

To: SOCIAL WORK COMMITTEE		Subject: BUDGET MONITORING REPORT 2004/2005 PERIOD 01.04.04 – 23.07.04 SOCIAL WORK
From: DIRECTOR OF SOCIAL WORK		
Date: 26 AUGUST 2004	Ref: RP/MY	

1. PURPOSE OF REPORT / INTRODUCTION

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 the out-turn variances are highlighted in section 4.
- 2.2 The total Grant for Supporting People for 2004/05 is £24,151,917 and both income and expenditure budgets for the year reflect this amount. It should be noted however, that the Grant allocated from The Scottish Executive has been reduced by £0.9m in relation to "duplicate claims". These claims have subsequently validated by council staff and lengthy correspondence took place in the last financial year between the council and The Scottish Executive in an attempt to change this decision. Clearly, this will have repercussions for the new financial year and a final response on this issue is still awaited from The Executive.

3. BUDGET SUPPLEMENTS

- 3.1 The Policy and Resources (Finance) Sub-Committee on 1st June 2004, approved the use of £850,000 from Corporate Surpluses 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 this service. The budget for Property Costs has been increased to reflect the increased resources.
- 3.2 In addition, the balance of the approved growth in 2003/04 for Equipment and Adaptations, which was underspent in the previous year, has been approved as a carry forward budget in the year 2004/05. Consequently, the budget for Property Costs has been further augmented by £161,219.

- 3.3 Finally, the department will receive an additional £800,000 from Lanarkshire Health Board in the form of Resource Transfer for the year. This money will be spent on packages of care for Elderly and Learning Disabled clients who are discharged from long stay hospitals. The department's income budget has been augmented to account for this additional allocation as has the expenditure budget for Hospital Discharge which is held within the Payments to Other Bodies section of the report.

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 **£400,000** **Underspend**

The projected underspend is a result of the level of unfilled vacancies which are anticipated for the year. It should be noted however, that there is currently a year to date overspend of £650,000 in overtime costs. The majority of this expenditure is being incurred within the Homecare Division and this area will be addressed in detail by senior management within the department. Management action will be taken to ensure that costs are kept within budget at the year-end. The additional costs incurred in overtime to date, are currently being offset by a high level of unfilled vacancies in the period. This slippage however is expected to reduce as the year progresses and posts are filled and consequently overtime levels will be subject to stringent monitoring as the recruitment process gathers pace. The Social Work Committee will be updated on the progress of this issue.

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 are required to make provision over the next three years to fund this policy.

This is the second year of operation of this scheme and, as in the previous financial year, the additional costs to the department will be covered by development monies.

4.1.2 Transport Costs **£100,000** **Overspend**

There has been significant costs incurred in the period for staff travel. This is a consequence of the employment of additional Homecare workers to meet the ever-increasing Homecare agenda. The department has reviewed budgets in this area with a view to supplementing shortfalls and budget virement may be required from Homecare Development Budgets to cover the increase in expenditure. The Social Work Committee will be updated on progress in this area.

4.1.3 Administration Costs **£600,000** **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 recognises that budgets in this area will require to be augmented to reflect the growth in staff in recent years. Also included in this section is a provision of £300,000 for doubtful debt incurred by the department.

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.

The department is anticipating continued pressure on Administration budgets in the current financial year, resulting in an overspend of £600,000 at the year-end. The Social Work Committee will be updated on the requirement for any budget virement required in this area as the year progresses.

4.1.4 **Income** **£300,000** **Over-recovered**

Income is anticipated to be over-recovered at the year-end. The over-recovery will be within the area of Residential Care. The fee income generated from clients within North Lanarkshire Residential Homes has increased significantly over the past 3 years and the department is anticipating a further over-recovery of £300,000 in the current 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
12 August 2004

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

1 April 2004 to 23 July 2004

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	20,731,695	20,459,169	272,526	Underspend	1%	69,959,270	69,559,270	400,000	Underspend	1%
2.	PROPERTY COSTS	1,559,946	1,600,768	(40,822)	Overspend	-3%	8,149,091	8,149,091	-	On Target	0%
3.	SUPPLIES AND SERVICES	1,431,857	1,435,147	(3,290)	Overspend	-0%	4,905,174	4,905,174	-	On Target	0%
4.	TRANSPORT & PLANT	1,067,205	1,289,474	(222,269)	Overspend	-21%	4,404,617	4,504,617	(100,000)	Overspend	-2%
5.	ADMINISTRATION COSTS	514,739	719,851	(205,112)	Overspend	-40%	2,017,128	2,617,128	(600,000)	Overspend	-30%
6.	PAYMENTS TO OTHER BODIES	14,955,463	14,728,505	226,958	Underspend	2%	64,632,299	64,632,299	-	On Target	0%
7.	OTHER COSTS	149,414	141,388	8,026	Underspend	5%	713,064	713,064	-	On Target	0%
8.	APPORTIONED EXPENSES	-	-	-			2,626,352	2,626,352	-	On Target	0%
9.	CAPITAL FINANCING CHARGES	-	-	-			1,754,582	1,754,582	-	On Target	0%
10.	TOTAL EXPENDITURE	40,410,319	40,374,302	36,017	Underspend	0%	159,161,577	159,461,577	(300,000)	Overspend	-0%
11.	INCOME	12,261,097	12,272,571	11,474	Over-rec.	0%	53,951,103	54,251,103	300,000	Over-rec	1%
12.	NET EXPENDITURE	28,149,222	28,101,731	47,491	Underspend	0%	105,210,474	105,210,474	0	On Target	0%