

To: SOCIAL WORK COMMITTEE	Subject: REVENUE ESTIMATES 2002/2003 SHELTERED/SUPPORTED EMPLOYMENT	
From: DIRECTOR OF FINANCE		
Date: 27 November 2001	Ref AC/PH/Rev1	

1. **Introduction**

1.1 This report seeks the Committee's consideration and approval of the Sheltered/Supported Employment Division's revenue budget for the year 2002/2003.

2. **Background**

2.1 Members will recall that the three-year financial settlements announced by the Scottish Executive in February 2001 offered councils the opportunity to develop three-year financial plans covering the period 2001/2002 to 2003/2004.

2.2 The Council subsequently approved a three-year Financial Plan which provides a framework to develop service planning and streamline the annual budget process. In summary the decisions taken by the Council include:

- Limiting council tax increase to 3.5% per annum for the next 2 years.
- A 1% efficiency saving target.
- Efficiency savings to be reinvested in Council services.
- Increase in discretionary fees and charges in line with inflation.
- Maintenance of a contingency fund equivalent to 2% of general fund (£8m).

2.3 The approach adopted in preparing the base revenue estimates for 2002/2003 reflects the above decisions.

3. **Determination of the 2002/2003 Base Revenue Estimate**

3.1 The base budget for 2001/2002 has been prepared by rolling forward the 2001/2002 approved budget to reflect expenditure pressures that are unavoidable or have been recognised by Government in determining the extent of local government financial settlements.

3.2 Included within the Sheltered/Supported Employment base estimate adjustments are increased cost pressures amounting to £0.020m. A CSP summary is included at appendix i, with detailed explanations provided at appendix ii.

3.3 The significant movements from the current year's position are noted below:

£m

- The impact of employee cost pressures 0.020

3.4 The overall movement in the Department's budget for 2002/2003 amounts to £0.020m or 9.4%, prior to the inclusion of the movement within Specific Grant income as shown within the Council's total AEF settlement.

4. **Budget Summary**

4.1 In anticipation of the decision taken in respect of the amount of efficiency savings brought to this Committee, the Department's budget position can be summarised as follows:

		£000
	Base revenue budget 2001/2002	210
add	Cost Pressures etc.	<u>0.020</u>
	Total budget increase	0.020
	Revenue budget 2002/2003	0.230
	Percentage Increase	<u>9.4%</u>

5.2 Over the coming weeks departmental budgets, incorporating efficiency savings, will be consolidated to enable the Council to evaluate and consider the potential for growth in service budgets prior to determining its overall spending plans and Council Tax levels for the following year. A meeting of the Council will take place on the 14th February 2002 to consider these matters.

6. **Recommendations**

6.1 The Committee is requested to:

- i) Note the level of CSP movements and increases as set out within appendices i and ii.
- ii) Agree the base budget as per appendix iii.



Director of Finance

North Lanarkshire Council

Current Service Provision (CSP) Adjustments 2002 / 03

COMMITTEE: SOCIAL WORK

SERVICE: SHELTERED /SUPPORTED EMPLOYMENT

CSP Increases1. **Employee Cost Pressures**

1.1 Likely Pay Settlements	18,709
1.2 Increase in Employers Superannuation (from 210% to 220%)	1,377
1.3 Reduction in Employers NI	(304)
Total Employee Cost Pressures	<u>19,782</u>

2. **External Contract Inflation**

2.1 Increase in Transport Charges from DSO	810
2.2 Increase in Cleaning Charges from DSO	266
Total External Contract Inflation	<u>1,076</u>

Total CSP Increases	20,858
----------------------------	---------------

CSP Reductions3. **Other Cost Pressures**

3.1 Decrease in Apportioned Expenses	1,198
Total Other Cost Pressures	<u>1,198</u>

Total CSP Reductions	1,198
-----------------------------	--------------

Net CSP Movements (CSP Increases less Reductions)	19,660
--	---------------

Explanatory Notes to CSP Adjustments

Department :

SOCIAL WORK - SHELTERED EMPLOYMENT

£

1.1	<u>Likely Pay Settlements</u> An estimated pay award has been provided for in the 2002/03 estimates.	18,709
1.2	<u>Increase in Employers Superannuation</u> The budget reflects the increase in employers contribution from 210% to 220%.	1,377
1.3	<u>Reduction in Employers NI</u> This reflects a reduction in Employers National Insurance as a consequence of the government's introduction of the "climate change levy".	304
2.1	<u>Increase in Transport Charges from DSO</u> This is to provide for increased charges from Transport DSO.	810
2.2	<u>Increase in Cleaning Charges from DSO</u> This is to provide for increased charges from Cleaning DSO.	266
3.1	<u>Decrease in Apportioned Expenses</u> This increase reflects the Social Work department's relevant share of the net increase in Central Department's Costs.	1,198

NORTH LANARKSHIRE COUNCIL

ESTIMATE OF EXPENDITURE AND INCOME FOR THE YEAR ENDING 31st MARCH 2003

SOCIAL WORK - SHELTERED EMPLOYMENT

LINE NO.	(1)	EXPENDITURE	(2)	(3)
	2001/2002 REVENUE ESTIMATE		2002/2003 REVENUE ESTIMATE	MOVEMENTS
	£		£	
1	431,248	EMPLOYEE COSTS	451,030	19,782
2	146,208	Salaries	152,406	6,198
3	231,468	Wages	241,979	10,511
4	28,937	Superannuation	31,314	2,377
5	24,635	National Insurance	25,331	696
6	13,805	PROPERTY COSTS	14,071	266
7	200	Rates	200	-
8	-	Repairs and Maintenance	-	-
9	2,700	Electricity	2,700	-
10	1,900	Gas	1,900	-
11	150	Cleaning	150	-
12	8,855	Contract Cleaning	9,121	266
13	108,850	SUPPLIES AND SERVICES	108,850	0
14	300	Provisions	300	-
15	600	Clothing/Uniforms	600	-
16	10,000	Tools, Equipment etc	10,000	-
17	300	Office Equipment	300	-
18	150	Medical Equipment	150	-
19	-	Laundry	-	-
20	97,500	Partly Produced Materials	97,500	-
21	33,000	TRANSPORT AND PLANT	33,810	810
22	27,000	Internal Transport Hires	27,810	810
23	6,000	Travelling Expenses	6,000	-
26	10,090	ADMINISTRATION COSTS	10,090	0
27	400	Postages	400	-
28	2,200	Telephones	2,200	-
29	5,690	Other Admin. Costs	5,690	-
30	1,000	External Printing	1,000	-
31	800	Stationery	800	-
32	65,000	PAYMENTS TO OTHER AGENCIES AND BODIES	65,000	0
33	65,000	Other Bodies	65,000	-
34	-	CAPITAL CHARGES	-	-
35	-	Principal	-	-
36	15,800	APPORTIONED EXPENSES	14,602	(1,198)
37	677,793	Total Expenditure	697,453	19,660

NORTH LANARKSHIRE COUNCIL

ESTIMATE OF EXPENDITURE AND INCOME FOR THE YEAR ENDING 31st MARCH 2003

SOCIAL WORK - SHELTERED EMPLOYMENT

LINE NO.	(3)	EXPENDITURE	(2)	(3)
	2001/2002 REVENUE ESTIMATE		2002/2003 REVENUE ESTIMATE	MOVEMENTS
	£		£	
1	467,590	INCOME	467,590	0
2	165,120	Grant	165,120	-
3	282,470	Sales	282,470	-
4	20,000	Other Income	20,000	-
5	467,590	Total Income	467,590	0
6	677,793	Gross Expenditure b/f	697,453	19,660
7	210,203	Net Expenditure	229,863	19,660