NORTH LANARKSHIRE COUNCIL

REPORT ASSENDA ITEM No. 14

То:	SOCIAL WORK	COMMITTEE	Subject:	BUDGET MONITORING REPORT 2004/2005 PERIOD 01.04.04 – 17.09.04 SOCIAL WORK
From:	DIRECTOR OF	SOCIAL WORK		
Date:	28 Oct 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 3.
- 2.2 The department is anticipating a break-even position as a result of increased levels of expenditure in the areas of Homecare Overtime, Administration Costs (as a direct result of additional legislative pressures) and Transport Costs (as a direct result of the employment of additional Homecare workers) being offset by slippages within Development Budgets. It should be noted however, that the department is continuing to incur pressures in all Community Care Budget lines including Childcare, Independent Homecare, Supplementation and Housing Support. These pressures are currently being contained within Development Budgets but as the financial year progresses this situation will be reviewed.
- 2.3 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. A final response on this issue is still awaited.

3. EXPLANATION OF MAJOR OUT-TURN VARIANCES

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

3.1.1 Employee Costs

£750,000 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 £1m 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.

3.1.2 Supplies and Services

£100,000 Overspend

There has been significant expenditure incurred in the maintenance of Computer Equipment. This has been extremely important for the department over the past few years, as it has become vital to have adequate systems in place to cope with the new agendas facing the department. The overspend in this area is anticipated to be in the region of £50,000. The balance of additional expenditure will be incurred in the area of Catering Services as a number of Day Centres have expanded their opening hours and there has been a consequential increase in demand for the service. The additional commitments in this area will be funded from Development Monies allocated from The Scottish Executive.

3.1.3 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.

3.1.4 Administration Costs

£700,000 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 £700,000 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.

3.1.5 **Income**

£150,000

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 £100,000 in the current financial year. In addition, there is an increased level of Resource Transfer Monies anticipated from Health at the year-end, and this accounts for the balance of the over-recovery.

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

It is recommended that the contents of this report be approved.

Jim Dickie

Director of Social Work

8th October 2004

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

FINANCIAL MONITORING REPORT

I April 2004 to 17 September 2004

COMMITTEE: SOCIAL WORK

DIVISION: TOTAL SOCIAL WORK SUMMARY

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO VARIAN (5)		% (6)		ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED (VARIANCE (9)	DUTTURN	% (10)
		£	£	£				£	£	£		
l.	EMPLOYEE COSTS	31,529,052	31,004,043	525,009	Underspend	2%		70,127,085	69,377,085	750,000	Underspend	1%
2.	PROPERTY COSTS	2,820,213	2,841,782	(21,569)	Overspend	-1%		8,149,091	8,149,091	-	On Target	0%
3.	SUPPLIES AND SERVICES	2,011,669	2,159,832	(148,163)	Overspend	-7%		4,905,174	5,005,174	(100,000)	Overspend	-2%
4.	TRANSPORT & PLANT	1,764,677	1,978,865	(214,188)	Overspend	-12%		4,456,717	4,556,717	(100,000)	Overspend	-2%
5.	ADMINISTRATION COSTS	856,879	1,192,327	(335,448)	Overspend	-39%		2,086,221	2,786,221	(700,000)	Overspend	-34%
6.	PAYMENTS TO OTHER BODIES	23,545,328	23,416,962	128,366	Underspend	1%	1	64,997,010	64,997,010	-	On Target	0%
7.	OTHER COSTS	314,977	158,676	156,301	Underspend	50%		682,494	682,494	-	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	62,842,795	62,752,487	90,308	Underspend	0%		159,784,726	159,934,726	(150,000)	Overspend	-0%
11.	INCOME	19,336,913	19,162,780	-174,133	Under-recov	-1%		54,574,252	54,724,252	150,000	Over-rec	0%
12	NET EXPENDITURE	43,505,882	43,589,707	(83,825)	Overspend	-0%		105,210,474	105,210,474	0	On Target	6%