRECTOR OF FINANCE		PERIOD 1/4/97 - 12/10/97
DATE	12/11/97	Ref. : PH	SOCIAL WORK

Introduction

I enclose the Budgetary Control Report for the period 1 April 1997 to 12 October 1997. The report provides a comparison of actual expenditure and income against estimated expenditure and income and provides explanations of the more significant variations.

Summary of Budget Variances

The Net Expenditure for the period shows an overspend of £786,599 or -3% of the budget to date. The major reason for the variance is the cost of the Voluntary Redundancy Scheme amounting to £938,490.

The Department have instigated a major savings exercise to compensate for the staff costs incurred as a result of these Early Retiral Payments and other overspends. This will result in a significant reduction in the overspend as the financial year progresses.

The major variances , as detailed within the attached pages , can be summarised as follows :-

Major Areas of Overspend

	£	£
1. <u>Employee Costs</u>		<u>1,192,465</u>

There has been a number of Early Retirals within the Operations and Care of the Elderly Divisions. The cost of these Early Retirals, together with the overspend on Home Help wages as a result of the increased number of clients being cared for within the community, account for the majority of the overall overspend in this area. Other areas of departmental staff costs are currently being investigated to ensure that expenditure remains within budget.

Savings have been instigated in the areas of Childcare and Care of the Elderly, these form part of a major savings exercise designed to compensate for the costs incurred as a result of early retiral payments.

The total variance can be analysed as follows;

Cost of Early Retirals	938,490	
Home Help Service	206,828	
Areas under investigation	195,981	
Savings in the area of Childcare	(45,734)	
Savings in the area of Elderly Care	<u>(103,100)</u>	
	1,192,465	

Major Areas of Overspend (cont'd)

£ £

2. Transport 8,847

The overspend in this area is due to an overspend on staff travel and subsistence. Due to the instigation of the savings programme, the budgeted expenditure has reduced but the level of staff usage has remained at a high level. This area will continue to be closely monitored by the department.

£ £

Major Areas of Underspend1. Property Costs 46,889

The main reason for the underspend in this area is the timing of the receipt of invoices in relation to Aids and Adaptations for the handicapped. The budget for this is expected to be fully utilised in this financial year.

2. Payments to Other Bodies 269,160

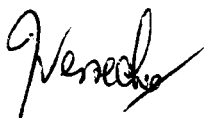
The underspend in this area is due to a shortfall in the number of elderly people being cared for in Residential Homes in the areas of Airdrie and Coatbridge. In these areas, there is a greater proportion of clients being cared for within the community. In addition, there has been slippage in the payments to Voluntary Organisations in the areas of Mental Health and Learning Disabilities, due to the instigation of the savings programme.

3. Income 28,194

The main reasons for the over-recovery in Income is the receipt of higher tranches of grants for Offenders Services as well as the increased income in the area of Residential Care for the Elderly.

Recommendations

The committee note the contents of this report.



Director of Finance

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FINANCIAL MONITORING REPORT

1 April 1997 To 12 October 1997

COMMITTEE : SOCIAL WORK

TOTAL

TOTAL BUDGET (1)	LINE NO (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	% (7)
£			£	£	£	
31,569,194	1.	EMPLOYEE COSTS	16,082,859	17,275,324	(1,192,465) Overspend	-7%
3,859,025	2.	PROPERTY COSTS	1,191,940	1,145,051	46,889 Underspend	4%
				454,765	70,053 Underspend	13%
2,200,330	4.	TRANSPORT & PLANT		671,947	(8,847) Overspend	-1%
				310,229	(3,934) Overspend	-1%
				9,283,274	269,160 Underspend	3%
				203,284	4,351 Underspend	2%
					-	
					-	
				29,343,874	(814,793) Overspend	-3%
9,411,350	11.	INCOME	4,500,734	4,528,928	28,194 Over-recovered	1%
58,700,391	12.	NET EXPENDITURE	24,028,347	24,814,946	(786,599) Overspend	-3%

Analysis of the major variances are on pages 4 - 15

FINANCIAL MONITORING REPORT

1 April 1997 To 12 October 1997

COMMITTEE : SOCIAL WORKDIVISION: OPERATIONS & SERVICING

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	% (7)
£			£	£	£	
11,662,951	1.	EMPLOYEE COSTS	6,219,969	6,533,274	(313,305) Overspend	-5%
1,748,382	2.	PROPERTY COSTS	327,669	323,498	4,171 Underspend	1%
160,750	3.	SUPPLIES AND SERVICES	59,957	54,945	5,012 Underspend	8%
634,716	4.	TRANSPORT & PLANT	400,643	410,994	(10,351) Overspend	-3%
				232,843	(5,624) Overspend	-2%
				367,396	(3,117) Overspend	-1%
395,294	7.	OTHER EXPENDITURE	44,678	44,139	539 Underspend	1%
				-	-	
				-	-	
				-	-	
				7,967,089	(322,675) Overspend	-4%
4,868,710	12.	INCOME	3,125,772	3,138,135	12,363 Over-recovered	0%
14,760,948	13.	NET EXPENDITURE	4,518,642	4,828,954	(310,312) Overspend	-7%

See Page 5 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : OPERATIONS AND
SERVICING

£

£

1. Employee Costs313,305 Overspend

The variance can be summarised as follows:

Cost of Early Retiral Scheme	202,809
Superannuation contribution rate in excess of budget	<u>110,496</u>
	<u>313,305</u>

A number of staff within the Operations Division have taken advantage of the Early Retiral Scheme and the costs are shown in this area. In addition, the current superannuation contribution is in excess of the annual estimate and this is contributing to the adverse variance.

2. Transport Costs10,351 Overspend

The overspend is due to an overspend in the area of staff travel and subsistence. Due to a savings programme instigated, the budgeted expenditure has reduced but the level of staff usage has remained at a high level. This is currently being investigated by the Department.

FINANCIAL MONITORING REPORT

1 April 1997 To 12 October 1997

COMMITTEE : SOCIAL WORK

DIVISION: RA CHILDREN

TOTAL BUDGET (1)	LINE NO (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	(7)
£			£	£	£	
2,188,153	1	EMPLOYEE COSTS	957,147	959,642	(2,495) Overspend	-0%
233,545	2	PROPERTY COSTS	70,262	61,654	8,608 Underspend	12%
209,430	3	SUPPLIES AND SERVICES	88,757	86,103	2,654 Underspend	3%
21,920	4	TRANSPORT & PLANT	10,727	15,062	(4,335) Overspend	-40%
25,824	5	ADMINISTRATION COSTS	11,931	15,920	(3,989) Overspend	-33%
2,213,890	6	PAYMENTS TO OTHER BODIES	1,207,045	1,213,984	(6,939) Overspend	-1%
3,160	7	OTHER EXPENDITURE			- -	
	8	CAPITAL FINANCING CHARGES			- -	
	9	INTEREST ON REVENUE BALANCES			- -	
	9	APPORTIONED EXPENSES			- -	
4,895,922	10	TOTAL EXPENDITURE	2,345,869	2,352,365	(6,496) Overspend	-0%
4,870	11	INCOME	2,250	4,990	2,740 Over-recovered	12
4,891,052	12	NET EXPENDITURE	2,343,619	2,347,375	(3,756) Overspend	-0%

See Page 7 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : RA CHILDREN

	£	£
1. <u>Employee Costs</u>		<u>2,495 Overspend</u>
Salaries & Wages		
Overspend in Care Staff	48,229	
less Underspend re Leslie Street Home	<u>45,734</u>	
	2,495	
	<u> </u>	

There is an overspend in the Employee costs within this division. This overspend is a result of the employment of additional specialised staff to deal with a difficult client group and also the employment of temporary staff to cover for permanent staff on sickness absence.

However there is a corresponding underspend in staff costs due to the planned opening of a new children's home in Leslie Street Motherwell not going ahead this financial year. This will constitute savings in the area of Childcare.

FINANCIAL MONITORING REPORT

1 April 1997 To 12 October 1997

COMMITTEE : SOCIAL WORK

DIVISION: RA ELDERLY

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE		
					£	£	
£			£	£	£	£	
4,539,828	1.	EMPLOYEE COSTS	2,300,707	2,739,805	(439,098)	Overspend	-19%
701,185	2.	PROPERTY COSTS	326,245	322,049	4,196	Underspend	1%
119,910	3.	SUPPLIES AND SERVICES	45,400	42,603	2,797	Underspend	6%
47,087	4.	TRANSPORT & PLANT	5,347	6,754	(1,407)	Overspend	-26%
24,899	5.	ADMINISTRATION COSTS	11,504	11,649	(145)	Overspend	-1%
10,525,010	6.	PAYMENTS TO OTHER BODIES	4,478,839	4,329,711	149,128	Underspend	3%
41,050	7.	OTHER EXPENDITURE	30,000	32,183	(2,183)	Overspend	-7%
-	8.	CAPITAL FINANCING CHARGES	-	-	-	-	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	-	-	-
-	9.	APPORTIONED EXPENSES	-	-	-	-	-
15,998,969	10.	TOTAL EXPENDITURE	7,198,042	7,484,754	(286,712)	Overspend	-4%
1,240,580	11.	INCOME	670,000	717,181	47,181	Over-recovered	7%
14,758,389	12.	NET EXPENDITURE	6,528,042	6,767,573	(239,531)	Overspend	-4%

See Page 9 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : RA ELDERLY

£

£

1. Employee Costs**439,098 Overspend**

Cost of Early Retirals

542,198

less Savings re slippage in projects

103,100

439,098

The overspend in this area relates to costs incurred for early retirals as a result of the closure of two Residential Homes for the Elderly - Merrystone House and Kennilworth House. In addition, there are staff costs incurred in 1997/98 for these homes which were due to close on 1st April 1997 but in fact remained open into this financial year.

2. Payments to Other Bodies**149,128 Underspend**

The variance relates to savings made within Residential Accommodation in the areas of Airdrie and Coatbridge. More clients are being cared for within the community in these areas and this is borne out by the overspend shown in the area of Home Help wages. In addition, there has been slippage in the area of advocacy for the elderly, this is a project designed to provide training and assistance to carers who will liaise with the department on behalf of the client. The slippage is a result of the savings programme instigated by the department.

FINANCIAL MONITORING REPORT

1 April 1997 To 12 October 1997

COMMITTEE : SOCIAL WORKDIVISION: RA MENTALLY HANDICAPPED

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	(7)
£			£	£	£	
414,154	1.	EMPLOYEE COSTS	210,277	220,268	(9,991) Overspend	-5%
48,763	2.	PROPERTY COSTS	22,695	22,263	432 Underspend	2%
184,760	3.	SUPPLIES AND SERVICES	71,359	15,261	56,098 Underspend	79%
1,340	4.	TRANSPORT & PLANT	679	667	12 Underspend	2%
3,188	5.	ADMINISTRATION COSTS	1,474	1,163	311 Underspend	21%
3,982,230	6.	PAYMENTS TO OTHER BODIES	1,104,230	1,100,998	3,232 Underspend	-
891,320	7.	OTHER EXPENDITURE	7,000	5,043	1,957 Underspend	28%
-	8.	CAPITAL FINANCING CHARGES	-	-	-	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	-	-
-	10.	APPORTIONED EXPENSES	-	-	-	-
5,525,755	11.	TOTAL EXPENDITURE	1,417,714	1,365,663	52,051 Underspend	4%
69,210	12.	INCOME	31,975	34,598	2,623 Over-recovered	8%
5,456,545	13.	NET EXPENDITURE	1,385,739	1,331,065	54,674 Underspend	4%

See Page 11 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : RA MENTALLY
HANDICAPPED

£

£

1. Supplies and Services56,098 Underspend

The underspend in this area is due to slippage incurred in the area of Day Opportunities for those clients with learning disabilities. This is a result of the savings programme instigated by the Department.

FINANCIAL MONITORING REPORT**1 April 1997 To 12 October 1997**COMMITTEE : **SOCIAL WORK**DIVISION: **HOME HELP SERVICE**

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	(7)
£			£	£	£	
5,804,407	1.	EMPLOYEE COSTS	2,881,760	3,088,588	(206,828) Overspend	-7%
-	2.	PROPERTY COSTS	-	-	- -	-
7,210	3.	SUPPLIES AND SERVICES	3,331	4,309	(978) Overspend	-29%
203,742	4.	TRANSPORT & PLANT	99,550	92,858	6,692 Underspend	7%
360	5.	ADMINISTRATION COSTS	166	1,265	(1,099) Overspend	-
279,000	6.	PAYMENTS TO OTHER BODIES	119,500	113,635	5,865 Underspend	5%
-	7.	OTHER EXPENDITURE	-	-	- -	-
-	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
-	10.	APPORTIONED EXPENSES	-	-	- -	-
6,294,719	11.	TOTAL EXPENDITURE	3,104,307	3,300,655	(196,348) Overspend	-6%
1,239,350	12.	INCOME	572,580	548,650	(23,930) Under-recovered	-4%
5,055,369	13.	NET EXPENDITURE	2,531,727	2,752,005	(220,278) Overspend	-9%

See Page 13 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : HOME HELP SERVICE

£ £

1. Employee Costs**206,828 Overspend**

The variance is largely made up of the following:

Manual workers wages	183,742
Cost of Early Retirals	<u>23,086</u>
	<u>206,828</u>

The overspend relates to Home Help wages and the cost of Early Retirals.

Home Help wages are overspent particularly in the areas of Coatbridge and Airdrie where a greater proportion of elderly clients are cared for within the community. However, this overspend is being offset by a reduction in the cost of Residential Accommodation for the elderly. It is anticipated that the overspend will be met by a transfer of Community Care resources. In addition, area teams are reviewing client needs to ensure that the level of services being provided are commensurate with client needs.

This division has also had to bear costs relating to staff taking advantage of the Early Retiral Scheme.

2. Income**23,930 Under-recovery**

The under-recovery of income is due to the delay in implementing the increase in charges for the service. Staff are required to maximise the income of clients before instigating the new charging system.

FINANCIAL MONITORING REPORT

1 April 1997 To 12 October 1997

COMMITTEE : SOCIAL WORKDIVISION: OTHER SOCIAL WORK SERVICES

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	(7)
£			£	£	£	
6,959,701	1.	EMPLOYEE COSTS	3,512,999	3,733,747	(220,748) Overspend	-6%
1,127,150	2.	PROPERTY COSTS	445,069	415,587	29,482 Underspend	7%
649,460	3.	SUPPLIES AND SERVICES	256,014	251,544	4,470 Underspend	2%
1,291,525	4.	TRANSPORT & PLANT	146,154	145,612	542 Underspend	-
114,566	5.	ADMINISTRATION COSTS	54,001	47,389	6,612 Underspend	12%
5,530,826	6.	PAYMENTS TO OTHER BODIES	2,278,541	2,157,550	120,991 Underspend	5%
93,490	7.	OTHER EXPENDITURE	125,957	121,919	4,038 Underspend	3%
-	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
-	10.	APPORTIONED EXPENSES	-	-	- -	-
15,766,718	11.	TOTAL EXPENDITURE	6,818,735	6,873,348	(54,613) Overspend	-1%
1,988,630	12.	INCOME	98,157	85,374	(12,783) Under-recovered	-13%
13,778,088	13.	NET EXPENDITURE	6,720,578	6,787,974	(67,396) Overspend	-1%

See Page 15 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : OTHER SOCIAL
WORK SERVICES

£

£

1. Employee Costs**220,748 Overspend**

The overspend in staff costs in this area can be broken down as follows:

IT Treatment	56,000
Day Centre Elderly	34,000
Community Alarms	37,000
Day Centre Ment. Handicapped	(20,000)
Day Centre Phy.&Sensory	36,000
Rehabilitation Offenders	(66,000)
Other Specific Services	20,000
Addiction Services	35,000
Community Service Offenders	39,000
Other Services Children	32,000
Support Funding	(12,000)
Joint Finance	30,000
	<hr/>
	221,000
	<hr/>

The Department is currently investigating these variances at Area Team level.

2. Property Costs**29,482 Underspend**

This underspend is due largely to the underspend on Aids and Adaptations in the 'Other Handicapped Services' division. This is a result of timing of the receipt and payment of invoices. The budget will be fully expended in this financial year.

3. Payments to Other Bodies**120,991 Underspend**

The underspend in this area is due to a slow rate of payments to voluntary organisations in the areas of Physically and Sensory Handicapped and List D Schools. In addition, there has been slippage in the payments to Voluntary Organisations in the areas of Mental Health and Learning Disabilities due to the savings programme instigated by the Department.

NORTH LANARKSHIRE COUNCIL

REPORT

TO	SOCIAL WORK COMMITTEE		Subject : REVENUE BUDGET MONITORING REPORT PERIOD 1/4/97 TO 12/10/97 SOCIAL WORK DEPARTMENT SHELTERED WORKSHOP
FROM	DIRECTOR OF FINANCE		
DATE	11/11/97	Ref. : JM/CP	

Introduction

I enclose the Budgetary Control Report for period 1 April 1997 to 12 October 1997.
The report provides a comparison of actual expenditure and income against estimated expenditure and income.

Summary of Budget Variances

The net expenditure position for the period shows an underspend of £2,850 or -6% of the cumulative budget to date.
There are no significant variances to report at this time.

Recommendation

The committee note the contents of this report.



Director of Finance

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NORTH LANARKSHIRE COUNCILFINANCIAL MONITORING REPORT1 April 1997 To 12 October 1997COMMITTEE : SOCIAL WORKSERVICE : SHELTERED WORKSHOPS

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE (6)	% (7)
278,190	1.	EMPLOYEE COSTS	138,222	136,787	1,435 Underspend	-1%
12,750	2.	PROPERTY COSTS	6,865	6,403	462 Underspend	-7%
86,200	3.	SUPPLIES AND SERVICES	50,415	55,186	(4,771) Overspend	9%
30,000	4.	TRANSPORT & PLANT	1,500	1,347	153 Underspend	-10%
3,500	5.	ADMINISTRATION COSTS	1,200	1,710	(510) Overspend	43%
125,000	6.	PAYMENTS TO OTHER BODIES	-	-	- -	-
-	7.	OTHER EXPENDITURE	1,200	1,796	(596) Overspend	50%
26,390	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
400	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
562,430	10.	TOTAL EXPENDITURE	199,402	203,229	(3,827) Overspend	2%
404,470	11.	INCOME	149,972	156,649	6,677 Over-recovery	-4%
157,960	12.	NET EXPENDITURE	49,430	46,580	2,850 Underspend	-6%

There are no significant variances to report at 12 October 1997.