

AGENDA ITEM No. 2 (b)
NORTH LANARKSHIRE COUNCIL
REPORT

TO	SOCIAL WORK COMMITTEE	SUBJECT	1997/98 BUDGET MONITORING
FROM	DIRECTOR OF FINANCE		PERIOD 1/4/97 - 07/12/97
DATE	07/01/98	Ref. : PH	SOCIAL WORK

Introduction

I enclose the Budgetary Control Report for the period 1 April 1997 to 7 December 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 £590,602 or -2% of the budget to date. The major reason for the variance is the cost of the Voluntary Redundancy Scheme amounting to £780,405.

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 is resulting 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>1,418,916</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. In addition, the current superannuation contribution is in excess of the annual estimate and this is also contributing to the adverse variance. 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	939,602	
Home Help Service	274,301	
Areas under investigation	99,573	
Superannuation contribution in excess of budget	308,000	
Savings in the area of Childcare	(70,000)	
Savings in the area of Elderly Care	<u>(132,560)</u>	
	<u>1,418,916</u>	

Major Areas of Overspend (cont'd)

£ £

2. Administration 18,935

The overspend is due largely to increased expenditure in the area of telephone expenses. This area is projected to be overspent due to the installation of new systems at two of the six area teams. This area will be closely monitored by the department.

£ £

Major Areas of Underspend1. Property Costs 41,689

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. Supplies and Services 83,179

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 a savings programme instigated by the department.

3. Payments to Other Bodies 638,931

The underspend in this area is due to fewer elderly people being cared for in Residential Homes than budgeted and 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 66,739

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

FINANCIAL MONITORING REPORT

1 April 1997 To 7 December 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	20,986,890	22,405,806	(1,418,916) Overspend	-7%
3,859,025	2.	PROPERTY COSTS	1,573,247	1,531,558	41,689 Underspend	3%
1,331,520	3.	SUPPLIES AND SERVICES	705,448	622,269	83,179 Underspend	12%
2,200,330	4.	TRANSPORT & PLANT	875,731	879,639	(3,908) Overspend	-
499,602	5.	ADMINISTRATION COSTS	375,927	394,862	(18,935) Overspend	-5%
23,247,676	6.	PAYMENTS TO OTHER BODIES	12,999,706	12,360,775	638,931 Underspend	5%
1,424,314	7.	OTHER EXPENDITURE	356,666	336,047	20,619 Underspend	6%
1,730,170	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
120,000	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
2,129,910	10.	APPORTIONED EXPENSES	-	-	- -	-
68,111,741	10.	TOTAL EXPENDITURE	37,873,615	38,530,956	(657,341) Overspend	-2
9,411,350	11.	INCOME	4,595,884	4,662,623	66,739 Over-recovered	1%
58,700,391	12.	NET EXPENDITURE	33,277,731	33,868,333	(590,602) Overspend	-2%

Analysis of the major variances are on pages 4 - 15

FINANCIAL MONITORING REPORT

1 April 1997 To 7 December 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	8,097,378	8,551,515	(454,137) Overspend	-6%
1,748,382	2.	PROPERTY COSTS	457,310	450,923	6,387 Underspend	1%
160,750	3.	SUPPLIES AND SERVICES	76,789	77,073	(284) Overspend	-0%
634,716	4.	TRANSPORT & PLANT	522,531	534,860	(12,329) Overspend	-2%
330,765	5.	ADMINISTRATION COSTS	270,667	296,256	(25,589) Overspend	-9%
716,720	6.	PAYMENTS TO OTHER BODIES	399,125	397,846	1,279 Underspend	0%
395,294	7.	OTHER EXPENDITURE	94,040	89,209	4,831 Underspend	5%
1,730,170	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
120,000	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
2,129,910	10.	APPORTIONED EXPENSES	-	-	- -	-
19,629,658	11.	TOTAL EXPENDITURE	9,917,840	10,397,682	(479,842) Overspend	-5%
4,868,710	12.	INCOME	2,782,883	2,732,531	(50,352) Under-recovered	-2%
14,760,948	13.	NET EXPENDITURE	7,134,957	7,665,151	(530,194) Overspend	-7%

See Page 5 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : OPERATIONS AND
SERVICING

£

£

1. Employee Costs**454,137 Overspend**

The variance can be summarised as follows:

Cost of Early Retiral Scheme	224,681
Net effect of Pension Increases not budgeted for	17,182
Superannuation contribution rate in excess of budget	<u>212,137</u>
	<u>454,000</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 Costs**12,329 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.

3. Administration Costs**25,589 Overspend**

The overspend is in the area of telephone expenses. The area team office in Cumbernauld has been refitted with a new telephone exchange system and while the expenditure of £20,000 approx. will be capitalised, there will be a projected overspend in the area after installation of the new system.

4. Income**50,352 Under - recovered**

The under - recovery is due to the timing of receipt of Social Work Grant. This area however, is projected to be in line with budget.

FINANCIAL MONITORING REPORT

1 April 1997 To 7 December 1997

COMMITTEE : SOCIAL WORKDIVISION: 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	1,253,440	1,244,138	9,302 Underspend	1%
233,545	2.	PROPERTY COSTS	86,826	82,080	4,746 Underspend	5%
209,430	3.	SUPPLIES AND SERVICES	117,799	108,026	9,773 Underspend	8%
21,920	4.	TRANSPORT & PLANT	14,081	20,745	(6,664) Overspend	-47%
25,824	5.	ADMINISTRATION COSTS	15,881	19,506	(3,625) Overspend	-23%
2,213,890	6.	PAYMENTS TO OTHER BODIES	1,480,605	1,490,145	(9,540) 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	2,968,632	2,964,640	3,992 Underspend	0%
4,870	11.	INCOME	2,995	6,828	3,833 Over-recovered	128%
4,891,052	12.	NET EXPENDITURE	2,965,637	2,957,812	7,825 Underspend	0%

See Page 7 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : RA CHILDREN

£

£

1. Employee Costs**9,302 Underspend**

Salaries & Wages

Overspend in Care Staff

60,698

less Underspend re Leslie Street Home

70,000(9,302)

There is a slight overspend in care staff in this area due to 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, this is offset by an 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 is resulting in substantial savings in the area of childcare.

2. Payments to other Bodies**9,540 Overspend**

The overspend in this area is made up of a number of factors. Underspends in areas of residential childcare within the North Lanarkshire Area are offset by overspends partly due to incorrect budget phasing but more importantly due to the increasing cost of childcare payments such as adoption and fostering payments. This has resulted in the reported overall overspend of £9,540.

FINANCIAL MONITORING REPORT

1 April 1997 To 7 December 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	3,004,962	3,421,963	(417,001)	Overspend	-14%
701,185	2.	PROPERTY COSTS	417,873	410,627	7,246	Underspend	2%
119,910	3.	SUPPLIES AND SERVICES	58,745	55,472	3,273	Underspend	6%
47,087	4.	TRANSPORT & PLANT	10,433	8,395	2,038	Underspend	20%
24,899	5.	ADMINISTRATION COSTS	15,313	13,512	1,801	Underspend	12%
10,525,010	6.	PAYMENTS TO OTHER BODIES	6,131,271	5,783,272	347,999	Underspend	6%
41,050	7.	OTHER EXPENDITURE	40,000	56,905	(16,905)	Overspend	-42%
-	8.	CAPITAL FINANCING CHARGES	-	-	-	-	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	-	-	-
-	9.	APPORTIONED EXPENSES	-	-	-	-	-
15,998,969	10.	TOTAL EXPENDITURE	9,678,597	9,750,146	(71,549)	Overspend	-1%
1,240,580	11.	INCOME	859,555	914,975	55,420	Over-recovered	6%
14,758,389	12.	NET EXPENDITURE	8,819,042	8,835,171	(16,129)	Overspend	-0%

See Page 9 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : RA ELDERLY

£

£

1. Employee Costs**417,001 Overspend**

Cost of Early Retirals	549,561
less Savings re slippage in projects	<u>132,560</u>
	<u>417,001</u>

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**347,999 Underspend**

The variance relates to savings made within Residential Accommodation in a number of areas. 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. There are also savings associated with the Homecare Review projects which coordinate and aid the systems which provide care for the elderly. The slippage is a result of the savings programme instigated by the department.

FINANCIAL MONITORING REPORT

1 April 1997 To 7 December 1997

COMMITTEE : SOCIAL WORK

DIVISION: RA LEARNING
DISABILITIES

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	(7)
£			£	£	£	
414,154	1.	EMPLOYEE COSTS	273,341	302,252	(28,911) Overspend	-11%
48,763	2.	PROPERTY COSTS	30,108	27,813	2,295 Underspend	8%
184,760	3.	SUPPLIES AND SERVICES	83,630	17,396	66,234 Underspend	79%
1,340	4.	TRANSPORT & PLANT	884	958	(74) Overspend	-8%
3,188	5.	ADMINISTRATION COSTS	1,961	1,854	107 Underspend	5%
3,982,230	6.	PAYMENTS TO OTHER BODIES	1,492,808	1,490,941	1,867 Underspend	-
891,320	7.	OTHER EXPENDITURE	40,000	33,396	6,604 Underspend	17%
-	8.	CAPITAL FINANCING CHARGES	-	-	-	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	-	-
-	10.	APPORTIONED EXPENSES	-	-	-	-
5,525,755	11.	TOTAL EXPENDITURE	1,922,732	1,874,610	48,122 Underspend	3%
69,210	12.	INCOME	42,564	47,951	5,387 Over-recovered	13%
5,456,545	13.	NET EXPENDITURE	1,880,168	1,826,659	53,509 Underspend	3%

See Page 11 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : RA LEARNING
DISABILITIES

£

£

1. Employee Costs**28,911 Overspend**

The overspend is a result of the employment of additional staff to deal with a specialised client group and also the employment of temporary staff to cover for permanent staff on sickness absence.

2. Supplies and Services**66,234 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 7 December 1997

COMMITTEE : SOCIAL WORKDIVISION: 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	3,780,291	4,054,592	(274,301) Overspend	-7%
-	2.	PROPERTY COSTS	-	-	-	-
7,210	3.	SUPPLIES AND SERVICES	4,434	5,352	(918) Overspend	-21%
203,742	4.	TRANSPORT & PLANT	130,835	121,974	8,861 Underspend	7%
360	5.	ADMINISTRATION COSTS	221	1,299	(1,078) Overspend	-
279,000	6.	PAYMENTS TO OTHER BODIES	174,500	183,365	(8,865) Overspend	-5%
-	7.	OTHER EXPENDITURE	-	-	-	-
-	8.	CAPITAL FINANCING CHARGES	-	-	-	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	-	-
-	10.	APPORTIONED EXPENSES	-	-	-	-
6,294,719	11.	TOTAL EXPENDITURE	4,090,281	4,366,582	(276,301) Overspend	-7%
1,239,350	12.	INCOME	762,200	828,909	66,709 Over-recovered	9%
5,055,369	13.	NET EXPENDITURE	3,328,081	3,537,673	(209,592) Overspend	-6%

See Page 13 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : HOME HELP SERVICE

£

£

1. Employee Costs**274,301 Overspend**

The variance is largely made up of the following:

Manual workers wages	200,619
Cost of Early Retirals	<u>26,270</u>
	<u>226,889</u>

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

Home Help wages are overspent because a greater proportion of 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**66,709 Over-recovery**

The over-recovery of income is due to staff maximising the income of clients before instigating a new charging policy which will increase the income from the Home Help Service. The budget phasing in this period is slightly behind actual however, in this area, actual income is predicted to be on line with budget.

FINANCIAL MONITORING REPORT

1 April 1997 To 7 December 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	4,577,478	4,831,346	(253,868)	Overspend	-6%
1,127,150	2.	PROPERTY COSTS	581,130	560,115	21,015	Underspend	4%
649,460	3.	SUPPLIES AND SERVICES	364,051	358,950	5,101	Underspend	1%
1,291,525	4.	TRANSPORT & PLANT	196,967	192,707	4,260	Underspend	-
114,566	5.	ADMINISTRATION COSTS	71,884	62,435	9,449	Underspend	13%
5,530,826	6.	PAYMENTS TO OTHER BODIES	3,321,397	3,015,206	306,191	Underspend	9%
93,490	7.	OTHER EXPENDITURE	182,626	156,537	26,089	Underspend	14%
-	8.	CAPITAL FINANCING CHARGES	-	-	-	-	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	-	-	-
-	10.	APPORTIONED EXPENSES	-	-	-	-	-
15,766,718	11.	TOTAL EXPENDITURE	9,295,533	9,177,296	118,237	Underspend	1%
1,988,630	12.	INCOME	145,687	131,429	(14,258)	Under-recovered	-10%
13,778,088	13.	NET EXPENDITURE	9,149,846	9,045,867	103,979	Underspend	1%

See Page 15 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : OTHER SOCIAL
WORK SERVICES

£

£

1. Employee Costs**253,868 Overspend**

The overspend in staff costs is due to a number of factors. Firstly, actual expenditure has been processed through budget heads while the relevant budget has been allocated to a different budget head. This is being addressed by the department. In addition, overspends in areas such as day centres for the elderly and physically and sensory handicapped are a result of staff regradings in those areas. Also, other areas, such as Community Alarms have received insufficient disaggregated budgets.

2. Property Costs**21,015 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**306,191 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.

4. Other Expenditure**26,089 Underspend**

The underspend is due to the slow rate of expenditure on The Independant Living Fund. This area is expected to be fully expended by the year end.

NORTH LANARKSHIRE COUNCIL

REPORT

TO	SOCIAL WORK COMMITTEE		Subject : REVENUE BUDGET MONITORING REPORT PERIOD 1/4/97 TO 07/12/97 SOCIAL WORK DEPARTMENT SHELTERED WORKSHOP
FROM	DIRECTOR OF FINANCE		
DATE	07/01/98	Ref. : JM/CP	

Introduction

I enclose the Budgetary Control Report for period 1 April 1997 to 7 December 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 £2,496 or -2% 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

NORTH LANARKSHIRE COUNCILFINANCIAL MONITORING REPORT1 April 1997 To 7 December 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	191,590	189,202	2,388 Underspend	-1%
12,750	2.	PROPERTY COSTS	8,826	9,581	(755) Overspend	9%
86,200	3.	SUPPLIES AND SERVICES	82,200	86,897	(4,697) Overspend	6%
30,000	4.	TRANSPORT & PLANT	2,300	1,931	369 Underspend	-16%
3,500	5.	ADMINISTRATION COSTS	2,500	2,044	456 Underspend	-13%
125,000	6.	PAYMENTS TO OTHER BODIES	57,500	54,733	2,767 Underspend	-
-	7.	OTHER EXPENDITURE	-	-	- -	-
26,390	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
400	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
562,430	10.	TOTAL EXPENDITURE	344,916	344,388	528 Underspend	-0%
404,470	11.	INCOME	192,100	194,068	1,968 Over-recovery	-1%
157,960	12.	NET EXPENDITURE	152,816	150,320	2,496 Underspend	

There are no significant variances to report at 7 December 1997.