

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE – 29 MARCH 2001

BUDGETARY CONTROL SUMMARY STATEMENT SOCIAL WORK TO 9 FEBRUARY 2001 (PERIOD 11)

Joint Report by Director of Finance and 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 the Social Work Department for the period ended 9 February 2001 (Period 11).

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 2000, £24,586,535 has increased by £382,189 to £24,968,724 at Period 11. This is mainly due to additional resources allocated by the Scottish Executive for Community Care services.

2.3 Projected Out-turn

Based on all available information, it is currently projected that the Social Work Service will out-turn at £24,968,724, which is on line with the revised annual estimate for the year. There are a number of budgetary pressures, which are highlighted in section 3 below. At this time, the Director of Educational and Social Services is looking to identify funding measures to ensure service delivery can be achieved within current financial resources.

2.4 Budget Performance to Period 11

The net expenditure to date amounts to £19,636,433 compared to a budget of £21,075,241, resulting in the actual expenditure being less than the budget by £1,438,808. The budget to 9 February 2001 is based on standard phasing for each period of expenditure and income, except where the service department has indicated otherwise. Period variances are mainly attributable to phasing which should level out over the year, but if this is not the case reasons for the anticipated variances are highlighted below.

2.5 Summary of Objective Costs

	Budget Expend to 9 Feb 01 Period 11	Actual Expend to 9 Feb 01 Period 11	Variance Expend to 9 Feb 01 Period 11	Revised Annual Estimate 2000-01	Projected Actual 2000-01	Variance	
	£	£	£	£	£	£	%
Regulation	802,769	659,824	-142,945	927,730	783,488	-144,242	-15.55
Children & Families/Criminal Justice	5,860,671	5,824,005	-36,666	6,778,246	6,665,669	-112,577	-1.66
Community Care	11,460,874	11,085,793	-375,081	13,695,309	13,805,138	109,829	0.80
Health Board Account	951,469	66,439	-885,030	1,235,874	1,243,724	7,850	0.64
Support Services	1,999,458	2,000,372	914	2,331,565	2,470,705	139,140	5.97
	21,075,241	19,636,433	-1,438,808	24,968,724	24,968,724	0	0.00

2.6 Summary of Subjective Costs

	Budget Expend to 9 Feb 01 Period 11	Actual Expend to 9 Feb 01 Period 11	Variance Expend to 9 Feb 01 Period 11	Revised Annual Estimate 2000-01	Projected Actual 2000-01	Variance	
	£	£	£	£	£	£	%
Employee Costs	15,609,008	14,941,401	-667,607	18,123,021	17,618,138	-504,883	-2.79
Property Costs	672,803	502,181	-170,622	837,360	768,325	-69,035	-8.24
Transport Costs	753,919	700,874	-53,045	928,426	972,030	43,604	4.70
Supplies & Services	1,274,860	1,227,923	-46,937	1,616,500	1,683,085	66,585	4.12
Administration Costs	143,258	195,044	51,786	174,367	242,845	68,478	39.27
Payments to Other Bodies	8,452,862	7,955,239	-497,623	10,052,334	10,402,598	350,264	3.48
TOTAL EXPENDITURE	26,906,710	25,522,662	-1,384,048	31,732,008	31,687,021	-44,987	-0.14
Income	-5,831,469	-5,886,229	-54,760	-6,763,284	-6,718,297	44,987	-0.67
NET EXPENDITURE	21,075,241	19,636,433	-1,438,808	24,968,724	24,968,724	0	0.00

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The position as at 9 February 2001 highlights a favourable variance of £667,607. Current projections indicate that expenditure on employee costs will be £504,883 less than that budgeted. This projection mainly results from the level of vacant posts from April 2000 to the date of filling in the year as well as lower than anticipated direct wages costs due to a projected increase in the level of service to be purchased from external providers in the year.

3.2 Property Costs

The position as at 9 February 2001 highlights a favourable variance of £170,622 partly due to the timing of expenditure. The projected out-turn highlights a favourable variance of £69,035.

A non-domestic rates assessment has been received, which has indicated that three properties have been classified as office accommodation. The department has successfully appealed this evaluation in respect of two of the properties and awaits a final decision from the Assessors' office in respect of the third. If the appeal is unsuccessful, additional rates costs of approximately £80,000 are likely to be incurred, and Committee will be advised of the outcome at the earliest opportunity. The favourable projected out-turn variance relates to an anticipated successful outcome and the subsequent non-utilisation of previous years provisions set aside for this purpose.

3.3 Transport Costs

The current position highlights a favourable variance of £53,045, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £43,604. This is mainly due to unanticipated respite transport costs and hire of vehicles.

3.4 Supplies and Services

The reported variance at Period 11 is an underspend of £46,937. The projected out-turn for the year is an overspend of £65,585, partly arising from expenditure in excess of budget being incurred on home care support payments within Children's services, due to the level of demand for such services. The costs incurred on home care support help avoid expenditure on more expensive residential accommodation. Additional costs are also projected for the provision of Community Meals.

3.5 Administration Costs

The adverse variance at Period 11, £51,786 is due to additional communication, advertising and general administration costs and is currently projected to out-turn at £68,478 over the annual budget. An expected reduction in communication costs, especially in the operation of the electronic mail system and associated ISDN lines has not been realised.

3.6 Payments to Other Bodies

The current favourable variance, £497,623 is due to the timing of expenditure. There are a number of issues across all sectors of the department, which are resulting in both adverse and favourable variances. Unit Managers are monitoring and controlling expenditure to ensure that the department remains within the resource allocation for the financial year.

There is a potential overspend of £350,264 partly due to a significant increase in the number of children currently within Secure Accommodation placement and accounting for £191,391 of this total. This is a national issue and the Director of Educational and Social Services is containing this uncontrollable expenditure through alternative funding methods in the current year. In addition, demand levels for community-based placement within Children's Services continue to exceed resources allocated for the year.

3.7 Income

The position at Period 11 is an over-recovery of income of £54,760, mainly due to the timing of receipt of Criminal Justice Grant from the Scottish Executive. As with Payments to Other Bodies, there are several areas that show variance from the annual budget. Unit Managers are monitoring income to ensure that the department maximises income recoverable in the year.

Under recoveries are currently being met by over recoveries in other headings. However, within Community Care there are anticipated under recoveries for Aids and Adaptations income and income from new users of Community Alarms services, resulting in a total projected under-recovery of £44,987 for the year.

4 RECOMMENDATIONS

It is recommended that the Committee: -

4.1 note the contents of this report

Alex McPhee
Director of Finance

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

AMcP/EC
12 March 2001

LIST OF BACKGROUND PAPERS NIL

Members wishing further information should contact Alex McPhee, Financial Services Manager, Tel: (01563) 576848 or Euan Couperwhite, Departmental Finance Manager, Tel: (01563) 573367

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AGENDA