

To: SOCIAL WORK COMMITTEE		Subject: BUDGET MONITORING REPORT 2002/2003 PERIOD 01.04.02 – 06.01.03 SOCIAL WORK
From: DIRECTOR OF SOCIAL WORK		
Date: 27 FEBRUARY 2003	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 £2,118,977 at the financial year-end. This is a favourable movement of £1,960,555 since the previous period and is attributable in the main to additional Transitional Housing Benefit.

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 are required to be allocated across all budget areas where expenditure is to be incurred.
- 3.2. Previous Committees have approved budget virement to enhance the Equipment and Adaptations budget by £1.6m, Homecare Services by £1.4m and CFCR by £500,000.
- 3.3. Since last period, the anticipated level of income to be received in Transitional Housing Benefit has increased by £3.2m to £12.2m as reported in paragraph 4.1.5. This figure may be subject to change as there are currently a number of outstanding claims still under investigation. The department has once again identified a number of pressurised areas within the Social Work Budget and approval is sought to utilise the additional Transitional Housing Benefit in the undernoted areas:-
- Equipment and Adaptations – Approval is sought to further enhance this budget by £600,000. 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 a previous additional investment in this area and these enhancements will assist in reducing the authority's significant waiting lists.
 - Supplementation – Approval is sought to enhance the authority's supplementation budget by £700,000 in order to alleviate increasing pressures in this area and also to cover expenditure incurred as a result of Transitional Housing Benefit claims.

- Homecare Staffing Support – Approval is sought to enhance the budget by £1.9m 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. In addition, a significant proportion of Transitional Housing Benefit claims involve the services of Homecare Staff. However, it should be noted that whilst approval for this virement is sought from committee, it is anticipated that there will be continuing difficulties in recruiting the additional staff which is likely to result in an under-spend within employee costs as explained in paragraph 4.1.1 below.

3.4 In addition, a one-off allocation from General Fund Surpluses, totalling £300,000 was directed into the budget for Adaptations to assist with the reduction of waiting lists. This has been reflected in the report under Property Costs.

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 **£2,550,000** **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. However, this process has been slow and it is anticipated that there will be slippage in this area in the year 2002/03. The budget in this area has been significantly increased as noted in paragraph 3.3. It is expected however, that this area will be subject to change as the recruitment drive progresses towards the end of this financial year and indeed service provision will be reviewed in the light of any new developments. Further reports will update the position for Committee.

4.1.2 Supplies and Services **£158,574** **Over-spend**

The projected overspend in this area is a result on increased spending on computer equipment necessary to equip the department to deal with the change agenda it faces. This overspend is offset by the large underspend within Employee Costs. This may be subject to internal budget re-alignment in the next report.

4.1.2 Transport & Plant **£175,000** **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. This overspend is offset by the large underspend within Employee Costs. This may be subject to internal budget re-alignment in the next report.

4.1.3 Administration **£86,871** **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

£349,885

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 £400,000, as well as increased expenditure on Supplementation of £1,000,000. 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. This budget area has been increased by the £700,000 virement as noted in paragraph 3.3. 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 increases 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 £1,550,115 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. This income has increased since the previous report by an additional £3.2m, bringing the total anticipated receipt to £12.2m. The budget has also been increased as a result of the virement of £3.2m as noted in paragraph 3.3. There is potential for this income to further increase by the year-end and further reports will update Committee on this issue.

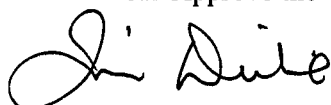
The projected over-recovery in the report is due to increased income from Resource Transfer from Lanarkshire Health Board.

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 and
6.2 Approve the virement of £3.2m as reported in paragraph 3.3.



Jim Dickie
Director of Social Work
29th January 2003

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

1 April 2002 to 6 January 2003

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	40,710,062	39,169,069	1,540,993	Underspend	4%	57,827,257	55,277,257	2,550,000	Underspend	4%
2.	PROPERTY COSTS	4,133,293	4,641,556	(508,263)	Overspend	-12%	8,632,219	8,600,884	31,335	Underspend	0%
3.	SUPPLIES AND SERVICES	2,948,833	3,082,959	(134,126)	Overspend	-5%	4,112,744	4,271,318	(158,574)	Overspend	-4%
4.	TRANSPORT & PLANT	2,502,689	2,799,210	(296,521)	Overspend	-12%	3,585,619	3,760,619	(175,000)	Overspend	-5%
5.	ADMINISTRATION COSTS	866,394	1,330,172	(463,778)	Overspend	-54%	1,561,862	1,648,733	(86,871)	Overspend	-6%
6.	PAYMENTS TO OTHER BODIES	32,386,563	28,569,565	3,816,998	Underspend	12%	41,195,949	41,545,834	(349,885)	Overspend	-1%
7.	OTHER COSTS	515,067	545,357	(30,290)	Overspend	-6%	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	84,062,901	80,137,888	3,925,013	Underspend	5%	122,720,479	120,909,474	1,811,005	Underspend	1%
12.	INCOME	12,811,946	12,754,890	(57,056)	Under-rec.	-0%	31,266,798	31,574,770	307,972	Over-recovery	1%
13.	NET EXPENDITURE	71,250,955	67,382,998	3,867,957	Underspend	5%	91,453,681	89,334,704	2,118,977	Underspend	2%