

To: SOCIAL WORK COMMITTEE		Subject: 2004/2005 BUDGET MONITORING REPORT  PERIOD 01.04.04 – 3.02.05 (PERIOD 11)  SOCIAL WORK
From: DIRECTOR OF SOCIAL WORK		
Date: 10 MARCH 2005	Ref: JH/MC3	

### 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 an underspend position of £200,000 at the financial year-end this position is unchanged from that previously reported. Each area of expenditure has been reviewed in significant detail and the out-turn variances are highlighted in section 4.
- 2.2 The department is anticipating an underspend position. 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) are being offset by slippage's within Development Budgets. It should be noted however, that the department is continuing to incur pressures in all Community Care and Child Care Budget lines e.g. Fostering and Residential Child Care, Independent Homecare, Supplementation, Housing Support. These pressures are currently being contained within Development Budgets but as the financial year progresses this situation will be kept under review.
- 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 been 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 RE-ALIGNMENT

- 3.1 A Virement of £600,000 from Payments to Other Bodies was approved by Committee on 13 January 2005. This virement will be used to enhance the Equipment and Adaptations budget to enable disabled clients to live independently within their own homes.

#### 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 **£1,000,000 Underspend**

The projected underspend is a result of the level of vacancies which are anticipated for the year. It should be noted however, that there is currently a year to date overspend of £1.9m 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 vacancies in the period..

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 Property Costs **£200,000 Underspend**

It is the Council Policy to provide equipment via the Joint Equipment Store following an assessment of the service users needs. Taking into account current commitments and the anticipated demand for the remainder of the financial year it was anticipated that an overspend would occur in this budget. A virement of £600,000 was approved by Committee to offset this overspend. This position is being closely monitored and the projected underspend in the equipment budget reflects potential unfilled orders.

##### 4.1.3 Supplies and Services **£600,000 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 £300,000. 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.

##### 4.1.4 Transport Costs **£200,000 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.

#### 4.1.5 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.

#### 4.1.6 Payments to Other Bodies

£300,000

Underspend

There are significant cost pressures being incurred within this area, resulting in overspends, namely Independent Home Care £1,200,000, Adoption and Fostering £700,000 and Supported Living £800,000.

These overspends are being compensated for by various care group development budgets which is resulting in the anticipate underspend. A virement was approved by Committee to move £600,000 from this budget to fund aids and adaptations within Property Costs.

#### 4.1.7 Income

£100,000

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 are offsetting income variations within Resource Transfer monies and other Scottish Executive initiatives.

### 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.



*P.P.*  
**Jim Dickie**  
**Director of Social Work**  
**23 February 2005**

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 4 February 2005 (Period 11)**

**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)
		£	£	£	
1.	EMPLOYEE COSTS	58,592,204	57,510,580	1,081,624 Underspend	2%
2.	PROPERTY COSTS	6,986,001	6,963,910	22,091 Underspend	0%
3.	SUPPLIES AND SERVICES	4,004,641	4,195,863	(191,221) Overspend	-5%
4.	TRANSPORT & PLANT	3,508,746	3,736,756	(228,009) Overspend	-6%
5.	ADMINISTRATION COSTS	2,145,472	2,347,382	(201,911) Overspend	-9%
6.	PAYMENTS TO OTHER BODIES	49,832,575	49,777,594	54,981 Underspend	0%
7.	OTHER COSTS	307,376	253,173	54,202 Underspend	18%
8.	APPORTIONED EXPENSES	0	0	- On Target	
9.	CAPITAL FINANCING CHARGES	1,035,884	1,035,884	0.43 On Target	
10.	TOTAL EXPENDITURE	126,412,899	125,821,142	591,757 Underspend	0%
11.	INCOME	32,155,087	32,210,496	55,410 Over-recovery	0%
12.	NET EXPENDITURE	94,257,812	93,610,645	647,167 Underspend	1%

ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCE (9)	% (10)
£	£	£	
70,526,972	69,526,972	1,000,000 Underspend	1%
8,751,278	8,551,278	200,000 Underspend	2%
5,018,412	5,618,412	(600,000) Overspend	-12%
4,494,005	4,694,005	(200,000) Overspend	-4%
2,180,510	2,780,510	(600,000) Overspend	-28%
66,763,301	66,463,301	300,000 Underspend	0%
599,579	599,579	- On Target	0%
2,626,352	2,626,352	- On Target	0%
1,754,582	1,754,582	- On Target	0%
162,714,991	162,614,991	100,000 Underspend	0%
56,844,438	56,944,438	100,000 Over-recovery	0%
105,870,553	105,670,553	200,000 Underspend	0%