

To: SOCIAL WORK COMMITTEE	Subject: BUDGET MONITORING REPORT 2003/2004 PERIOD 01.04.03 – 18.07.03 SOCIAL WORK	
From: DIRECTOR OF SOCIAL WORK		
Date: 28 August 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 Contained within the department's budget at present, are development monies provided by the Council and by The Scottish Executive to develop services. Some of these monies are located within the budget line of Payments to Other Bodies, and work is being undertaken at present to re-allocate these to the expenditure lines under which future expenditure will be incurred. In addition, the budget at present only includes £18.1m of resources attributable to Transitional Housing Benefit, whereas the final claim for Supporting People Grant amounts to £23.587m.
- 2.2 The department will bring forward the adjustments required to the various budget lines in the next cycle but has taken into account when projecting a break-even out-turn position at present, the total of the resources available.
- 2.3 Each area of expenditure has been reviewed in significant detail and the following issues are highlighted: -

3. ISSUES FOR REVIEW

- 3.1. This section of the report provides a summary of a number of issues that are currently being monitored by the department.

3.1.1 Employee Costs

There has been a significant amount of overtime expenditure incurred by the department, (£712,000 over budget in the period), and this area is currently being addressed in detail by senior management within the department to ensure that as vacancies are filled, the level of overtime is reduced. Similarly, staffing costs for Instructors, Managerial and Care Staff are also overspent in the period and this is largely a result of costs incurred in the employment of temporary staff to cover shortages.

A major area of concern is within Residential Children's Homes where historically, staffing budgets have been deficient. This pattern is expected to continue in this financial year. This area is also being addressed within the department and an update will be provided in subsequent reports.

Finally, a Special Social Work Committee in April 2003, gave approval for the department to offer incentives to Social Workers to stay with the department for a 3-year period. The department will be required to make provision over the next three years to fund this policy.

These additional costs to the department will be covered by development monies, which have still to be allocated to appropriate expenditure lines and at present are held within the Payments to Other Bodies budget line.

3.1.2 Transport Costs

There has been significant costs incurred in the period for staff travel (£250,000 over budget in the period). This is a result of the employment of additional Homecare workers to meet the ever - increasing Homecare agenda. The department intend to review budgets in this area with a view to supplementing shortfalls. Subsequent reports will identify the management action, which will be taken to ensure these costs are kept within budget at the year-end.

3.1.3 Administration Costs

There has been significant expenditure incurred in this area in the period, particularly in the areas of Printing, Office Supplies, Telephones and Training (a total of £161,000 over budget on these items in the period). There have been historical deficiencies in this budget area over the past few years and the department recognises that budgets in this area require to be augmented to reflect the growth in staff in recent years. These commitments will be funded from within development budgets such as monies received by the department to fulfil the recommendations put forward by The Sutherland Report. Subsequent Committee reports will identify management action and relevant budgetary realignments which will be necessary to ensure that costs in this area are kept within budget at the year-end.

3.1.4 Payments to Other Bodies

This area is projected to be on target at the year-end. The current significant underspend in this budget line is a result of the development monies previously referred to in paragraph 2.1. In the next cycle, there will be a number of budget adjustments in this area as development budgets are re-allocated to the areas where expenditure is being incurred.

3.1.5 Income

Income is anticipated to be within budget at the year-end although it should be noted that the budget for Supporting People income is currently £18.1m. The final Grant reconciliation, which was submitted to The Executive on 12 August 2003, amounts to £23.5m. Consequently, in the coming months, the income budget will be increased to reflect the true level of Supporting People Grant.

4. FINANCIAL CONCURRENCE

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 the contents of this report be approved.



Jim Dickie
Director of Social Work
14th August 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 2003 to 18 July 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	16,752,278	17,926,284	(1,174,006) Overspend	-7%	63,757,865	63,757,865	On Target	0%
2.	PROPERTY COSTS	1,318,578	1,329,490	(10,912) Overspend	-1%	7,119,977	7,119,977	On Target	0%
3.	SUPPLIES AND SERVICES	1,105,066	1,032,748	72,318 Underspend	7%	4,323,193	4,323,193	On Target	0%
4.	TRANSPORT & PLANT	864,899	1,135,334	(270,435) Overspend	-31%	3,655,151	3,655,151	On Target	0%
5.	ADMINISTRATION COSTS	347,552	489,047	(141,495) Overspend	-41%	3,112,243	3,112,243	On Target	0%
6.	PAYMENTS TO OTHER BODIES	17,972,160	11,895,622	6,076,538 Underspend	34%	56,868,760	56,868,760	On Target	0%
7.	OTHER COSTS	139,919	89,570	50,349 Underspend	36%	779,694	779,694	On Target	0%
8.	APPORTIONED EXPENSES					2,583,922	2,583,922	On Target	0%
9.	CAPITAL FINANCING CHARGES					1,940,582	1,940,582	On Target	0%
10.	TOTAL EXPENDITURE	38,500,452	33,898,095	4,602,357 Underspend	12%	144,141,387	144,141,387	On Target	0%
11.	INCOME	13,819,158	13,609,813	(209,345) Under-rec.	-2%	43,308,652	43,308,652	On Target	0%
12.	NET EXPENDITURE	24,681,294	20,288,282	4,393,012 Underspend	18%	100,832,735	100,832,735	On Target	0%