

To: SOCIAL WORK COMMITTEE		Subject: BUDGET MONITORING REPORT 2001/2002 PERIOD 01.04.01 – 14.09.01 SOCIAL WORK	
From: DIRECTOR OF SOCIAL WORK			
Date: 25 Oct 2001	Ref: RP/MY		

**1. PURPOSE OF REPORT / INTRODUCTION**

- 1.1. This report compares provisional out-turn expenditure and income against annual estimates and provides explanations for the major out-turn variances.

**2. SUMMARY OF BUDGET VARIANCES**

- 2.1. The out-turn projection shows an initial underspend of £1,249,476 at the financial year end. This is a significant change from the previous report which projected a break-even position. The main contributing factor in this change is the generation of additional income through the receipt of Transitional Housing Benefit. This additional resource can be utilised to provide housing support packages to clients who require them in order to remain within their own home. Prior to receipt of this resource, the department had limited ability to provide this care through mainstream Community Care budgets. Work is currently being undertaken to re-assess clients so that any housing support elements of care packages can be paid for from this new resource, thus augmenting Community Care budgets which provide other elements of care. Any claims which are processed for Social Work clients in this financial year will be backdated to April 2001. It is important to note that, as the number of successfully processed claims rise, and the backdating element takes effect, there is potential for this additional resource to rise. This will be reported in detail in subsequent reports to Committee.
- 2.2. With regard to the overall departmental performance, the increased expenditure on transport and administration is compensated by the level of vacancies throughout the year, which have once again impacted on the performance of the Department both in terms of service delivery and also in the effective management of the change agenda required within Community Care Services.
- 2.3. The table overleaf provides an analysis of the projected out-turn variance in terms of the divisions of service within the Social Work Department.

Division of Service Analysis	Annual Budget £	Projected Outturn £	Projected Variance £	%	Over / Under
Management & Support Services	18,163,141	16,711,665	1,451,476	8	Under
Residential Accom. Children	3,236,954	3,436,954	-200,000	-6	Over
Day Care Children	6,460,226	6,260,226	200,000	3	Under
Residential Accom. Elderly	17,639,960	18,111,960	-472,000	3	Over
Day Care Elderly	1,999,614	2,129,614	-130,000	-7	Over
Res. Accom. Learning Disability	6,480,580	6,180,580	300,000	5	Under
Day Care Learning Other	6,598,268	6,398,268	200,000	3	Under
Other Mental Health	4,127,353	3,827,353	300,000	7	Under
Home Care Services	10,286,284	10,686,284	-400,000	-4	Over
Other Social Work Services	2,381,235	2,381,235	-	-	On Target
Criminal Justice	211,054	211,054	-	-	On Target
<b>Total</b>	<b>77,584,669</b>	<b>76,335,193</b>	<b>1,249,476</b>	<b>2</b>	<b>Under</b>

### 3. BUDGET RE-ALIGNMENT

- 3.1. The previous Committee report advised of a projected underspend of £1,500,000 within Employee Costs in Management and Support Services, and overspends within the same division in Property Costs and Supplies and Services. These overspends related to expenditure on Equipment and Adaptations and IT equipment respectively.
- 3.2. Following approval by Committee, it was agreed that £800,000 of the underspend within Employee Costs will be utilised to enhance the budget for Equipment and Adaptations. This is intended to reduce waiting lists in the area. A further £300,000 will be utilised to increase the budget for Information Technology which will be vital if the department is to cope with the demands and pressures which will be placed on it by the ever increasing change agenda. This realignment is now reflected in the Departments Property and Supplies and Services Costs respectively.
- 3.3. Committee should also note that the Equipment Budget has been increased by £224,000 to reflect the additional resources allocated for this purpose by the Policy and Resources Committee of 18<sup>th</sup> September 2001.

### 4. EXPLANATION OF MAJOR OUT-TURN VARIANCES BY DIVISION

- 4.1. The table attached to this report provides a summary of the above information for the department as a whole by expenditure line. It clearly shows the projected financial position within each budget line. The major variances within budget lines are analysed as follows;-

#### 4.1.1. Employee Cost £700,000 Underspend

There is a projected under-spend in this area mainly as a result of the recruitment difficulties experienced throughout the course of the year to date, and the delay in the filling of posts required to meet the change agenda. The recruitment problems faced by the department during this financial year have been carried over from the previous year and have been the subject of separate reports to Committee. The recruitment problems have been experienced over all areas and divisions, with £400,000 of the underspend occurring within projects in Management and Support Services where difficulties have been experienced in recruiting Social Workers and Senior Social Workers. The balance of the underspend is caused by vacancies within projects which provide support for families and children with behavioural problems and for clients with mental health problems.

#### **4.1.2. Transport and Plant £218,524 Overspend**

The projected overspend in this area is mainly within Management and Support Services. The overspend is a result of expenditure incurred within the travel and subsistence budget. The origin of the overspend is a corporate saving requested in the first year of the authority. This had the result of reducing the budget available in this area, however, staff were still required to travel in order to carry out their duties, therefore actual costs incurred did not decrease proportionately. The overspend within this Division is anticipated to be £218,524 at the year end

#### **4.1.3. Administration Costs £400,000 Overspend**

There will be a projected overspend in the area of Management and Support Services, mainly as a result of increased expenditure in a number of administrative areas such as stationery, printing, publications and advertising. These costs can be largely attributed to the numerous new development areas and initiatives within the department which have in turn brought about new pressures and demands. The resultant increases in expenditure have continued into this financial year.

#### **4.1.4. Payment to Other Bodies £228,000 Underspend**

There will be a projected underspend resulting from delays in implementing a number of programmes set out within the change agenda. This is another effect of the recruitment problems experienced by the department in recent times. However, the underspend is a result of a combination of over and underspends over various divisions of service. Within Residential Accommodation for the elderly, an overspend of £472,000 is projected. The Nursing Home budget will be overspent by £90,000 with regard to level of placement while account has also been taken of the anticipated overspend in relation to the backdating agreed of fees payable to external Nursing Home providers. The backdated increase, which has been agreed at £10 per person per week will cost the department £382,000. It is important to note however, that this overspend will be offset by underspends in other divisions. There will be slippage incurred due to a reduction in payments made to voluntary organisations which provide residential and day care services to clients with learning disabilities and also within projects developed to provide care to clients with mental health problems.

#### **4.1.5. Income £940,000 Over-recovered**

The over-recovery in income is a result of two significant factors. Firstly, the department is projecting an under-recovery of £530,000 within Homecare Services. The income generated from charging clients for Homecare Services is in turn determined by the personal income available to clients to pay the charges. An assessment is carried out on each client to ascertain their ability to contribute towards their care costs. As part of this process, clients are given advice and assistance to claim the full amount of allowances for which they may be eligible. The outcome of this financial assessment will determine the level at which the client contributes towards their care costs. Work is continuing to ensure the future maximisation of benefit uptakes by clients, thus increasing their ability to contribute to the cost of their care. This under-recovery is compensated by an over-recovery of £1,470,000 within Management and Support Services. Additional Resources will be received in the latter half of the financial year from the Housing Benefits system in relation to Transitional Housing Benefit for clients receiving housing support through Homecare Services. There will be a substantial backdating element for claims made during this financial year, but ultimately this resource will serve to provide enhanced home support services to clients. It is anticipated that this additional resource may increase significantly as the number of claims are processed. Any potential increase in this anticipated additional resource will be reported to future Committees.

## **5. PROPOSED FUTURE STRATEGY**

- 5.1. As can be seen from above there is a projected underspend of £1 million in community care monies in the current year. The Department considers that this provides an opportunity to enhance service delivery in a number of areas by using the monies in a non recurring basis. It is proposed that the following use be made of the resources:-

### **5.1.1. Adaptations to Houses**

Substantial progress has been made in reducing the waiting time for people to receive an assessment from the Occupational Therapy Services. As a consequence of this large numbers of people have been identified as requiring an adaptation to their home and at present there is a budget shortfall in this area. It is proposed that the budget for adaptations which is located within the Department of Housing and Property Services be augmented by £300,000 to allow them to reduce the backlog of people awaiting adaptation work to their home.

### **5.1.2. Respite Unit, Motherwell – PHEW**

Members will be aware from previous reports of the respite unit which is being built by PHEW on the Pyramid Site in Motherwell. Funding for the project comes from a number of sources including a grant from North Lanarkshire Council and Lanarkshire Health Board together with Lottery Funding.

There was however a requirement that a balance of funding be raised by PHEW by means of a mortgage on the property and repayment of this would obviously impact on the future revenue costs of the respite service. The Department recommends that consideration should be given to increasing the capital grant to PHEW in the current year which will have the effect of reducing the mortgage and consequently reducing the revenue cost of the services in future years.

### **5.1.3. Special Needs Housing**

The Council has a policy of supporting people with special need where possible in their own home as opposed to the alternative of providing registered accommodation.

There is a requirement over coming years for additional adapted housing to meet the needs of people being discharged from long stay hospital, the increasing numbers of people in the community with a disability and the requirement to further shift the balance of care away from the registered model.

The Department would wish to explore with Housing providers in the Lanarkshire area what opportunities exist to use non recurring monies to increase the future availability of specialist housing.

### **5.1.4. Information and Assessment Unit**

Committee will be aware that the resources exist within the Capital Programme to fund the refurbishment of a store from which North Lanarkshire Council and Lanarkshire Health Board will operate a joint Occupational Therapy Service.

As part of this joint development of service an Information and Assessment Unit at Fern Street, Motherwell requires to be upgraded, the cost of this being £200,000. No budget exists to fund this upgrade and consequently the work has been put on hold. The allocation of some of the underspend for this purpose would allow the refurbishment to proceed further progressing our joint futures agenda.

### **5.1.5. Improve Fabric of Residential Homes**

North Lanarkshire Council provides residential accommodation for elderly people and for people with a learning disability from twelve homes. Limited budgets exist to renew furnishings within these premises and it is proposed that the allocation of £15,000 per establishment would allow a

number of the rooms to be upgraded. This option would also have benefits for Beltane since they would be able to provide much of the furnishings and would therefore benefit from the increased business.

#### 5.1.6. Voluntary Organisations

The Department purchases a wide range of services from the voluntary sector. The services are funded at a level which covers the cost of providing the services without there being any budget provision to allow the organisations to pursue a modernising agenda.

The Department considers that it would be beneficial to consult with the voluntary sector to ascertain what service improvements could result from the provision of a non recurring grant.

5.1.7. Subject to Committee approval of the above virement the revised underspend will be £569,476.

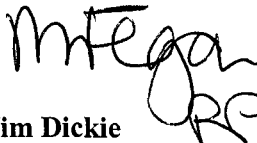
## 6. FINANCIAL CONCURRENCE

6.1. The Director of Finance concurs with the financial information contained in this report and has been fully involved in its preparation.

## 7. RECOMMENDATIONS

7.1. It is recommended that:

- (i) Committee note the contents of this report;
- (ii) approve the allocation of £300,000 to fund adaptations to houses for the individuals assessed as requiring such an adaptation;
- (iii) agree that consideration be given to increasing the grant to PHEW to cover the cost of building the new respite centre and request that a further report be brought to Committee;
- (iv) agree that the Director of Social Work enter into discussions with Housing Organisations as outlined in 5.1.3 above and bring forward a future report on the outcome of the discussions for the consideration of Committee;
- (v) approve the allocation of £200,000 to refurbish the Information and Assessment Unit as outlined in 5.1.4 above;
- (vi) approve the allocation of £180,000 to upgrade the fabric of the Council's twelve residential homes as detailed in 5.1.5 above;
- (vii) agree that the Director of Social Work enter into discussions with voluntary sector providers as outlined in 5.1.6 above and bring forward a future report to Committee on the outcome of discussions for the consideration of Committee.



**Jim Dickie**  
**Director of Social Work**  
**28<sup>th</sup> September 2001**

For further information on this report please contact Ronnie Paul, Head of Social Work Resources  
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**FINANCIAL MONITORING REPORT**

**1 April 2001 to 14 September 2001**

**COMMITTEE: SOCIAL WORK**

**DIVISION : TOTAL SOCIAL WORK SUMMARY**

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		%	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCE (9)		%
		£	£	£					£	£	
1.	EMPLOYEE COSTS	19,910,625	19,780,794	129,831	Underspend	1%	44,925,150	44,225,150	700,000	Underspend	2%
2.	PROPERTY COSTS	1,707,108	1,233,561	473,547	Underspend	28%	6,070,295	6,070,295	-		-
3.	SUPPLIES AND SERVICES	1,601,115	811,399	789,716	Underspend	49%	3,992,938	3,992,938	-		-
4.	TRANSPORT & PLANT	1,043,968	1,305,285	-261,317	Overspend	-25%	2,898,791	3,117,315	-218,524	Overspend	-8%
5.	ADMINISTRATION COSTS	748,470	584,043	164,427	Underspend	22%	4,173,314	4,573,314	-400,000	Overspend	-10%
6.	PAYMENTS TO OTHER BODIES	14,804,003	12,758,656	2,045,347	Underspend	14%	28,559,244	28,331,244	228,000	Underspend	1%
7.	OTHER COSTS	242,970	192,765	50,205	Underspend	21%	525,881	525,881	-		-
8.	APPORTIONED EXPENSES	-	-	-			2,659,002	2,659,002	-		
9.	CAPITAL FINANCING CHARGES	-	-	-			1,276,000	1,276,000	-		
10.	<b>TOTAL EXPENDITURE</b>	<b>40,058,259</b>	<b>36,666,503</b>	<b>3,391,756</b>	<b>Underspend</b>	<b>8%</b>	<b>95,080,615</b>	<b>94,771,139</b>	<b>309,476</b>	<b>Underspend</b>	<b>0%</b>
11.	<b>INCOME</b>	<b>6,065,451</b>	<b>3,203,701</b>	<b>-2,861,750</b>	<b>Under-rec.</b>	<b>-47%</b>	<b>17,495,946</b>	<b>18,435,946</b>	<b>940,000</b>	<b>Over-recov.</b>	<b>5%</b>
12.	<b>NET EXPENDITURE</b>	<b>33,992,808</b>	<b>33,462,802</b>	<b>530,006</b>	<b>Underspend</b>	<b>2%</b>	<b>77,584,669</b>	<b>76,335,193</b>	<b>1,249,476</b>	<b>Underspend</b>	<b>2%</b>