

To: SOCIAL WORK COMMITTEE	Subject: BUDGET MONITORING REPORT 2002/2003 01.04.02 – 31.03.03 SOCIAL WORK – PROVISIONAL OUT-TURN	
From: DIRECTOR OF SOCIAL WORK		
Date: 5 JUNE 2003	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 £2,468,964 at the financial year-end. This is an increase of £248,709 from the previous report, which projected an underspend of £2,220,255.

- 2.2. This increase can be explained by the changing pattern of expenditure throughout each of the budget lines. Additional expenditure incurred within Supplies and Services, Administration Costs, Supplementation and Cross Boundary Charges have been offset by additional income in relation to Transitional Housing Benefit and by other income such as Resource Transfer and Criminal Justice Grant exceeding budget. The changes from the previous report are identified in section 4 of this report.

- 2.3. The department has been in receipt of a significant number of new funding sources to enable it to cope with the demands of changing community care agendas and the provisional figure includes the following budget virements which were approved at Social Work Committees during the year:-

- ◆ £2.2m to assist in the reduction of waiting lists for Equipment and Adaptations
- ◆ £3.3m to assist with Homecare Expenditure and Staffing Costs
- ◆ £500,000 to assist with CFCR expenditure on the Joint Store at Fern Street
- ◆ £1.1m to from previous years surplus to further enhance CFCR expenditure for office accommodation and to assist with the cost of PHEW Respite Unit
- ◆ £700,000 to assist with expenditure on Supplementation
- ◆ £300,000 one off allocation from General Fund Surpluses to further enhance the Adaptations Budget

The impact of these proposals has been reflected within the department's budget.

- 2.4. There has been significant income generated through the receipt of Transitional Housing Benefit. This additional resource has been 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 has been 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. The Transitional Housing Benefit income included in this provisional out-turn report is £13.9m, an increase of £1.7m from the previous report.

- 2.5. Work is continuing to finalise the Transitional Housing Benefit claim for the current year and the next Committee will be updated with the final out-turn position.
- 2.6. With regard to the overall departmental performance, the increased expenditure within the areas noted in 2.2, along with successful recruitment in the area of Homecare in the final month of the year is offset by additional income generated through Resource Transfer and Transitional Housing Benefit.

3. BUDGET VIREMENT REQUEST

- 3.1. It is recommended that the increase of £1.7m from the previous period in relation to additional Transitional Housing Benefit, be utilised to fund increased cost pressures within the Supplementation and Cross Boundary Budgets within Payments to Other Bodies. Departmental income and Expenditure budgets have been increased accordingly.

4. EXPLANATION OF MAJOR OUT-TURN VARIANCES

- 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 £2,528,060

Under-spend

The 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 the result has been slippage in this area in the year 2002/03. It should be noted, that whilst the budget in this area has been significantly increased as noted in paragraph 2.3, difficulties in recruiting the additional staff required until the year-end continued and consequently resulted in an underspend at the end of the financial year.

The reduction in the underspend from the previous period is due to the late effect of the recruitment within the Homecare division as 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.

4.1.2 Property Costs £256,764

Under-spend

A careful and detailed evaluation of expenditure patterns over all areas of service has resulted in the underspend in this area. There have been delays experienced in the delivery of Equipment, ordered in the final months of the year to assist with redressing client waiting list, and this has resulted in an underspend in this financial year. This Equipment will be utilised to assist clients in the new financial year.

4.1.3 Supplies and Services £921,487**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 previously reported to Committee, which will assist the department to meet community care agendas as well as increased expenditure on furniture and fittings within Residential Homes. The total overspend on Computer Equipment was £500,000 while the outlay of £264,000 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 the small tools and equipment budget will be overspent by £82,000 and expenditure on Homecare Uniforms has exceeded budget by £75,000.

4.1.4 Transport and Plant £195,868**Over-spend**

The 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 of £58,000 and expenditure on external transport hire exceeding budget by £138,000 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.

4.1.5 Administration Costs £538,939**Over-spend**

This overspend is largely 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 budget in this area has, over the past few years, been insufficient to cope with the demands for information brought about by the increasing number of new initiatives facing the department. There has also been significant expenditure incurred in advertising as a direct result of the Homecare Recruitment Drive as noted in 4.1.1. The 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 £111,134**Over-spend**

The overspend in this area is a result of a number of factors. Firstly, expenditure within Childcare Budgets has exceeded budget by £400,000 and expenditure on Supplementation payments is £1m overspent as a result of increased pressures to provide the service and increased rates from providers. These overspends are offset by slippage totalling £1,288,000 in a number of areas such as Transition Planning, Specialist Community Placements and Payments to Voluntary Organisations.

The overspend has decreased by £307,000 from the previous report. This is due mainly to an increase in expenditure in the final months of the financial year in the areas of Supplementation, Cross Boundary Charging and Hospital Discharge expenditure being offset by the effect of the budget virement for Transitional Housing Benefit as outlined in 3.1 and the additional Resource Transfer noted in 4.1.8.

4.1.8 Income**£1,363,554****Over-recovered**

The over-recovery in income is a result of a number of significant factors. Firstly, the department is projecting an under-recovery of £218,000 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.

There has been an over-recovery of Grant for Criminal Justice Services totalling £389,000, while within Management and Support Services, additional income of £1m has been received in terms of Health Board Resource Transfer, while income from Cross Boundary Charges has exceeded budget by £65,000. Similarly, income from charges for placements in Residential Homes has exceeded budget by £127,000.

The amount of Transitional Housing Benefit received in the year was £13.9m and ultimately this resource has served to provide enhanced home support services to clients and to address the waiting lists for Equipment and Adaptations. The department's budgets have been enhanced for this additional resource as noted in paragraphs 2.3 and 3.1.

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 budget virement of £1.7m as reported in paragraph 3.1.



Jim Dickie
Director of Social Work
20th May 2003

*For further information on this report please contact Ronnie Paul, Head of Social Work Resources
TEL: (01698 332023)*

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT 1 APRIL 2002 TO 31 MARCH 2003

SOCIAL WORK DEPARTMENT

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	PROVISIONAL OUT-TURN (4)	PROVISIONAL OUT-TURN VARIANCES (5)	VARIANCE (8)	% (9)
		£	£	£		
1.	EMPLOYEE COSTS	57,500,639	54,972,579	2,528,060	Underspend	4%
2.	PROPERTY COSTS	8,802,219	8,545,455	256,764	Underspend	3%
3.	SUPPLIES AND SERVICES	4,112,744	5,034,231	(921,487)	Overspend	-22%
4.	TRANSPORT & PLANT	3,598,419	3,794,287	(195,868)	Overspend	-5%
5.	ADMINISTRATION COSTS	1,564,495	2,103,434	(538,939)	Overspend	-34%
6.	APPORTIONED EXPENSES	2,694,740	2,694,740	0		
7.	CFCR	1,150,000	1,150,000	0	Overspend	0%
8.	PAYMENTS TO OTHER BODIES	43,771,792	43,882,926	(111,134)	Overspend	0%
9.	CAPITAL FINANCING CHARGES	1,940,582	1,940,582	0		
10.	OTHER COSTS	868,851	780,837	88,014	Underspend	10%
11.	TOTAL EXPENDITURE	126,004,481	124,899,071	1,105,410	Underspend	1%
12.	OTHER GRANTS	2,450,387	2,839,647	389,260	Over-recovered	16%
13.	FEES AND CHARGES	3,039,055	2,820,751	(218,304)	Under-recovered	-7%
14.	CHARGES TO CAPITAL	-		-		
15.	DEPARTMENTAL RECHARGE	-		-		
16.	OTHER	28,045,506	29,238,104	1,192,598	Over-recovered	4%
17.	TOTAL INCOME	33,534,948	34,898,502	1,363,554	Over-recovered	4%
18.	NET EXPENDITURE	92,469,533	90,000,569	2,468,964	Underspend	3%