

To: SOCIAL WORK COMMITTEE		Subject: BUDGET MONITORING REPORT 2001/2002 01.04.01 – 31.03.02 SOCIAL WORK – PROVISIONAL OUT-TURN
From: DIRECTOR OF SOCIAL WORK		
Date: 9 May 2002	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 provisional out-turn shows an underspend of £501,377 at the financial year-end. This is a reduction from the previous report, which projected an underspend of £604,859. This decrease can be explained by the changing pattern of expenditure throughout each of the budget lines. 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. The provisional figure includes 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.

2.2. There has been significant 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 processed for Social Work clients in this financial year have been backdated to April 2001. The Transitional Housing Benefit income received in this provisional out-turn report is £4.1m.

2.3. As a consequence of the Supporting People Initiative, there will be additional income generated for the authority, the full extent of which will be quantified before the finalisation of the annual accounts. However, from this income, there may be a requirement to incur additional expenditure in support of a number of new initiatives.

2.4. With regard to the overall departmental performance, the increased expenditure on transport and administration along with successful recruitment in the area of Homecare and Administration in the final month of the year is offset by additional income generated through Resource Transfer and Transitional Housing Benefit.

### 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 was 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.
- 3.4. 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 provisional year end position for the department as a whole by expenditure line.

#### 4.1.1. Employee Cost £352,138

#### Over-spend

There is overspend in this area is due mainly to an increase in recruitment within the Homecare division. This is a significant change from the position reported at the previous Committee and is a result of successful advertising which has in turn caused an increase in the uptake of posts in the final month of the year. The under-spends, highlighted in previous Committee reports have also been offset by increased overtime costs within each of the three districts in North Lanarkshire, 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 £116,978**

#### **Under-spend**

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 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.

#### **4.1.3 Supplies and Services £794,566**

#### **Over-spend**

The overspend in this area has increased from that reported previously to Committee. This is a result of additional expenditure on vital computer equipment, which will assist the department to meet community care agendas as well as increased expenditure on furniture and fittings within Residential Homes. The outlay on furniture and fitting is part of the agenda that will improve the fabric and conditions of the residential units within North Lanarkshire. Finally, 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.

#### **4.1.4 Transport and Plant £513,372**

#### **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 £393,000 at the year-end. This overspend 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. In addition, the budget for external transport hire is anticipated to be £120,000 overspent. This is again a result of increased activity within Homecare.

#### **4.1.5 Administration Costs £569,140**

#### **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 £17,823**

#### **Over-spend**

The underspend reported to the previous Committee was a consequence of delays in implementing a number of programmes set out within the change agenda. This was another effect of the recruitment problems experienced by the department in recent times. However, this area is now marginally overspent and this is due to the review of payments made to each of the voluntary organisations during the final months of the financial year. In addition, there has also been an increase of £200,000 in supplementation payments made and additional payments made in the areas of adoption and fostering. Within Residential Accommodation for the elderly, an overspend of £537,000 is projected. The Nursing Home budget will be overspent by £355,000 with regard to level of placement while account has also been taken of the anticipated overspend in relation to the agreed backdating 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.

**4.1.8 Income                      £2671,960                      Over-recovered**

The over-recovery in income is a result of two significant factors. Firstly, the department is projecting an under-recovery of £380,000 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 £3,100,000 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.

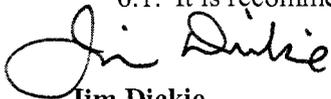
The over-recovery has increased also as a result of increased Resource Transfer of £400,000 as well as increased levels of Cross Boundary Income totalling £200,000 and finally the level of grant for Offenders Services and Asylum Seekers has been higher approximately £200,000 higher than anticipated.

## **5. FINANCIAL CONCURRENCE**

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

## **6. RECOMMENDATIONS**

6.1. It is recommended that Committee note the contents of this report;



**Jim Dickie**  
**Director of Social Work**  
**30th April 2002**

For further information on this report please contact Ronnie Paul, Head of Social Work Resources  
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**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT 1 APRIL 2001 TO 31 MARCH 2002**

**SOCIAL WORK DEPARTMENT**

**TOTAL**

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	PROVISIONAL OUT-TURN (4)	PROVISIONAL OUT-TURN VARIANCES (5)	% (6)
		£	£	£	
1.	EMPLOYEE COSTS	46,401,946	46,754,084	-352,138      Overspend	-1%
2.	PROPERTY COSTS	6,506,825	6,389,847	116,978      Underspend	2%
3.	SUPPLIES AND SERVICES	3,727,325	4,521,891	-794,566      Overspend	-21%
4.	TRANSPORT & PLANT	2,854,046	3,367,418	-513,372      Overspend	-18%
5.	ADMINISTRATION COSTS	914,312	1,483,452	-569,140      Overspend	-62%
6.	APPORTIONED EXPENSES	2,656,188	2,656,188	-	
7.	PAYMENTS TO OTHER BODIES	32,202,638	32,220,461	-17,823      Overspend	-0%
8.	CAPITAL FINANCING CHARGES	1,276,000	1,276,000	-	-
9.	OTHER COSTS	525,881	566,403	-40,522      Overspend	-8%
10.	TOTAL EXPENDITURE	97,065,161	99,235,744	-2,170,583      Overspend	-2%
11.	OTHER GRANTS	2,344,977	2,382,635	37,658      Over-recovered	2%
12.	FEES AND CHARGES	3,701,307	3,320,766	-380,541      Under-recovered	-10%
13.	CHARGES TO CAPITAL	-	-	-	
14.	DEPARTMENTAL RECHARGE	-	-	-	
15.	OTHER	12,811,662	15,826,505	3,014,843      Over-recovered	24%
16.	TOTAL INCOME	18,857,946	21,529,906	2,671,960      Over-recovered	14%
17.	NET EXPENDITURE	78,207,215	77,705,838	501,377      Underspend	1%