

To: SOCIAL WORK COMMITTEE		Subject: BUDGET MONITORING REPORT 2002/2003 PERIOD 01.04.02 – 08.11.02 SOCIAL WORK
From: DIRECTOR OF SOCIAL WORK		
Date: 19 DECEMBER 2002	Ref: RP/MY	

1. PURPOSE OF REPORT / INTRODUCTION

1.1. This report compares projected 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 that the department is anticipating an underspend of £171,650 at the financial year-end, which is a favourable movement of £87,933 from the previous report to Committee.

3. BUDGET VIREMENT REQUEST

3.1. The department is now in receipt of a significant number of new funding sources to enable it to cope with the demands of changing Community Care agendas e.g. Transitional Housing Benefit, Fair Care for the Elderly. These new monies will require to be allocated across all budget areas where expenditure is to be incurred. In terms of Transitional Housing Benefit, the anticipated over-recovery in income has increased to £1.4m as reported in paragraph 4.1.5. The department has identified a number of pressurised areas within the overall Social Work budget and, subject to Committee approval, a budget virement of £1.4m is proposed from Income into the areas of expenditure noted below:-

- Equipment and Adaptations – it is proposed to utilise £600,000 to enhance the budget for Equipment and Adaptations. North Lanarkshire has the highest levels of physical disability of any authority in Scotland and the council has invested heavily in recent years in services to provide the necessary supports to these people to allow them to remain within their own home. Committee has previously approved an additional £1m investment in this area and this further proposed enhancement will assist in reducing the authority’s significant waiting lists.
- Homecare Staffing Support – it is proposed to utilise the balance of virement, £800,000 to enhance the staffing levels within the Homecare Division. The numbers of clients receiving care at home is constantly increasing and as a result, staffing budgets will be under pressure to cope with demand.

Social Work budgets for Property Costs and Employee Costs have been increased, by £600,000 and £800,000 respectively in the light of the anticipated increased revenue source, subject to Committee approval of the budget virement.

4. EXPLANATION OF MAJOR OUT-TURN VARIANCES

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 Costs **£191,425** **Under- spend**

The projected underspend in this area is a result of vacancies within a number of divisions in the department. A number of reports presented to The Social Work Committee in the previous financial year highlighted that the department had been experiencing problems recruiting, particularly in the areas of Social Workers and Homecare Workers. Towards the end of the last financial year, as a result of a successful advertising campaign, the department began to experience an increase in the uptake of posts, but this process has been slow and it is anticipated that there will be slippage in this area in the year 2002/30. It is expected however, that this area will be subject to change as the recruitment drive progresses in this financial year and consequently, further reports will update the position for Committee.

4.1.2 Transport & Plant **£78,787** **Over-spend**

The projected overspend in this area relates to an increased level of spending on external transport, necessary to transfer clients from their own homes to Day Centres. The department is currently reviewing expenditure in this area and it is intended to provide Committee with further details at a future cycle.

4.1.3 Administration **£100,000** **Over-spend**

The projected overspend in this area is a result of the increasing number of new initiatives facing the department over the past few years and the resultant increase in the associated administration.

4.1.4 Payments to Other Bodies **£202,898** **Over-spend**

This projected overspend is largely a combination of increased expenditure in Childcare Budgets, which is anticipated to exceed budget at the year-end by £485,000, as well as increased expenditure on Supplementation of £700,000. Senior Officers within the department will meet to discuss these areas in detail and ascertain the potential impact of legislative changes for the department. Further reports will update Committee on this area. It should also be noted however, that continuing pressures in the area of Nursing Home expenditure are expected to result in an overspend of £500,000 at the year end. This is a result of pressures to place clients, many of whom are being discharged from hospital beds. At the present time, it is estimated that 80 people are still awaiting placement and this means operating with a 2-3 month waiting list.

The department does not consider it prudent at this time to cut back on the existing level of placements as the end result would be a further increase in waiting times.

There is potential for this expenditure to be offset by an increase in the level of Transitional Housing Benefit for the year but progress in this area will be reported to Committee at the next cycle.

The overspends are offset largely by slippage totalling £1,483,474 in a number of areas such as Hospital Discharge, Transition Planning and Specialist Community Placements

4.1.5 Income

£307,972

Over-recovery

Transitional Housing Benefit is now a significant income source for the department and in the previous financial year, £7.045m was actually received. Similar to previous years, it was expected that this resource would increase as the number of claims are processed during the year. The October Committee approved virement of £600,000, which increased the budget for Transitional Housing Benefit to £7.6m. Since the October report, the budget for Transitional Housing Benefit has now increased by a further £1.4m as reported in paragraph 3.1. This has been reflected in the income budget, which now amounts to £9m. It is anticipated that this income will further increase by the year-end and further reports will update Committee on this issue.

The projected over-recovery in the report is due to increased income from Resource Transfer.


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.

6.2 Approve the virement of £1,400,000 from Income to Employee Costs and Property Costs as outlined in paragraph 3.1.



Jim Dickie
Director of Social Work
5th December 2002

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FINANCIAL MONITORING REPORT

1 April 2002 to 8 November 2002

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 VARIANCE (9)	OUTTURN (9)	% (10)
		£	£	£		£	£	£		
1.	EMPLOYEE COSTS	30,364,733	30,823,022	(458,289) Overspend	-2%	55,692,258	55,500,833	191,425	Overspend	0%
2.	PROPERTY COSTS	3,246,143	3,149,321	96,822 Underspend	3%	7,982,219	7,950,884	31,335	Overspend	0%
3.	SUPPLIES AND SERVICES	2,002,396	2,464,223	(461,827) Overspend	-23%	4,293,921	4,271,318	22,603	Underspend	1%
4.	TRANSPORT & PLANT	1,843,153	2,216,585	(373,432) Overspend	-20%	3,612,620	3,691,407	(78,787)	Overspend	-2%
5.	ADMINISTRATION COSTS	462,874	1,028,624	(565,750) Overspend	-122%	1,548,733	1,648,733	(100,000)	Overspend	-6%
6.	PAYMENTS TO OTHER BODIES	25,892,225	21,702,830	4,189,395 Underspend	16%	40,294,077	40,496,975	(202,898)	Overspend	-1%
7.	OTHER COSTS	412,026	376,172	35,854 Underspend	9%	669,507	669,507	-		0%
8.	APPORTIONED EXPENSES	-	-	-		2,694,740	2,694,740	-		
9.	CFCR COSTS	-	-	-		500,000	500,000	-		
10.	CAPITAL FINANCING CHARGES	-	-	-		1,940,582	1,940,582	-		
11.	TOTAL EXPENDITURE	64,223,550	61,760,777	2,462,773 Underspend	4%	119,228,657	119,364,979	(136,322)	Overspend	-0%
12.	INCOME	8,247,518	7,472,440	(775,078) Under-rec.	-9%	28,066,798	28,374,770	307,972	Over-recovery	1%
13.	NET EXPENDITURE	55,976,032	54,288,337	1,687,695 Underspend	3%	91,161,859	90,990,209	171,650	Underspend	0%

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