

To: SOCIAL WORK COMMITTEE		Subject: 2006/2007 BUDGET MONITORING REPORT  PERIOD 01.04.06 – 16.09.06 (PERIOD 6)  SOCIAL WORK
From: DIRECTOR OF SOCIAL WORK		
Date: 3 OCTOBER 2006	Ref: MC/JH1	

### 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

The out-turn projection shows that the department is anticipating breakeven position at the financial year-end. This position is unchanged from that previously reported. This position has been reached by an under recovery in income and overspends in property, supplies, transport and plant and payments to other bodies being fully absorbed by underspend's in employee costs, administration and other costs.

### 3. Budget Re-alignment / Supplementation

The Social Work fostering budget has been supplemented by an additional £1.033m. This funding has been made available from two funding streams, £0.850m from Changing Children's Services mainlined funds and an additional amount of £0.183m from the Scottish Executive to improve fostering services. The requirement for the additional funding was highlighted in the Fostering: Service Developments and Financial allowances/Fees report that went to the Social Work Committee on 18 May 2006. An additional income line of £1m has been added to the budgeted figures to reflect income received through the Community Regeneration Fund.

### 4. Corporate Review of Expenditure

The Council review of "non-essential" expenditure remains in force. As a direct consequence of this request, the Social Work Department continues to engage in a pro-active review of its immediate spending requirements.

### 5. Explanation of Major Out-Turn Variances

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

5.1.1. **Employee Costs** **£2,849,000**    **Underspend**

The anticipated outturn underspend is a result of vacancies and continuing tight control over the use of overtime. An adjustment has been made to the projected outturn to reflect expenditure on the new Social Worker Incentive scheme. Additionally Other Employee costs are underspent and will be the subject of internal virement to reflect actual spend.

**5.1.2. Property Costs** **£224,000** **Overspend**

The major reasons for this anticipated overspend relate to overspends in utility, uplift of waste and accommodation charges. This overspend has decreased from that previously reported to reflect a projected reduction in expenditure on Other minor property costs. This uplift in waste budget has been supplemented by community services to absorb the additional cost of the uplift of waste relating to increased landfill and fuel taxes.

**5.1.3. Supplies and Services** **£256,000** **Overspend**

It is anticipated that overspends in catering, communication and computer equipment will be partially offset by underspends in small tools and equipment and other supplies. This projected overspend has increased to reflect a reduction in the underspend on small tools and equipment and projected increased expenditure on partly processed materials. These movements are being investigated. The Supplies and Services budget has been reduced to reflect the procuring change telephony services tender virement agreed at the Policy & Resources (Finance) Sub Committee on 9 May 2006.

**5.1.4. Transport Costs** **£146,000** **Overspend**

It is anticipated the transport costs will be overspent at the year-end. This anticipated overspend relates to the area of staff travel. An adjustment has been made to the transport budget to reflect the new day opportunities programme.

**5.1.5. Administration Costs** **£871,000** **Underspend**

The major areas of underspend relate to development initiative monies and other administration costs. It is anticipated that this underspend will decrease as services are developed to reflect service users needs. During the revenue estimates process this budget was enhanced. It is anticipated that budget adjustments may be required during the financial year to more accurately reflect the actual spend.

**5.1.6. Payments to Other Bodies** **£2,738,000** **Overspend**

The majority of the anticipated overspend relates to fostering and adoption (£738,000), residential accommodation (£1,100,000) and supported living (£900,000). A budget adjustment has been performed during period 6 to reflect additional income received through resource transfer for hospital discharge patients. During the financial year it is anticipated that further budget virements will be performed to realign budget into this expenditure grouping. There remains a number of strategies in place or being put in place to monitor the position and reduce this overspend.

**5.1.7. Other Costs** **£345,000** **Underspend**

This anticipated underspend in this area has reduced from that previously reported. This reflects movements in the budget to supplement areas of overspend in other expenditure groupings.

**5.1.8. Income** **£701,000 Under-recovered**

Income is anticipated to be under-recovered at the year-end. This movement in the projected income relates to a budget adjustment performed during period five to reflect increased resource transfer income and expenditure. The main area of underrecovery relates to Miscellaneous income and reflects non-recovery of income from partners for posts, which are vacant.

**6. Financial Concurrence**

The Director of Finance concurs with the financial information contained in this report and has been fully involved in its preparation.

**7. Recommendations**

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



**Jim Dickie  
Director of Social Work  
3 October 2006**

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

**FINANCIAL MONITORING REPORT**

**1 April 2006 to 16 September 2006 (Period 6)**

**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	32,418,507	31,065,012	1,353,496 Underspend	4%
2.	PROPERTY COSTS	1,704,579	1,712,416	(7,837) Overspend	-0%
3.	SUPPLIES AND SERVICES	2,666,309	2,506,348	159,961 Underspend	6%
4.	TRANSPORT & PLANT	1,559,526	1,900,199	(340,673) Overspend	-22%
5.	ADMINISTRATION COSTS	2,028,403	1,085,005	943,398 Underspend	47%
6.	PAYMENTS TO OTHER BODIES	29,736,215	29,881,159	(144,944) Overspend	-0%
7.	OTHER COSTS	303,819	61,575	242,244 Underspend	80%
8.	APPORTIONED EXPENSES	0	0	- On Target	
9.	CAPITAL FINANCING CHARGES	0	0	- On Target	
10.	TOTAL EXPENDITURE	70,417,356	68,211,713	2,205,643 Underspend	3%
11.	INCOME	20,943,053	20,699,638	(243,415) Under-recover	-1%
12.	NET EXPENDITURE	49,474,303	47,512,074	1,962,228 Underspend	4%

ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCE (9)	% (10)
£	£	£	
72,908,754	70,059,754	2,849,000 Underspend	4%
3,600,747	3,824,747	(224,000) Overspend	-6%
6,436,216	6,692,216	(256,000) Overspend	-4%
4,334,827	4,480,827	(146,000) Overspend	-3%
3,842,799	2,971,799	871,000 Underspend	23%
79,628,192	82,366,192	(2,738,000) Overspend	-3%
658,318	313,318	345,000 Underspend	52%
4,161,776	4,161,776	0 On Target	0%
1,863,017	1,863,017	0 On Target	0%
177,434,646	176,733,646	701,000 Underspend	0%
60,863,913	60,162,913	(701,000) Under-recover	-1%
116,570,733	116,570,733	0 Breakeven	0%