

To: SOCIAL WORK COMMITTEE	Subject: BUDGET MONITORING REPORT 2003/2004 PERIOD 01.04.03 – 12.09.03 SOCIAL WORK	
From: DIRECTOR OF SOCIAL WORK		
Date: 30 OCTOBER 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 a break-even position at the financial year-end. Each area of expenditure has been reviewed in significant detail and out-turn variances are highlighted in section 4.

3. BUDGETARY RE-ALIGNMENTS

- 3.1 The department's budget as reported to the previous Committee cycle, included development monies provided by the Council and by The Scottish Executive to develop services. The previous report notified Committee of the department's intention to re-allocate all of these monies to the expenditure lines under which future expenditure will be incurred.

- 3.2 Consequently, the following re-alignments have now been affected within the departments' budgets for the year:-

- Employee Costs
The department has increased the budget within this section by £1.3m to reflect the increasing Homecare agenda. A significant number of Homecare staff have now been recruited to cope with the demands on the service and this has been funded from development monies referred to in 3.1 and Supporting People Grant. In addition, a budget provision has been made to fund the costs of the Social Workers Incentive Scheme.
- Additional Supporting People Grant for the Year
The department has taken into account the final grant claim totalling £23.587m submitted to The Scottish Executive and has increased income and expenditure budgets accordingly from the original estimate of £18.100m. The increase in the expenditure budget has been affected within the Payments to Other Bodies Section.

- Equipment and Adaptations

The Social Work Committee of 28 August 2003, approved the use of £700,000 of the development monies referred to in 3.1 for the provision of Equipment and Adaptations. There have been consistent pressures in this area over the past few years and the increase in resources is intended to assist the department to cope with the ever increasing demands on the service. The budget for Property Costs has been increased to reflect the increased resources for Equipment.

The August Committee also approved a further £100,000 of the development monies to be utilised for the provision of additional Community Alarms for clients who required them in order to live independently. This budget increase has been reflected within Supplies and Services.

- External Transport

The department has been reviewing expenditure on External Transport hires to ensure that costs are kept within budget at the year-end. There has been significant additional pressure on this area as a result of the employment of additional Homecare Workers to meet the ever-increasing Homecare agenda. As a consequence, the department has re-aligned £200,000 from development monies into the Budget for External Transport.

- Administration

There have been historical deficiencies in this budget area over the past few years and the department has recognised that budgets for office supplies etc require to be augmented to reflect the growth in staff in recent years. These commitments will be funded from within development monies. As a result, the department has re-aligned £250,000 into the budget for Administration.

- Income

The council decision to defer the implementation of a charging system for Housing Support Costs has the potential to result in an under-recovery of income in this area. The department intends to fund this shortfall from within Development Budgets including Supporting People Grant. Consequently, £372,411 has been re-aligned from these Development Budgets to Homecare Income.

4. EXPLANATION OF MAJOR OUT-TURN VARIANCES

4.1. This section of the report provides an explanation of the major out-turn variances:-

4.1.1 Employee Costs

£300,000

Underspend

The department is anticipating a year-end underspend of £300,000 as a result of increased costs pressures in specific areas being offset by the allocation of development monies and an expected level of unfilled vacancies within the Homecare Division.

A major area of concern in this area 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.

In addition, 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, including £900,000 for the Incentive Scheme, will be covered by development monies, and a total of £1.3m has been allocated in this period from Payments to Other Bodies to staffing budgets to cover all of the increases in expenditure.

4.1.2 Administration Costs **£200,000** **Overspend**

There has been significant expenditure incurred in this area in the period, particularly in the areas of Printing, Office Supplies, Telephones and Training. There have been historical deficiencies in this budget area over the past few years and the department has recognised that budgets in this area require to be augmented to reflect the growth in staff in recent years.

A number of budget re-alignments have been progressed from these development budgets to cover the increase in administration costs, however, the department is anticipating continued pressure on these budgets resulting in an overspend of £200,000 at the year-end.

4.1.3 Payments to Other Bodies **£300,000** **Overspend**

The overspend in this budget line is a result of a number of variances. There have been a number of significant budget re-alignments in this period, notably within budgets funded by an increase in Supporting People Grant, and these are anticipated to be fully committed at the year-end. There is continued pressure on Childcare Budgets including Fostering and Adoption payments. There have been historical budget deficiencies in these areas over the last few years and the department is once again anticipating an overspend of £500,000 in this area at the year-end. This overspend will be partially offset by slippage in the area of Development Monies.

4.1.4 Income **£200,000** **Over-recovered**

This area is anticipated to be over-recovered at the year-end. The fee income generated from clients within North Lanarkshire Residential Homes has increased significantly over the last two years and the department is anticipating a further over-recovery of £200,000 in this financial year.

5. FINANCIAL CONCURRENCE

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 the contents of this report be approved.



Jim Dickie
Director of Social Work
9th October 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 12 September 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	27,033,153	26,946,055	87,098 Underspend	0%	65,070,625	64,770,625	300,000 Underspend	0%
2.	PROPERTY COSTS	2,339,942	2,350,866	(10,924) Overspend	-0%	7,819,977	7,819,977	On Target	0%
3.	SUPPLIES AND SERVICES	1,768,260	1,739,446	28,814 Underspend	2%	4,423,964	4,423,964	On Target	0%
4.	TRANSPORT & PLANT	1,626,790	1,780,615	(153,825) Overspend	-9%	4,073,820	4,073,820	On Target	0%
5.	ADMINISTRATION COSTS	756,191	776,098	(19,907) Overspend	-3%	1,713,052	1,913,052	(200,000) Overspend	-12%
6.	PAYMENTS TO OTHER BODIES	25,267,819	20,014,329	5,253,490 Underspend	21%	60,906,353	61,206,353	(300,000) Overspend	-0%
7.	OTHER COSTS	359,839	145,491	214,348 Underspend	60%	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	59,151,994	53,752,900	5,399,094 Underspend	9%	149,311,989	149,511,989	(200,000) Overspend	-0%
11.	INCOME	17,797,704	17,655,765	(141,939) Under-rec.	-1%	48,424,032	48,624,032	200,000 Over-recov	0%
12.	NET EXPENDITURE	41,354,290	36,097,135	5,257,155 Underspend	13%	100,887,957	100,887,957	0 On Target	0%