

REPORT

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

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 the Sheltered Workshops Service resultant from this first stage is an increase of £23,522 or 16.6% from the budget for 1998/99. 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 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 7).

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 7 - page 5)	<u>142,025</u>
The full impact of the 1998/99 pay award	1,391
An allowance of 3.00% for the 1999/2000 pay award	9,964
Employers Superannuation increase from 135% to 170%	3,610
DSO contract inflation RPI's	1,155
General CSP Movements	7,402
Adjusted net expenditure 1999/2000 (line 7 - page 5)	<u>165,547</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. (page 7)

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 - SHELTERED WORKSHOPS - SUBJECTIVE SUMMARY

	(1)		(2)	(3)
LINE NO.	1998/99 REVENUE ESTIMATE	EXPENDITURE	1999/2000 BASE ESTIMATE	MOVEMENTS
	£		£	
1	321,555	EMPLOYEE COSTS	345,922	24,367
2	115,455	Salaries	120,421	4,966
3	181,430	Wages	187,021	5,591
4	10,400	Superannuation	23,711	13,311
5	14,270	National Insurance	14,769	499
6	12,750	PROPERTY COSTS	13,905	1,155
7	200	Rates	200	-
8	-	Repairs and Maintenance	-	-
9	2,700	Electricity	2,700	-
10	1,900	Gas	1,900	-
11	250	Cleaning	250	-
12	7,700	Contract Cleaning	8,855	1,155
13	86,200	SUPPLIES AND SERVICES	86,200	-
14	300	Provisions	300	-
15	600	Clothing/Uniforms	600	-
16	10,000	Tools, Equipment etc	10,000	-
17	200	Office Equipment	200	-
18	100	Medical Equipment	100	-
19	-	Laundry	-	-
20	75,000	Partly Produced Materials	75,000	-
21	30,000	TRANSPORT AND PLANT	30,000	-
22	27,000	Internal Transport Hires	27,000	-
23	3,000	Travelling Expenses	3,000	-
24	450,505	Carried Forward	476,027	25,522

NORTH LANARKSHIRE COUNCIL

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

SOCIAL WORK - SHELTERED WORKSHOPS - SUBJECTIVE SUMMARY

LINE NO.	(1)	EXPENDITURE	(2)	(3)
	1998/99 REVENUE ESTIMATE		1999/2000 BASE ESTIMATE	MOVEMENTS
25	450,505	Brought Forward	476,027	25,522
26	3,500	ADMINISTRATION COSTS	3,500	-
27	200	Postages	200	-
28	1,300	Telephones	1,300	-
29	500	Other Admin. Costs	500	-
30	1,000	External Printing	1,000	-
31	500	Stationery	500	-
32	125,000	PAYMENTS TO OTHER AGENCIES AND BODIES	125,000	-
33	125,000	Other Bodies	125,000	-
34	(510)	CAPITAL CHARGES	(510)	-
35	(510)	Principal	(510)	-
36	-	INTEREST ON REVENUE BALANCES	-	-
37	578,495	Total Expenditure	604,017	25,522

NORTH LANARKSHIRE COUNCIL

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

SOCIAL WORK - SHELTERED WORKSHOPS - SUBJECTIVE SUMMARY

	(1)		(2)	(3)
LINE NO.	1998/99 REVENUE ESTIMATE	EXPENDITURE	1999/2000 BASE ESTIMATE	MOVEMENTS
1	436,470	INCOME	438,470	2,000
2	131,000	Government Grants	133,000	2,000
3	285,470	Sales	285,470	-
4	20,000	Other Income	20,000	-
5	436,470	Total Income	438,470	2,000
6	578,495	Gross Expenditure b/f	604,017	25,522
7	142,025	Net Expenditure	165,547	23,522

North Lanarkshire Council

Current Service Provision (CSP) Adjustments 1999 / 2000

COMMITTEE: SOCIAL WORK

SERVICE: SHELTERED WORKSHOP

CSP Increases

1. Increases in Expenditure

1.1 Pay Award Shortfall 1998/99	1,391
1.2 Pay Award Provision 1999/2000 at 3%	9,964
1.3 Increase in Employers Superannuation (from 135% to 170%)	3,610
1.4 Increase in Pension Costs to reflect VRS commitment	207
1.5 Increase in Building and Cleaning Charges from DSO	1,155
1.6 Adjustment to Superannuation Budget to reflect actual expenditure	9,195

Total CSP Increases 25,522

CSP Reductions

2. Increases in Income

2.1 Increase in Specific Government Grant	2,000
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Total CSP Reductions 2000

Net CSP Movements (CSP Increases less Reductions) 23,522

Explanatory Notes to CSP Adjustments

Department :

SOCIAL WORK SHELTERED WORKSHOP

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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%.	1,391
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.	9,964
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%.	3,610
1.4	<u>Increase in Pension Costs to reflect VRS commitment</u> This is to reflect a rise in pension increases due to VRS and early retirements in 1997/98 and 1998/99.	207
1.5	<u>Increase in Building and Cleaning Charges from DSO</u> This is to provide for increased charges incurred from Building and Cleaning DSO.	1,155
1.6	<u>Adjustment to Superannuation Budget to reflect actual expenditure</u> Re-calculation of Superannuation percentage allocations.	9,195
2.1	<u>Increase in Specific Government Grant</u> Increase in Government Grant for Supported Employment	2,000