

AGENDA ITEM No. 18(a)

To: SOCIAL WORK COMMITTEE		Subject: BUDGET MONITORING REPORT 2002/2003 - FINAL OUT-TURN  SOCIAL WORK
From: DIRECTOR OF SOCIAL WORK		
Date: 28 AUGUST 2003	Ref: RP/EM	

## 1. INTRODUCTION

- 1.1 The purpose of this report is to advise Committee on the final out-turn for the department of Social Work, including the Sheltered / Supported Employment Division, for the financial year 1 April 2002 to 31 March 2003.
- 1.2 The report provides a comparison of actual expenditure and income against estimated expenditure and income and provides explanations of the most significant variances. An expenditure statement is appended to the report.

## 2. SUMMARY OF BUDGET VARIANCES

- 2.1 The final underspend, excluding those items outwith the control of the Department such as Apportioned Expenses, Property Insurance and Capital charges, is £2,601,764. This is a favourable movement of £132,800 from the Provisional Out-turn report which was presented to Committee on 5<sup>th</sup> June 2003. This increase is largely due to increased income generated through the receipt of Transitional Housing Benefit which is partially offset by additional expenditure incurred within supplies & services and administration costs to support departmental initiatives.
- 2.2. 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 final out-turn position incorporates 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 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
  - ◆ £1.7m to fund cost pressures within Cross Boundary and Supplementation budgets

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

- 2.3. 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 out-turn report is £14.4m which is an increase of £0.5m from the previous report.
- 2.4. 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 months of the year is offset by additional income generated through Resource Transfer and Transitional Housing Benefit.

### **3. EXPLANATION OF MAJOR OUT-TURN VARIANCES**

- 3.1. This section of the report provides explanations of the out-turn variances for the department as a whole by expenditure line.

#### **3.1.1. Employee Cost £2,504,864 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 2.2, 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.

#### **3.1.2 Property Costs £223,915 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 re-dressing the 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.

#### **3.1.3 Supplies and Services £1,241,671 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. 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 £84,000 and expenditure on Homecare Uniforms has exceeded budget by £76,000. In addition there has been an overspend of £208,000 in materials for the Beltane Workshop due to increasing demand for its products – this is matched by a corresponding increase in income as noted in 3.1.8.

Finally the internal recharges for Catering services has risen since the previous report by £117,000 as a result of general departmental initiatives.

#### **3.1.4 Transport and Plant £181,542 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 £129,000. This overspend is attributable to a considered evaluation of travel costs throughout all area teams as well as increased activity in the Homecare division.

#### **3.1.5 Administration Costs £797,926 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 3.1.1.

#### **3.1.6 Payment to Other Bodies £30,956 Under-spend**

This minor underspend is the result of a number of offsetting 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 variance has improved by £142,000 from the previous report. This is mainly due to an increase in expenditure in the final months of the financial year in the areas of Supplementation, Cross Boundary Charging and Hospital Discharge being more than offset by the effect of budget virement for Transitional Housing Benefit as outlined in 2.2 and the additional Resource Transfer noted in 3.1.8.

#### **3.1.7 Other Costs £87,669 Under-spend**

This underspend has been achieved within Miscellaneous Costs, which partially offsets the overspend in Administration Costs as noted in 3.1.5.

#### **3.1.8 Income £1,975,499 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. Finally there has been an over-recovery of income for the Beltane Workshop amounting to £201,000 which offsets the overspend in materials as noted in 3.1.3.

The total amount of Transitional Housing Benefit received in the year was £14.4m which is an increase of £0.5m since the previous report, 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 by this additional resource as noted in paragraph 2.2.

#### **4. FINANCIAL CONCURRENCE**

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

#### **5. RECOMMENDATIONS**

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



**Jim Dickie**  
**Director of Social Work**  
**5 August 2003**

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