

REPORT

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| To: SOCIAL WORK COMMITTEE | | Subject: BUDGET MONITORING REPORT 2001/2002 PERIOD 01.04.01 – 09.11.01 SOCIAL WORK |
| From: DIRECTOR OF SOCIAL WORK | | |
| Date: 20 Dec 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 underspend of £808,306 at the financial year-end. This is an increase from the previous report, which projected an underspend of £569,476. The reason for this increase can be explained by the changing pattern of expenditure throughout each of the budget lines in addition to an increased level of Transitional Housing Benefit. Each area of expenditure has been reviewed in significant detail and the changes from the previous report are identified in section 4 of this report. A Previous Social Work Committee had approved additional uses for elements of the projected underspend in Community Care monies. It was considered that the level of underspend initially reported, which was in excess of £1m, provided an opportunity to enhance service delivery in a number of areas. Subsequently, included in the projected out-turn figure for this period are the following proposals which were approved at Committee in October 2001:-

- ◆ £300,000 to assist in the reduction of waiting lists for Equipment and Adaptations
- ◆ £200,000 for the upgrade of the Information and Assessment Unit at Fern Street, Motherwell
- ◆ £180,000 for the improvement of the Fabric of Residential Homes

The impact of these proposals has been reflected within the department's budget. However, consideration is still being given to the other proposals for enhancing service delivery, which were mentioned in the October report.

2.2. There has been additional income generated 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.

- 2.3. 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.

3. BUDGET RE-ALIGNMENT

- 3.1. Earlier Committee reports 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 18th September 2001.
- 3.4. It should also be noted that the department's budget for internal transport has been reduced by £149,006 as a result of a detailed analysis by the Transport Section of the council, of the Vehicle Replacement Programme. This area is being closely monitored by the Social Work department to ensure expenditure remains within budget for the year.
- 3.5. In October 2001, Committee approved proposals put forward by the department for additional uses for the projected underspend in the Social Work Budget. The budget has been amended to reflect the planned additional spend of £680,000 and consequently, this additional spend has been reflected in the out-turn figures.

4. EXPLANATION OF MAJOR OUT-TURN VARIANCES BY DIVISION

- 4.1. This section of the report provides a summary of the projected year end position for the department as a whole by expenditure line.

4.1.1. Employee Cost £163,318

Under-spend

There is a projected under-spend in this area. This is however, a change from the previous report, which projected an under-spend of £700,000. The original projected under-spend is mainly 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. However, this original under-spend has been offset by increased overtime costs and the increasing use of temporary workers to fill gaps in service provision. The department provides service to a variety of vulnerable client groups and it has a statutory responsibility to ensure adequate standards of care are maintained despite the recruitment problems, which have been experienced throughout all areas and divisions of service.

Furthermore, account has now been taken of superannuation costs, which are currently exceeding budget due to a substantial increase in uptake of the scheme by Homecare workers, as well as redundancy costs, which were reported to Committee earlier in this financial year as a result of the departmental re-structuring.

4.1.2 Property Costs £191,166

Under-spend

The department was projecting a break-even position in this area in the previous report. Since then, a careful and detailed evaluation both of expenditure patterns over all areas of service, along with the inclusion of planned expenditure has resulted in the projected underspend in this area. The additional planned expenditure referred to in paragraph 2, which is intended to improve the fabric of Residential Homes in the area, upgrade the Information and Assessment Unit at Fern Street and reduce waiting lists for Adaptations, has been included within this budget but this has been underpinned by reduced expenditure on utilities at a number of units throughout North Lanarkshire. The result is an overall projected underspend.

4.1.3 Supplies and Services £187,534

Over-spend

The department was projecting a break-even position in this area in the previous report. Since then, a detailed review of the budgets throughout all areas of the department has highlighted that machine rental charges will exceed budgeted costs for the year by £70,000. Also, additional computer equipment will be purchased which will be vital in assisting the department meet community care agendas.

4.1.4 Transport and Plant £417,285

Over-spend

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 for travel and subsistence is anticipated to be £294,000 at the year-end, with the balance of the overspend being accounted for by excess travel and additional expenditure on fares. This projection has increased since the previous report due to a considered evaluation of travel costs throughout all area teams as well as increased activity in the Homecare division.

4.1.5 Administration Costs £368,827

Over-spend

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 statutory reports which the department is required to produce and to the increasing need to provide high quality public information. The resultant increases in expenditure have continued into this financial year. The projected overspend has been reviewed since the last report as a result of more detailed analysis of expenditure by area teams.

4.1.6 Payment to Other Bodies £818,054

Under-spend

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.

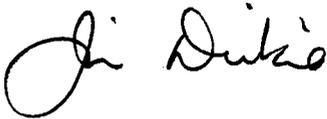
6. FINANCIAL CONCURRENCE

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) Await further updates on the remaining three proposals previously approved to enhance service delivery.



Jim Dickie
Director of Social Work
10th December 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 9 November 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) | | % (6) | ANNUAL BUDGET (7) | PROJECTED OUTTURN (8) | PROJECTED OUTTURN VARIANCE (9) | | % (10) |
|-----------------|---------------------------|-----------------------|-----------------------|-------------------------------|------------|----------|----------------------|--------------------------|-----------------------------------|-------------|-----------|
| | | £ | £ | £ | | | £ | £ | £ | | |
| 1. | EMPLOYEE COSTS | 28,082,093 | 26,975,207 | 1,106,886 | Underspend | 4% | 46,243,946 | 46,080,628 | 163,318 | Underspend | 0% |
| 2. | PROPERTY COSTS | 2,321,241 | 2,070,085 | 251,156 | Underspend | 11% | 6,450,295 | 6,259,129 | 191,166 | Underspend | 3% |
| 3. | SUPPLIES AND SERVICES | 2,027,750 | 1,937,838 | 89,912 | Underspend | 4% | 4,068,811 | 4,256,345 | (187,534) | Overspend | -5% |
| 4. | TRANSPORT & PLANT | 1,535,606 | 1,958,208 | (422,602) | Overspend | -28% | 2,671,912 | 3,089,197 | (417,285) | Overspend | -16% |
| 5. | ADMINISTRATION COSTS | 399,269 | 658,224 | (258,955) | Overspend | -65% | 914,312 | 1,283,139 | (368,827) | Overspend | -40% |
| 6. | PAYMENTS TO OTHER BODIES | 20,105,028 | 18,109,724 | 1,995,304 | Underspend | 10% | 31,673,638 | 30,855,134 | 818,504 | Underspend | 3% |
| 7. | OTHER COSTS | 323,431 | 283,269 | 40,162 | Underspend | 12% | 525,881 | 460,312 | 65,569 | Underspend | 12% |
| 8. | APPORTIONED EXPENSES | - | - | - | | | 2,659,002 | 2,659,002 | - | | |
| 9. | CAPITAL FINANCING CHARGES | - | - | - | | | 1,276,000 | 1,276,000 | - | | |
| 10. | TOTAL EXPENDITURE | 54,794,418 | 51,992,555 | 2,801,863 | Underspend | 5% | 96,483,797 | 96,218,886 | 264,911 | Overspend | 0% |
| 11. | INCOME | 7,683,906 | 7,281,416 | (402,490) | Under-rec. | -5% | 18,175,946 | 18,719,341 | 543,395 | Over-recov. | 3% |
| 12. | NET EXPENDITURE | 47,110,512 | 44,711,139 | 2,399,373 | Underspend | 5% | 78,307,851 | 77,499,545 | 808,306 | Underspend | 1% |