

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE : 4 NOVEMBER 2004

BUDGETARY CONTROL SUMMARY STATEMENT SOCIAL WORK TO 19 SEPTEMBER 2004 (PERIOD 6)

Joint Report by Executive Head of Finance and the Executive Director of Educational and Social Services

1. PURPOSE OF REPORT

- 1.1 To advise Members of the current budgetary control position and the projected out-turn for the year for Social Work for the period ended 19 September 2004 (Period 6).

2. OVERALL POSITION

- 2.1 The following report relates to service costs and income directly controlled by the department and excludes rechargable costs for central services charges and debt charges.
- 2.2 The Social Work annual budget at 1 April 2004, £37,764,360 has increased by £942,220 to £38,706,580 at Period 6. This is largely due to additional funding from the Scottish Executive to compensate for the removal of Residential Allowance and Part Three Accommodation Rate of Income Support from certain care home residents, as well as additional Youth Justice / Anti- Social Behaviour resources.

2.3 Projected Out-turn

Based on all available information, it is currently projected that the Social Work Service will out-turn at £38,706,580, which is on-line with the revised annual estimate for the year.

As in previous years, the Social Work budget has been re-aligned for the current financial year. This exercise is required due to historical budget pressures, as well as the efficiency target allocated as part of the budget-setting process for the current year. It is important to note that this has been achieved partly through balances brought forward under the Council's three year budgeting arrangements, as well as identification of non-recurring savings. These include additional staff turnover from posts which cannot presently be recruited to, as well as savings from unavoidable delays in implementing new initiatives.

The non-recurring nature of this strategy gives cause for concern for future financial years.

The projected break-even figure includes an anticipated underspend on the secure accommodation budget within Children and Families. This budget is unpredictable and will be closely monitored for the remainder of the financial year.

Although the budget has been re-aligned for the current year, there are a number of efficiency measures which are still under review. In addition, the department continues to face significant challenges in addressing unmet need in terms of a continuing and growing demand for a range of statutory services, including community care, childcare and addiction services. It will be necessary to closely monitor and possibly review the re-aligned budget over the course of the financial year to ensure that all service pressures can be addressed.

2.4 **Budget Performance to Period 6**

Actual expenditure to date amounts to £13,171,056 and represents 34% of the estimated expenditure for the year. Year-to-date variances have been analysed and are mainly attributable to timing of expenditure and receipt of income in advance of expenditure. Such timing variances should level out over the year, but if this is not the case reasons for the anticipated variances are highlighted in section 3 of this report.

2.5 **Summary of Objective Costs** [Error! Not a valid link.](#)

2.6 **Summary of Subjective Costs** [Error! Not a valid link.](#)

3. ANALYSIS OF VARIANCES

3.1 **Employee Costs**

Current projections indicate that expenditure on employee costs will be £94,246 less than that budgeted for the year. This projection largely results from anticipated savings on vacant posts from April 2004 to the actual and anticipated date of filling in the year, partially offset by increased home care costs. This projected out-turn position reflects the current status of service efficiency reviews which are currently taking place within the service, including transport provision to voluntary groups.

3.2 **Premises Costs**

Based on current information, it is anticipated that expenditure on premises will out-turn by £49,397 less than the resource allocation for the year. This projected favourable out-turn position is mainly due to energy and water charges below budgeted levels. This will be closely monitored over the winter months, with any change to projected costs highlighted in future reports.

3.3 **Transport Related Costs**

It is anticipated that expenditure on transport related costs will out-turn by £59,270 greater than budgeted for the year. This is due to anticipated

additional car mileage and allowances and will be closely monitored for the remainder of the financial year.

3.4 **Supplies and Services**

The projected out-turn for the year is an overspend of £267,660, mainly arising from the fact that a service review of community meals provision is ongoing.

Additional costs are also anticipated in respect of recruitment advertising, reflecting the present difficulty in recruiting suitably qualified and experienced staff to fill key posts. Improved control procedures in respect of recruitment advertising have been established and future reports will highlight any consequential amendment to the projected overspend for the year. These additional costs are partially offset by projected savings on miscellaneous supplies and services budgets across the service.

3.5 **Third Party Payments**

The projected out-turn is an overspend of £87,991 and largely reflects the current status of the review of Anti-Poverty services which is ongoing. This is partially offset by the allocation to this heading of the departmental surplus brought-forward from 2003/04, as well as an anticipated reduction in care package costs. As in other areas of the budget, there are also a number of efficiency measures which are still under review within this heading.

In addition, it is anticipated that a full-year saving of £209,053 on secure accommodation placement costs within Children and Families will be realised, This anticipated underspend partially offsets increased expenditure of £315,256 on children placed in residential schools outwith the authority. This figure comprises additional costs due to the increased volume of placements of £271,266 as well as price increases above inflation of £43,990. As highlighted in section 2.3 of this report, this area of the budget is unpredictable and will require to be closely monitored for the remainder of the financial year.

3.6 **Transfer Payments**

Based on current information, it is anticipated that transfer payments will out-turn by £23,036 less than allocated resources for the year. This is due to a small reduction in costs relating to looked after and accommodated children in the year.

3.7 **Income**

It is anticipated that additional income of £248,242 will be recovered in the year. This is mainly due to non-recurring transitional housing benefit income, as well as higher than anticipated income from clients in residential care.

4. **RECOMMENDATIONS**

4.1 It is recommended that the Social Work Committee:

- (i) note the contents of this report.

Alex McPhee
Executive Head of Finance

John Mulgrew
**Executive Director of Educational
and Social Services**

12 October 2004
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LIST OF BACKGROUND PAPERS
NIL

Members wishing further information should contact:
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IMPLEMENTATION OFFICER: EUAN COUPERWHITE