

# EAST AYRSHIRE COUNCIL

## SOCIAL WORK COMMITTEE – 1 FEBRUARY 2001

### BUDGETARY CONTROL SUMMARY STATEMENT SOCIAL WORK TO 15 DECEMBER 2000 (PERIOD 9)

#### 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 15 December 2000 (Period 9).

## 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 £229,850 to £24,816,385 at Period 9. 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 £24,845,402, which exceeds the revised annual estimate figure for the year by £29,017. 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 9

The net expenditure to date amounts to £16,663,148 compared to a budget of £17,151,412, resulting in the actual expenditure being, less than the budget by £488,264. The budget to 15 December 2000 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 15 Dec 00 Period 9	Actual Expend to 15 Dec 00 Period 9	Variance Expend to 15 Dec 00 Period 9	Revised Annual Estimate 2000-01	Projected Actual 2000-01	Variance	
	£	£	£	£	£	£	%
Regulation	657,601	537,682	-119,919	927,730	783,162	-144,568	-15.58
Children & Families/Criminal Justice	4,978,259	4,918,352	-59,907	6,778,246	6,812,452	34,206	0.51
Community Care	9,565,797	9,347,911	-217,886	13,530,993	13,737,413	206,420	1.53
Health Board Account	324,422	228,393	-96,029	1,278,727	1,153,971	-124,756	-9.76
Support Services	1,625,333	1,630,810	5,477	2,300,689	2,358,404	57,715	2.51
	<b>17,151,412</b>	<b>16,663,148</b>	<b>-488,264</b>	<b>24,816,385</b>	<b>24,845,402</b>	<b>29,017</b>	0.12

## 2.6 Summary of Subjective Costs

	Budget Expend to 15 Dec 00 Period 9	Actual Expend to 15 Dec 00 Period 9	Variance Expend to 15 Dec 00 Period 9	Revised Annual Estimate 2000-01	Projected Actual 2000-01	Variance	
	£	£	£	£	£	£	%
Employee Costs	12,710,531	12,267,137	-443,394	18,127,339	17,721,546	-405,793	-2.24
Property Costs	583,845	459,544	-124,301	838,460	752,214	-86,246	-10.29
Transport Costs	609,039	575,374	-33,665	925,446	998,045	72,599	7.85
Supplies & Services	1,043,461	1,066,873	23,412	1,590,451	1,628,088	37,637	2.37
Administration Costs	123,902	158,489	34,587	174,367	240,487	66,120	37.92
Payments to Other Bodies	6,558,811	6,578,867	20,056	9,821,213	10,097,992	276,779	2.82
<b>TOTAL EXPENDITURE</b>	<b>21,629,589</b>	<b>21,106,284</b>	<b>-523,305</b>	<b>31,477,276</b>	<b>31,438,372</b>	<b>-38,904</b>	-0.12
Income	-4,478,177	-4,443,136	35,041	-6,660,891	-6,592,970	67,921	-1.02
<b>NET EXPENDITURE</b>	<b>17,151,412</b>	<b>16,663,148</b>	<b>-488,264</b>	<b>24,816,385</b>	<b>24,845,402</b>	<b>29,017</b>	0.12

## 3 ANALYSIS OF VARIANCES

### 3.1 Employee Costs

The position as at 15 December 2000 highlights a favourable variance of £443,394. Current projections indicate that expenditure on employee costs will be £405,793 less than that budgeted. This projection mainly results from the level of vacant posts from April to the anticipated 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 15 December 2000 highlights a favourable variance of £124,301 partly due to the timing of expenditure. The projected out-turn highlights a favourable variance of £86,246.

A non-domestic rates assessment has been received, which has indicated that a number of properties have been classified as office accommodation. The department has appealed this evaluation and awaits a final decision from the Assessors' office. If the appeal is unsuccessful, additional rates costs of £185,882 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 £33,665, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £72,599. This is mainly due to unanticipated respite transport costs and hire of vehicles.

### **3.4 Supplies and Services**

The reported variance at Period 9 is an overspend of £23,412. The projected out-turn for the year is an overspend of £37,637, partly arising from additional costs being incurred on supplies within a Health Board funded project. This projected overspend is offset by reduced expenditure in other subjective headings within this project. In addition, expenditure in excess of budget is 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.

### **3.5 Administration Costs**

The adverse variance at Period 9, £34,587 is due to additional communication, advertising and general administration costs and is currently projected to out-turn at £66,120 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 adverse variance, £20,056 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 £276,779 partly due to a significant increase in the number of children currently within Secure Accommodation placement and accounting for £174,862 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 residential schools and community-based placement within Children's Services continue to exceed resources allocated for the year.

### **3.7 Income**

The position at Period 9 is an under-recovery of income of £35,041. 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 £67,921 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  
22 January 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

Implementation officer: Allan McDougall, Head of Resource Support  
Tom McHugh, Head of Accounting Services

**AGENDA**