

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE – 8 NOVEMBER 2001

BUDGETARY PROGRESS REPORT SOCIAL WORK TO 23 SEPTEMBER 2001 (PERIOD 6)

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 23 September 2001 (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 revised annual budget at Period 4, £25,988,950 has increased by £229,690 to £26,218,640 at Period 6. This is mainly due to additional Scottish Executive funding to pay for interim increases in care home fees, pending finalisation of the detailed review being undertaken by COSLA and Scottish Care.
- 2.3 Projected Out-turn

Based on all available information, it is currently projected that the Social Work Service will out-turn at £26,218,640, which is on-line with the revised annual estimate for the year. This projected figure includes additional expenditure of £27,797 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.

At this time, the Director of Educational and Social Services is undertaking a comprehensive budget re-alignment exercise to ensure that effective service delivery can be achieved within current financial resources.

2.4 Budget Performance to Period 6

The net expenditure to date amounts to £12,287,216 compared to a budget of £12,309,932, resulting in the actual expenditure being less than the budget by £22,716. The budget to 23 September 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 23 Sep 01 Period 6	Actual Expend to 23 Sep 01 Period 6	Variance Expend to 23 Sep 01 Period 6	Revised Annual Estimate 2001-02	Projected Actual 2001-02	Variance	
	£	£	£	£	£	£	%
Regulation	1,098,408	1,010,137	-88,271	2,355,985	2,158,517	-197,468	-8.38
Children & Families/Criminal Justice	3,087,466	3,260,385	172,919	6,490,879	6,211,391	-279,488	-4.31
Community Care	6,924,460	6,704,076	-220,384	14,764,483	14,903,663	139,180	0.94
Health Board Account	479,563	456,207	-23,356	1,110,107	1,147,078	36,971	3.33
Support Services	720,035	856,411	136,376	1,497,186	1,797,991	300,805	20.09
	12,309,932	12,287,216	-22,716	26,218,640	26,218,640	0	0.00

2.6 Summary of Subjective Costs

	Budget Expend to 23 Sep 01 Period 6	Actual Expend to 23 Sep 01 Period 6	Variance Expend to 23 Sep 01 Period 6	Revised Annual Estimate 2001-02	Projected Actual 2001-02	Variance	
	£	£	£	£	£	£	%
Employee Costs	8,840,804	8,664,985	-175,819	18,571,849	18,307,233	-264,616	-1.43
Property Costs	331,226	252,142	-79,084	715,621	668,190	-47,431	-6.63
Transport Costs	406,829	357,765	-49,064	951,708	999,639	47,931	5.04
Supplies & Services	740,937	750,983	10,046	1,600,823	1,721,453	120,630	7.54
Administration Costs	85,336	102,491	17,155	181,917	241,884	59,967	32.96
Payments to Other Bodies	5,413,743	5,115,219	-298,524	11,549,143	11,695,440	146,297	1.27
TOTAL EXPENDITURE	15,818,875	15,243,585	-575,290	33,571,061	33,633,839	62,778	0.19
Income	-3,508,943	-2,956,369	552,574	-7,352,421	-7,415,199	-62,778	0.85
NET EXPENDITURE	12,309,932	12,287,216	-22,716	26,218,640	26,218,640	0	0.00

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The position as at 23 September 2001 highlights a favourable variance of £176,819. Current projections indicate that expenditure on employee costs will be £264,616 less than that budgeted. This projection mainly results from vacant posts from April 2001 to the anticipated date of filling in the year.

This reduced expenditure is partially offset by unavoidable additional costs being incurred within residential units, in order to increase staffing levels in line with required minimum standards as well as drivers' overtime costs in excess of budget.

3.2 Property Costs

The position as at 23 September 2001 highlights a favourable variance of £79,084 partly due to the timing of expenditure. The projected out-turn highlights a favourable variance of £47,431, mainly due a reduction in general property costs expenditure.

3.3 Transport Costs

The current position highlights a favourable variance of £49,064, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £47,931. This is mainly due to increased costs of vehicle hires, which will be partially offset by commencement of leasing agreements for replacement vehicles during the financial year.

3.4 Supplies and Services

The reported variance at Period 6 is an overspend of £10,046, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £120,630, mainly arising from additional expenditure on supplies and services for young people, based on increased demand for such services, as well as additional expenditure relating to the replacement Social Work Information and Management System (SWIMS).

3.5 Administration Costs

The adverse variance at Period 6, £17,155 is mainly due to additional communication, advertising and general administration costs and is currently projected to out-turn at £59,967 over the annual budget. This is mainly due to an expected reduction in communication costs, especially in the operation of the electronic mail system and associated ISDN lines not being realised. This issue was highlighted in reports to the Social Work Committee in the last financial year.

3.6 Payments to Other Bodies

The current favourable variance of £298,524 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 £146,297 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.

These overspends are partially offset by a reduction in adoption allowances as well as managed slippage in funds set-aside for earmarked initiatives within Community Care.

3.7 Income

The position at Period 6 is an under-recovery of income of £552,574 mainly due to the timing of recharges and billing for Health Board income. Unit Managers are monitoring income to ensure that the department maximises income recoverable in the year.

Additional income of £62,778 is anticipated for the year. This is mainly due to higher than budgeted income from the Scottish Executive in respect of Criminal Justice services, as well as additional income from Premier Prisons and Ayrshire and Arran Health Board. These are partially offset by an under-recovery of income in relation to charges for aids and adaptations.

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
25 October 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