

AGENDA ITEM NO. 16

To: SOCIAL WORK COMMITTEE		Subject: 2005/2006 BUDGET MONITORING REPORT  PERIOD 01.04.05 – 09.12.05 (PERIOD 9)  SOCIAL WORK
From: DIRECTOR OF SOCIAL WORK		
Date: 12 January 2006	Ref: MC/JH	

### 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 overspend of £827,500 at the financial year-end. This position has decreased from the position previously reported and is a result of a potential refund from the Scottish Executive and an increase in the employee underspend. The major reason for the overspend is the significant increase in expenditure on Residential Schools particularly in respect of secure accommodation and in purchasing foster places. The projected additional expenditure in these areas of £2.2m, which is demand lead, is being partially offset by management action reducing expenditure in other areas.

### 3. Budget Re-alignment / Supplementation

- 3.1 The Social Work budget has been supplemented by an additional £1.7m from Council surpluses, alternate funding sources and a virement from Central Repairs. This was agreed at the Policy and Resources Committee of 14 June 2005.

### 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** **£1,244,000**    **Underspend**

The anticipated outturn underspend is a result of vacancies. This underspend has increased due an increased number of vacancies, reduction in the use of temporary staff and management action to control the use of overtime. This area is subject to seasonal fluctuations and will continue to be the subject of close monitoring.

**4.1.2 Property Costs** **£273,000** **Overspend**

The majority of the anticipated overspend relates to cleaning of Social Work establishments. This position will be monitored and may be subject to change as the contract requirements are reviewed. Another area of overspend relates to electricity costs which have increased by 26% due to increases in usage charges. A new power contract pegs these costs for the next two financial years. Additional service charges have also been incurred which are the subject of further investigation.

**4.1.3 Supplies and Services** **£359,000** **Overspend**

The main area of overspend relates to contract catering payments, it is anticipated that this area will be overspent by £278,000. The reason for this overspend is currently under investigation and meetings have taken place between the departments concerned. An additional area of anticipated overspend is in relation to expenditure on computer equipment. These overspends will be partially offset by underspends in other expenditure items within supplies and services resulting in the anticipated overspend shown above.

**4.1.4 Transport Costs** **£46,500** **Overspend**

It is anticipated the transport costs will be overspent at the year-end. This anticipated overspend relates to the area of staff travel. However, it is anticipated that the transport arrangements in place for service users will change to reflect the new day opportunities programme.

**4.1.5 Administration Costs** **£375,000** **Underspend**

An underspend of £375,000 is projected in this area at the year-end. This position excludes any allowance for bad debt. Savings in Other Admin costs are partially offset by overspends in training, conference fee's and office supplies. This budget has been enhanced from the prior year surpluses to absorb prior year overspends.

**4.1.6 Payments to Other Bodies** **£2,707,000** **Overspend**

This overspend has decreased from that previously reported. The majority of the overspend can be accounted for under three broad headings.

It is anticipated that an overspend of £1m will occur in expenditure for residential schools. This overspend has decreased from that previously reported to reflect a potential recovery of expenditure from the Scottish Executive. The recovery relates to two service users who are no longer under the Authorities care and discussion with the Scottish Executive are currently taking place. This expenditure results from decisions made by the courts and childrens' panels. This position is being closely monitored and adjusted to reflect future activity.

It is anticipated that the Fostering and Adoption budget will be overspent by £1.2m. There remain significant and increasing pressures on fostering and adoption budgets. These are the result of the numbers of children requiring to be taken into care because of their vulnerability in the community, in many instances as a result of addiction problems within the family. At present there are insufficient numbers of Foster Carers in North Lanarkshire to meet the demand for placements resulting in the department requiring to purchase expensive placements from Independent Foster Agencies. This area is being monitored closely.

Increases in the number of adults receiving supported living services and service users receiving residential accommodation has seen increased expenditure in this area. Some of the increase in the overspend relates to the hospital discharge process for which the Authority receives increased resource transfer income, as reflected in 4.1.8 below.

4.1.7 **Other Costs** **£434,000** **Underspend**

This anticipated underspend reflects the prior year end position. It is anticipated that during the revenue estimates exercise this budget will be used to supplement areas of overspend to more accurately reflect expenditure levels.

4.1.8 **Income** **£505,000** **Over-recovered**

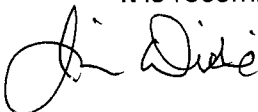
Income is anticipated to be over-recovered at the year-end. The main reasons for this anticipated over-recover relates to increased resource transfer due to the hospital discharge programme (see 4.1.6) and increased income from Residential Care. However, this masks an under recovery on income in relation to lunch clubs.

**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**

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



**Jim Dickie**  
**Director of Social Work**  
**12 January 2006**

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

**FINANCIAL MONITORING REPORT**

**1 April 2005 to 9 December 2005 (Period 9)**

**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	47,732,614	47,287,120	445,495 Underspend	1%
2.	PROPERTY COSTS	3,023,455	3,130,302	(106,847) Overspend	-4%
3.	SUPPLIES AND SERVICES	4,854,604	4,667,301	187,303 Underspend	4%
4.	TRANSPORT & PLANT	2,988,931	3,162,419	(173,488) Overspend	-6%
5.	ADMINISTRATION COSTS	1,727,541	1,269,472	458,069 Underspend	27%
6.	PAYMENTS TO OTHER BODIES	44,858,711	46,728,239	(1,869,528) Overspend	-4%
7.	OTHER COSTS	522,349	224,962	297,388 Underspend	57%
8.	APPORTIONED EXPENSES	0	0	0 On Target	
9.	CAPITAL FINANCING CHARGES	0	0	0 On Target	
10.	TOTAL EXPENDITURE	105,708,205	106,469,815	(761,609) Overspend	-1%
11.	INCOME	33,935,428	34,410,211	474,783 Over-recovery	1%
12.	NET EXPENDITURE	71,772,777	72,059,604	(286,827) Overspend	0%

ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCE (9)	% (10)
£	£	£	
70,682,717	69,438,717	1,244,000 Underspend	2%
5,059,095	5,332,095	(273,000) Overspend	-5%
8,094,897	8,453,897	(359,000) Overspend	-4%
4,662,708	4,709,208	(46,500) Overspend	-1%
2,623,960	2,248,960	375,000 Underspend	14%
70,998,864	73,705,864	(2,707,000) Overspend	-4%
1,198,945	764,945	434,000 Underspend	36%
3,054,225	3,054,225	0 On Target	0%
1,238,917	1,238,917	0 On Target	0%
167,614,328	168,946,828	(1,332,500) <b>Overspend</b>	-1%
56,667,127	57,172,127	505,000 Over-recovery	1%
110,947,201	111,774,701	(827,500) <b>Overspend</b>	-1%