

REPORT

To: SOCIAL WORK COMMITTEE		Subject: 2005/2006 BUDGET MONITORING REPORT PERIOD 01.04.05 – 31.03.06 PROVISIONAL OUTURN SOCIAL WORK
From: DIRECTOR OF SOCIAL WORK		
Date: 18 MAY 2006	Ref: JH/MC3	

1. PURPOSE OF REPORT / INTRODUCTION

This report compares provisional 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 provisional out-turn shows that the department is anticipating an underspend of £103,483 at the financial year end. This position has improved from that previous reported and the major reason for this improvement is an unanticipated reduction in expenditure in employee costs resulting from the industrial action of 28 March 2006. Each area of expenditure has been reviewed in significant detail and the out-turn variances are highlighted in section 4.
- 2.2. Increased levels of expenditure in the areas of secure residential care, fostering and adoption, housing support and transport are being offset by underspends in employee costs, supplies and services, other costs and over recovered income.
- 2.3. The total Grant for Supporting People for 2005/06 is £24,845,632 it is projected that expenditure in this area will exceed the grant by £2,128,000. It should be noted however, that the Grant allocated from The Scottish Executive in 2005/06 was 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.

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 £1,137,793 Underspend

The provisional underspend is a result of savings from vacancies and a reduction in the use of overtime. The use of overtime has fallen considerably and reflects management action to restrict its usage. An estimate of £100,000 has been included to reflect reduced employee cost expenditure due to the industrial action of the 28 March 2006.

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.

This is the final year of operation of this scheme and the additional costs to the department have been absorbed from within the department's budget.

4.1.2. Property Costs £39,319 Overspend

Overspends in power and water rates charges have been partially offset by underspends in other minor property costs.

4.1.3. Supplies and Services £176,169 Underspend

A underspend in Supplies and Services of £176,169 is projected. Overspends in catering and the provision of computer equipment have been more than offset by underspends in adaptations and equipment and other supplies and services. There has been a reduction in the operational leasing cost of computer equipment and a review of the purchasing and use of computers within the department is underway.

4.1.4. Transport Costs £182,494 Overspend

It is projected that an overspend of £182,494 will occur in transport costs. This overspend has occurred both in relation to staff travel costs and also recharges from the transport trading account for service user transport. It is anticipated that the introduction of the day opportunities program will see a gradual change in the method used to transport service users. Discussions are currently underway with transport trading account representatives.

4.1.5. Administration Costs £643,509 Underspend

During the year this budget was enhanced from previous years surpluses. Overspends in office supplies and the provision of training have been more than offset by underspends in other administration costs. Also included in this section is a provision of £130,000 for doubtful debt incurred by the department.

4.1.6. Payments to Other Bodies £3,581,290 Overspend

There are significant cost pressures being incurred within this area, resulting in overspends, namely Secure residential accommodation, Adoption and Fostering and Supported Living.

These overspends are being partially compensated for by the over recovery of income from Resource Transfer and underspends in other expenditure headings.

4.1.7 Other Costs £703,157 Underspend

It is anticipated that there will be an underspend of £703,157 in other miscellaneous costs. This budget was supplemented during the year from part of the overall £1.7m budget enhancement and this underspend partially offsets the ongoing budget pressures noted in para 4.1.6. During the budget upload process for 2006/07 a review of this budget will be carried out to allocate it to match resource needs.

4.1.7. **Income**

£1,245,958 Over-recovered

The major areas of income over recovery are grants and resource transfer income. The main reason for the overrecovery in resource transfer relates to the hospital discharge programme. This is reflected in the increased expenditure in payments to other bodies.

5. FINANCIAL CONCURRENCE

5.1. 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
8 May 2006

*For further information on this report please contact Ronnie Paul, Head of Social Work Resources
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NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT 1 APRIL 2005 TO 31 MARCH 2006

SOCIAL WORK DEPARTMENT

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	PROVISIONAL OUT-TURN (4)	PROVISIONAL OUT-TURN VARIANCES (5)	VARIANCE (8)	% (9)
		£	£	£		
1.	EMPLOYEE COSTS	70,237,508	69,099,715	1,137,793	Underspend	2%
2.	PROPERTY COSTS	5,190,167	5,229,486	(39,319)	Overspend	-1%
3.	SUPPLIES AND SERVICES	7,019,058	6,842,889	176,169	Underspend	3%
4.	TRANSPORT & PLANT	4,660,733	4,843,227	(182,494)	Overspend	-4%
5.	ADMINISTRATION COSTS	2,837,829	2,194,320	643,509	Underspend	23%
6.	APPORTIONED EXPENSES	3,054,225	3,054,225	-	On Target	
7.	CFCR	868,132	868,132	-	On Target	
8.	PAYMENTS TO OTHER BODIES	72,267,414	75,848,704	(3,581,290)	Overspend	-5%
9.	CAPITAL FINANCING CHARGES	1,863,017	1,863,017	-	On Target	
10.	OTHER COSTS	1,178,945	475,788	703,157	Underspend	60%
11.	TOTAL EXPENDITURE	169,177,028	170,319,503	(1,142,475)	Overspend	-1%
12.	OTHER GRANTS	34,195,914	34,754,943	559,029	Over-recovery	2%
13.	FEES AND CHARGES	3,101,061	3,565,719	464,658	Over-recovery	15%
14.	CHARGES TO CAPITAL	-	-	-		
15.	DEPARTMENTAL RECHARGE	-	-	-		
16.	OTHER	19,195,762	19,418,033	222,271	Over-recovery	1%
17.	TOTAL INCOME	56,492,737	57,738,695	1,245,958	Over-recovered	2%
18.	NET EXPENDITURE	112,684,291	112,580,808	103,483	Underspend	0.1%