

To: 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.

FINANCIAL MONITORING REPORT

1 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 DATE VARIANCES (5)	% (6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCE (9)	% (10)
		£	£	£		£	£	£	
1.	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%	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	0%