

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE – 31 JANUARY 2002

BUDGETARY PROGRESS REPORT SOCIAL WORK TO 18 NOVEMBER 2001 (PERIOD 8)

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 18 November 2001 (Period 8).

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 6, £26,218,640 has increased by £191,500 to £26,410,140 at Period 8. This is mainly due to additional Scottish Executive funding in respect of the Educational Attainment of Looked After Children initiative.
- 2.3** **Projected Out-turn**

Based on all available information, it is currently projected that the Social Work Service will out-turn at £26,410,140, which is on-line with the revised annual estimate for the year. This projected figure includes additional expenditure of £35,994 relating to the level of young people currently held within secure accommodation, which is outwith the control of the Council. There are a number of other budgetary pressures, which are highlighted in section 3 below.

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. 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 8

The net expenditure to date amounts to £16,097,528 compared to a budget of £16,415,617, resulting in the actual expenditure being less than the budget by £318,089. The budget to 18 November 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 18 Nov 01 Period 8	Actual Expend to 18 Nov 01 Period 8	Variance Expend to 18 Nov 01 Period 8	Revised Annual Estimate 2001-02	Projected Actual 2001-02	Variance	
	£	£	£	£	£	£	%
Regulation	1,431,496	1,356,592	-74,904	2,244,006	2,182,143	-61,863	-2.76
Children & Families/Criminal Justice	3,943,467	4,289,864	346,397	6,572,048	6,498,572	-73,476	-1.12
Community Care	9,074,059	8,511,305	-562,754	14,855,037	14,800,266	-54,771	-0.37
Health Board Account	958,907	839,632	-119,275	1,140,107	1,199,857	59,750	5.24
Support Services	1,007,688	1,100,135	92,447	1,598,942	1,729,302	130,360	8.15
	16,415,617	16,097,528	-318,089	26,410,140	26,410,140	0	0.00

2.6 Summary of Subjective Costs

	Budget Expend to 18 Nov 01 Period 8	Actual Expend to 18 Nov 01 Period 8	Variance Expend to 18 Nov 01 Period 8	Revised Annual Estimate 2001-02	Projected Actual 2001-02	Variance	
	£	£	£	£	£	£	%
Employee Costs	11,442,484	11,396,310	-46,174	18,413,587	18,407,994	-5,593	-0.03
Property Costs	457,243	375,721	-81,522	696,713	661,936	-34,777	-4.99
Transport Costs	552,270	486,073	-66,197	956,707	948,804	-7,903	-0.83
Supplies & Services	1,043,688	960,541	-83,147	1,881,556	1,842,865	-38,691	-2.06
Administration Costs	153,845	185,362	31,517	258,673	269,457	10,784	4.17
Payments to Other Bodies	7,356,743	6,941,740	-415,003	11,891,931	11,967,925	75,994	0.64
TOTAL EXPENDITURE	21,006,273	20,345,747	-660,526	34,099,167	34,098,981	-186	0.00
Income	-4,590,656	-4,248,219	342,437	-7,689,027	-7,688,841	186	0.00
NET EXPENDITURE	16,415,617	16,097,528	-318,089	26,410,140	26,410,140	0	0.00

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The position as at 18 November 2001 highlights a favourable variance of £46,174. Current projections indicate that expenditure on employee costs will be £5,593 less than that budgeted.

This reduced expenditure is largely due to savings in manual workers superannuation and National Insurance costs, offset by drivers' overtime costs in excess of budget.

3.2 Property Costs

The position as at 18 November 2001 highlights a favourable variance of £81,522 partly due to the timing of expenditure. The projected out-turn highlights a favourable variance of £34,777, mainly due a reduction in energy costs and general property costs expenditure.

3.3 Transport Costs

The current position highlights a favourable variance of £66,197, mainly due to the timing of expenditure. The projected out-turn for the year is an underspend of £7,903. This is mainly due to reduced costs of leasing agreements for replacement vehicles during the financial year as well as reduced repairs and maintenance costs. These reductions in expenditure are offset by increased vehicle hire costs in the year.

3.4 Supplies and Services

The reported variance at Period 8 is an underspend of £83,147, mainly due to the timing of expenditure. The projected out-turn for the year is an underspend of £38,691, mainly arising from reduced expenditure on equipment and catering costs.

3.5 Administration Costs

The adverse variance at Period 8, £31,517 is partly due to timing as well as additional general administration costs and is currently projected to out-turn at £10,784 over the annual budget.

3.6 Payments to Other Bodies

The current favourable variance of £415,003 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 £75,994 for the year. This is mainly due to an increase in the number of children currently within secure accommodation placement, as well as additional fostering allowances and supported lodgings within the Children and Families Service Unit and 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 8 is an under-recovery of income of £342,437 mainly due to the timing of recharges and billing for Health Board income. This relates to the timing of expenditure on Health Board projects, as highlighted in Payments to Other Bodies.

Unit Managers continue to closely monitor income 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

Alex McPhee
Director of Finance

John Mulgrew
Director of Educational and Social Services

AMcP
18 December 2001

LIST OF BACKGROUND PAPERS NIL

Members wishing further information should contact Alex McPhee, Financial Services Manager, Tel: (01563) 576848.

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AGENDA