

REPORT

<p>TO SOCIAL WORK COMMITTEE</p>	<p>Subject : SOCIAL WORK</p>
<p>FROM DIRECTOR OF FINANCE</p>	<p>REVENUE ESTIMATES 1999/2000 BASE SUBMISSIONS</p>
<p>DATE 22 December 1998 Ref. : PH/Rev1</p>	

1. Introduction

1.1 The purpose of this report is to present to Committee the Department's base estimates submission for the forthcoming year 1999/2000 and to outline the broad principles within which the Council's budget is being prepared. The Revenue Estimates cycle for 1999/2000 has been underway for several months. The base information and instructions were issued to departments in early July, with their submissions now having been returned to the Finance Department for checking and processing. This initial stage has been prepared on the assumption that the Current level of Service Provision is maintained with the necessary adjustments (as detailed below) being incorporated into the base figures from the previous year - 1998/99 .

2. Process

2.1 The initial stage of the budget exercise is now complete, with the 1998/99 approved budget having been updated to reflect the following :-

- the full impact of the 1998/99 pay award.
- an allowance of 3.00% for the 1999/2000 pay award.
- Employers Superannuation increase from 135% to 170%.
- Realignment of Central Administration recharges to reflect the level of service provision .
- Realignment of Council Insurance costs.
- Inflationary provision for External Service providers.
- DSO Contract inflation RPI's .
- General CSP Increases.

2.2 The overall impact on Social Work resultant from this first stage is an increase of £4,533,799. After allowing for the various budgetary realignments between departments of the Council, for central administration, insurance and central repairs costs, the revised increase is £4,057,553 or 6.7% of net expenditure, and it should be noted that the overall expenditure (including the above increase) remains below the new GAE level announced for Social Work services. Paragraph 4.1 summarises the reasons for this movement.

2.3 Following the Government's announcement on Expenditure Guidelines, GAE and Revenue Support Grant settlements, the Council will require to consider spending levels in light of North Lanarkshire's settlement following this announcement. Decisions will have to be taken on service priorities, the impact of service enhancements included within the service plan submissions, and the level of possible departmental savings following the 1999/2000 expenditure guideline announcement.

3. 1999/2000 Government Spending Announcement

3.1 The Government has now dispensed with the Capping regime and instead has replaced it with " Expenditure Guidelines " which incorporate items previously excluded, such as loan charges, Housing and Council Tax benefits and elements of Housing Non-HRA. Ministers however expect that these new guideline figures are adhered to by individual authorities. The spending proposals for 1999/2000 announced in circular 19/1998 set out a guideline figure for North Lanarkshire Council of £411m and compares with a provisional calculated amount of £419m, this following the consolidation of the various departmental budget submissions at the conclusion of the initial budget setting process. This figure may be subject to some adjustment as further details emerge and guideline figures are clarified.

4. Departmental Submission

4.1 Full details of the movements in departmental budgets from 1998/99 to 1999/2000 are explained within appendices ii and iii (pages 6 to 9).

It must be noted that these figures are subject to ongoing review during the budget setting process .

This can be summarised as follows :-

	£
Approved net expenditure 1998/99 (line 15 - page 5)	<u>60,608,230</u>
The full impact of the 1998/99 pay award	160,166
An allowance of 3.00% for the 1999/2000 pay award	1,011,307
Employers Superannuation increase from 135% to 170%	416,098
Realignment of Central Administration recharges to reflect the level of service provision and adjustments to inherited procedures.	314,669
The realignment of Insurance costs to more accurately reflect individual departments insurance requirements.	119,859
Realignment of Central Repairs recharges to reflect the level of repairs being carried out within each service.	41,718
DSO contract inflation RPI's	460,941
General CSP Movements	2,009,041
Adjusted net expenditure 1999/2000 (line 15 - page 5)	<u>65,142,029</u>

4.2 This base budget submission for 1999/2000 is prior to consideration of

- (i) the cost to the Council of mainlining Urban Aid funded projects.
- (ii) other policy decisions being taken by the Council in relation to service reviews , enhancements and savings proposals.

4.3 The appendices attached include :-

- (i) Summary of 1998/99 Approved Budget adjusted to take account of the stage 1 adjustments summarised above.
- (ii) Summary of CSP Movements. (page 6)
- (iii) Explanation of detailed CSP Movements. (pages 7 - 9)

5. Recommendations

The Committee is requested to note the Department's budget position.


Director of Finance

NORTH LANARKSHIRE COUNCIL

ESTIMATE OF EXPENDITURE AND INCOME FOR THE YEAR ENDING 31st MARCH 2000

SOCIAL WORK - SUBJECTIVE SUMMARY

	(1)		(2)	(3)
LINE NO.	1998/99 REVENUE ESTIMATE	EXPENDITURE	1998/2000 BASE ESTIMATE	MOVEMENTS
	£		£	
1	33,518,301	EMPLOYEE COSTS	36,360,913	2,842,612
		Salaries and Wages -		
2	3,189,187	Admin & Clerical Staff	3,325,863	136,676
3	3,017,403	Basic Grade Social Workers	3,145,925	128,522
4	8,727,015	Management, Support, Specialist & Fieldwork Staff APT&C	9,242,986	515,971
5	6,395,020	Care Staff APT&C	6,838,674	443,654
6	1,573,529	Instructors	1,640,735	67,206
7	297,282	Hospital Social Workers	308,200	10,918
8	7,066,367	Manual Workers	7,277,358	210,991
		Superannuation -		
9	676,866	APT&C Staff	1,928,817	1,251,951
10	156,817	Manual Workers	161,283	4,466
		National Insurance -		
11	1,768,473	APT&C Staff	1,831,727	63,254
12	333,448	Manual Workers	342,451	9,003
		Other Employee Costs -		
13	210,014	Other Staff Costs	210,014	-
14	106,880	Training Costs	106,880	-
15	3,900,210	PROPERTY COSTS	4,355,587	455,377
16	484,699	Rates	484,699	-
17	720,008	Rents and Feu Duties	960,008	240,000
18	-	Property Insurance	101,808	101,808
19	292,141	Electricity	292,141	-
20	84,222	Gas	84,222	-
21	34,767	Oil	34,767	-
22	18,117	Solid Fuel	18,117	-
23	49,730	Cleaning Materials	49,730	-
24	959,673	Payments to Contractors - Cleaning	1,051,033	91,360
25	358,530	Adaptations	358,530	-
26	-	Grounds Maintenance	2,491	2,491
27	467,001	Repairs and Maintenance	508,719	41,718
28	431,322	Other Property Costs	409,322	(22,000)
29	1,430,738	SUPPLIES AND SERVICES	1,430,738	-
30	235,810	Provisions	235,810	-
31	57,156	Office Equipment	57,156	-
32	54,260	Machine Rentals	54,260	-
33	92,060	Tools and Equipment	92,060	-
34	14,838	Uniforms	14,838	-
35	13,250	Crockery and Cutlery	13,250	-
36	6,260	Medical Equipment	6,260	-
37	41,026	Vocational Equipment	41,026	-
38	13,420	Laundry	13,420	-
39	6,350	Telephones for handicapped	6,350	-
40	43,830	Holidays and Outings	43,830	-
41	33,420	Clients Treatment Courses	33,420	-
42	36,920	Clients Clothing	36,920	-
43	122,135	Clients Requisites	122,135	-
44	211,280	Aids for the Handicapped	211,280	-
45	122,348	Furniture and Fittings	122,348	-
46	326,375	Other Supplies and Services	326,375	-
47	38,849,249	Carried Forward	42,147,238	3,297,989

NORTH LANARKSHIRE COUNCIL

ESTIMATE OF EXPENDITURE AND INCOME FOR THE YEAR ENDING 31st MARCH 2000

SOCIAL WORK - SUBJECTIVE SUMMARY

LINE NO.	(1)	EXPENDITURE	(2)	(3)
	1998/99 REVENUE ESTIMATE		1998/2000 BASE ESTIMATE	MOVEMENTS
48	38,849,249	Brought Forward	42,147,238	3,297,989
49	2,403,279	TRANSPORT AND PLANT	2,599,594	196,315
50	293,665	External Hires	293,665	-
51	1,261,835	Internal Transport Hires	1,458,150	196,315
52	(20,668)	Internal Transport Driver	(20,668)	-
53	-	Internal Transport Fuel	-	-
54	850,662	Staff Travel	850,662	-
55	17,785	Other Transport Costs	17,785	-
56	519,095	ADMINISTRATION COSTS	537,146	18,051
57	135,149	Printing and Stationery	135,149	-
58	15,232	Advertising	15,232	-
59	79,905	Postages	79,905	-
60	186,577	Telephones	186,577	-
61	-	Insurance (Other than Property and Transport)	18,051	18,051
62	102,232	Other Administration Costs	102,232	-
63	25,568,513	PAYMENTS TO OTHER BODIES	26,253,288	684,775
64	3,018,188	Payments to Voluntary Organisations	3,018,188	-
65	4,688,480	Supplementation Payments	4,688,480	-
66	767,359	Foster Parents Allowances	767,359	-
67	171,755	Foster Parents Discret.	171,755	-
68	15,140	Section 27 Payments	15,140	-
69	178,450	Community Parents	178,450	-
70	23,410	Payments to Childminders	23,410	-
71	334,326	Adoption Allowances	334,326	-
72	-	Payments to Link Carers	-	-
73	30,000	Development Monies	30,000	-
74	9,308,078	Community Care - Care Element	9,822,078	514,000
75	1,599,575	Community Care - Development	1,599,575	-
76	-	CET Allocation Home Care	-	-
77	2,162,310	Payments to other Local Authorities	2,162,310	-
78	-	Payments to Health Boards	-	-
79	285,700	Grants to Voluntary Organisations	285,700	-
80	2,002,162	Contract Catering	2,172,937	170,775
81	13,580	Section 12 Payments	13,580	-
82	200,650	Section 29 Payments	200,650	-
83	54,320	Section 22 Payments	54,320	-
84	133,950	Payments to Other Bodies	133,950	-
85	581,080	Independent Living Fund	581,080	-
86	1,440,248	OTHER EXPENDITURE	1,440,248	-
87	480	Conferences and Courses	480	-
88	1,439,768	Miscellaneous	1,439,768	-
89	-	Savings/Overprovision	-	-
90	-	Temporary Interest on Revenue Account	-	-
91	-	CAPITAL FINANCED FROM CURRENT REVENUE	-	-
92	1,276,000	CAPITAL CHARGES	1,276,000	-
93	1,978,103	APPORTIONED EXPENSES	2,292,772	314,669
94	72,034,487	Total Expenditure	76,546,286	4,511,799

NORTH LANARKSHIRE COUNCIL

ESTIMATE OF EXPENDITURE AND INCOME FOR THE YEAR ENDING 31st MARCH 2000

SOCIAL WORK - SUBJECTIVE SUMMARY

	(1)		(2)	(3)
LINE NO.	1998/99 REVENUE ESTIMATE	INCOME	1999/2000 BASE ESTIMATE	MOVEMENTS
1	11,426,257	INCOME	11,404,257	(22,000)
2	2,033,796	Government Grants - Various	2,011,796	(22,000)
3		Other Grants		
4	4,575,532	Resource Transfer Allocation	4,575,532	-
5	231,630	Recoveries from Health Boards	231,630	-
6	1,790	Charges to Staff	1,790	-
7	40,340	Other LA's General	40,340	-
8	27,160	Sales Fees and Charges	27,160	-
9	14,220	Charges for Registration	14,220	-
10	3,419,434	Charges to Persons using Service	3,419,434	-
11	5,570	Direct Assistance Recoveries	5,570	-
12	1,076,785	Other Income	1,076,785	-
13	11,426,257	Total Income	11,404,257	(22,000)
14	72,034,487	Gross Expenditure b/f	76,546,286	4,511,799
15	60,608,230	Net Expenditure	65,142,029	4,533,799

North Lanarkshire Council

Current Service Provision (CSP) Adjustments 1999 / 2000

Committee: SOCIAL WORK

Service: SOCIAL WORK SERVICES

CSP Increases

1. Increases in Expenditure	
1.1 Pay Award Shortfall 1998/99	160,166
1.2 Pay Award Provision 1999/2000 at 3%	1,011,307
1.3 Increase in Employers' Superannuation (from 135% to 170%)	416,098
1.4 Increase in Building Cleaning Charges from DSO	91,360
1.5 Increase in Contract Catering Charges from DSO	170,775
1.6 Increase in Transport Charges from DSO	196,315
1.7 Increase in Ground Maintenance Charges from DSO	2,491
1.8 Increase in Apportioned Expenses	314,669
1.9 Increase in Central Repairs	41,718
1.10 Insurance Realignments	119,859
1.11 Impact of Incremental Drift	300,000
1.12 Reduction in Lanarkshire Health Board funding for Community Mental Health Teams	165,000
1.13 Lease and Running Costs of New Wishaw Office	150,000
1.14 Estimated running costs for additional premises acquired in Bellshill Area.	90,000
1.15 Inflationary increases to external providers of nursing and residential care	514,000
1.16 Adjustment to Superannuation Budget to reflect actual expenditure	657,662
1.17 Increase in Pension Costs to reflect VRS commitment	132,379
2. Reductions in Income	
2.1 Reduction in Specific Training Grant	22,000

Total CSP Increases 4,555,799

CSP Reductions

3. Reductions in Expenditure	
3.1 Reduction in Social Work Training Expenditure	22,000

Total CSP Reductions 22,000

Net CSP Movements (CSP Increases less Reductions) 4,533,799

Explanatory Notes to CSP Adjustments

Department :

SOCIAL WORK

£

1.1	<u>Pay Award Shortfall 1998/99</u> Budget estimates for 1998/99 allowed for a 2.5% pay award, however the final pay award settlement was 3%.	160,166
1.2	<u>Pay Award Provision 1999/2000 at 3%</u> An estimated pay award settlement of 3% has been provided for in the 1999/2000 budget estimates.	1,011,307
1.3	<u>Increase in Employers' Superannuation (from 135% to 170%)</u> The budget increase reflects the increase in employers contributions from 135% to 170%.	416,098
1.4	<u>Increase in Building Cleaning Charges from DSO</u> This is to provide for increased charges incurred from Building and Cleaning DSO.	91,360
1.5	<u>Increase in Contract Catering Charges from DSO</u> This is to provide for increased charges incurred from Catering DSO.	170,775
1.6	<u>Increase in Transport Charges from DSO</u> This is to provide for increased charges incurred from Transport DSO.	196,315
1.7	<u>Increase in Ground Maintenance Charges from DSO</u> This is to provide for increased charges incurred from Ground Maintenance DSO.	2,491
1.8	<u>Increase in Apportioned Expenses</u> This increase reflects budget realignments in line with 1997/98 Out-turn Figures.	314,669

Explanatory Notes to CSP Adjustments

Department : SOCIAL WORK

£

Further Explanations of Items Included in CSP 2

1.9	<u>Increase in Central Repairs</u> This increase reflects budget realignments in line with 1997/98 Out-turn Figures as well as the planning departments programme of work.	41,718
1.10	<u>Insurance Realignments</u> Insurance Budgets were realigned to take account of the 1997/98 Out-turn position:	119,859
	Property 101,808	
	Admin. 18,051	
	119,859	
1.11	<u>Impact of Incremental Drift</u> Additional resources are required to fund annual increments.	300,000
1.12	<u>Reduction in Lanarkshire Health Board funding for Community Mental Health Teams</u> Community Mental Health Teams exist in several locations in North Lanarkshire, having been developed since 1991 jointly with Lanarkshire Health Board. The Board's contribution was in the form of a support finance which runs out in March 1999. Essential to continued funding of current staff.	165,000
1.13	<u>Lease and Running Costs of New Wishaw Office</u> Social Work is due to move into new leased premises in the Kings Centre in Wishaw in the year 1999/2000. Existing offices in Wishaw are owned by North Lanarkshire Council and will be available for sale or re-use.	150,000
1.14	<u>Estimated Running Costs for Additional Leased Premises in Bellshill Area</u> Estimated running costs for the additional leased premises acquired in Bellshill Area.	90,000
1.15	<u>Inflationary Increases to external providers of nursing and residential care.</u> These are increases attributable to external providers of elderly nursing home and residential care.	514,000
1.16	<u>Adjustment to Superannuation Budget</u> Re-calculation of Superannuation percentage allocations.	657,662
1.17	<u>Increase in Pension Costs</u> This is to reflect a rise in pension increases due to VRS and early retirements in 1997/98 and 1998/99.	132,379

Cost of Existing Service Provision for 1999 / 00

Department : SOCIAL WORK

£000

Further Explanations of Items Included in CSP 2

2.1	<u>Reduction in Specific Training Grant</u> Reduction in Scottish Office Grant for Social Work Training	22,000
3.1	<u>Reduction in Social Work Training Expenditure</u> Reduction in Social Work Training Expenditure as a result of reduction in Government Grant.	22,000