

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE – 9 APRIL 2002

BUDGETARY PROGRESS REPORT SOCIAL WORK TO 10 FEBRUARY 2002 (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 10 February 2002 (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 revised annual budget at Period 8, £26,410,140 has decreased by £64,125 to £26,346,015 at Period 11. This is mainly due to additional Scottish Executive funding in respect of the Educational Attainment of Looked After Children initiative being correctly reallocated to Educational Services.
- 2.3 Projected Out-turn

Based on all available information, it is currently projected that the Social Work Service will out-turn at £26,419,737, which is £73,722 higher than the revised annual estimate for the year. There are a number of budgetary pressures, which are highlighted in section 3 below, however the department are closely monitoring all aspects of expenditure and income to endeavour to bring the final out-turn position into line with the resource allocation by 31 March 2002.

Work has been undertaken within the department to produce an action plan to ensure that effective service delivery can be achieved within financial resources in the current year. This has resulted in a one-off in-year re-alignment of budget being undertaken, whereby expenditure reductions arising from recruitment in a number of posts, as well as other non-recurring savings are offsetting projected over-expenditure in a number of other areas of the budget.

2.4 Budget Performance to Period 11

The net expenditure to date amounts to £20,699,447 compared to a budget of £21,757,362, resulting in the actual expenditure being less than the budget by £1,057,915. The budget to 10 February 2002 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 10 Feb 02 Period 11	Actual Expend to 10 Feb 02 Period 11	Variance Expend to 10 Feb 02 Period 11	Revised Annual Estimate 2001-02	Projected Actual 2001-02	Variance	
	£	£	£	£	£	£	%
Regulation	1,933,589	1,887,082	-46,507	2,223,101	2,200,741	-22,360	-1.01
Children & Families/Criminal Justice	5,666,736	5,407,549	-259,187	6,469,622	6,436,552	-33,070	-0.51
Community Care	12,295,855	11,821,813	-474,042	14,799,802	14,800,105	303	0.00
Health Board Account	450,476	85,117	-365,359	1,144,045	1,122,870	-21,175	-1.85
Support Services	1,410,706	1,497,886	87,180	1,709,445	1,859,469	150,024	8.78
	21,757,362	20,699,447	-1,057,915	26,346,015	26,419,737	73,722	0.28

2.6 Summary of Subjective Costs

	Budget Expend to 10 Feb 02 Period 11	Actual Expend to 10 Feb 02 Period 11	Variance Expend to 10 Feb 02 Period 11	Revised Annual Estimate 2001-02	Projected Actual 2001-02	Variance	
	£	£	£	£	£	£	%
Employee Costs	15,602,108	15,599,374	-2,734	18,280,332	18,397,466	117,134	0.64
Property Costs	651,826	514,985	-136,841	741,388	733,166	-8,222	-1.11
Transport Costs	772,289	715,373	-56,916	953,898	959,807	5,909	0.62
Supplies & Services	1,574,208	1,301,639	-272,569	1,843,981	1,893,182	49,201	2.67
Administration Costs	194,674	245,771	51,097	267,470	329,311	61,841	23.12
Payments to Other Bodies	10,354,492	9,351,656	-1,002,836	12,153,405	12,336,461	183,056	1.51
TOTAL EXPENDITURE	29,149,597	27,728,798	-1,420,799	34,240,474	34,649,393	408,919	1.19
Income	-7,392,235	-7,029,351	362,884	-7,894,459	-8,229,656	-335,197	4.25
NET EXPENDITURE	21,757,362	20,699,447	-1,057,915	26,346,015	26,419,737	73,722	0.28

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The position as at 10 February 2002 highlights a favourable variance of £2,734, partly due to the timing of expenditure. Current projections indicate that expenditure on employee costs will be £117,134 higher than that budgeted.

This additional expenditure is largely due to the fact that the department's share of the restructuring saving from the merger with Education has not been achieved in the current year, as well as additional drivers' overtime costs. These issues are partially offset by savings in manual workers superannuation and National Insurance costs.

3.2 Property Costs

The position at Period 11 highlights a favourable variance of £136,841 partly due to the timing of expenditure. The projected out-turn highlights a favourable variance of £8,222, mainly due to a reduced general property costs expenditure.

3.3 Transport Costs

The current position highlights a favourable variance of £56,916, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £5,909 and is mainly due to additional costs in respect of hire of transport and car mileage and allowances. These issues are partially offset by reduced costs of leasing agreements for replacement vehicles during the financial year as well as reduced repairs and maintenance costs.

3.4 Supplies and Services

The reported variance at Period 11 is an underspend of £272,569, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £49,201, largely due to the purchase of IT equipment within Criminal Justice Services. This is offset by additional grant income from the Scottish Executive.

3.5 Administration Costs

The adverse variance at Period 11, £51,097 is mainly due to additional advertising and general administration costs and is currently projected to out-turn at £61,841 over the annual budget for the year.

3.6 Payments to Other Bodies

The current favourable variance of £1,002,836 mainly relates to the timing of expenditure on projects within the Health Board account as well as the timing of bills for external care home provision.

Based on currently available information, there is a potential overspend of £183,056 for the year. This is mainly due to additional fostering allowances, throughcare payments and supported lodgings within the Children and Families Service Unit as well as the provision of packages of care to individuals within the Community Care sector.

These overspends are partially offset by non-recurring managed slippage in funds set-aside for earmarked initiatives within Community Care.

3.7 Income

The position at Period 11 is an under-recovery of income of £362,884, largely due to the timing of recharges and billing for Health Board income, as well as the level of charges in respect of provision of aids and adaptations. The first issue relates to the timing of expenditure on Health Board projects, as highlighted in Payments to Other Bodies.

The projected over-recovery of income for the year is mainly due to additional Criminal Justice Grant income, additional income from the Health Board (to offset increased expenditure) and additional income in respect of the increased level of services provided at H.M.P. Kilmarnock. These are partially offset by a projected under-recovery in charges for aids and adaptations.

Unit Managers continue to closely monitor income budgets to ensure that the department maximises recovery levels in the year.

4 RECOMMENDATIONS

4.1 It is recommended that the Committee note the contents of this report

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Director of Finance

John Mulgrew
Director of Educational and Social Services

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