

# EAST AYRSHIRE COUNCIL

## SOCIAL WORK COMMITTEE – 14 SEPTEMBER 2000

### BUDGETARY CONTROL SUMMARY STATEMENT SOCIAL WORK TO 28 JULY 2000 (PERIOD 4)

#### 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 28 July 2000 (Period 4).

#### **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 £48,474 to £24,635,009 at Period 4 and is mainly due to costs associated with a reduction in the working week for Home Care staff per the Single Status agreements.

#### **2.3 Projected Out-turn**

Based on all available information, it is currently projected that the Social Work Service will out-turn on line with the revised annual estimate figure of £24,635,009 at 31 March 2001.

#### **2.4 Budget Performance to Period 4**

The net expenditure to date amounts to £7,205,629 compared to a budget of £7,378,203, resulting in the actual expenditure being, less than the budget by £172,174. The budget to 28 July 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 28 Jul 00 Period 4	Actual Expend to 28 Jul 00 Period 4	Variance Expend to 28 Jul 00 Period 4	Revised Annual Estimate 1999-00	Projected Actual 1999-00	Variance	
	£	£	£	£	£	£	%
Regulation	316,739	281,459	-35,280	924,785	893,785	-31,000	-3.35
Children & Families/Criminal Justice	2,327,172	2,266,208	-60,964	6,831,231	6,788,055	-43,176	-0.63
Community Care	3,522,250	3,496,567	-25,683	13,363,790	13,437,966	74,176	0.56
Health Board Account	498,367	478,702	-19,665	1,209,557	1,209,557	0	0.00
Support Services	713,675	682,693	-30,982	2,305,646	2,305,646	0	0.00
	<b>7,378,203</b>	<b>7,205,629</b>	<b>-172,574</b>	<b>24,635,009</b>	<b>24,635,009</b>	<b>0</b>	<b>0.00</b>

## 2.6 Summary of Subjective Costs

	Budget Expend to 28 Jul 00 Period 4	Actual Expend to 28 Jul 00 Period 4	Variance Expend to 28 Jul 00 Period 4	Revised Annual Estimate 1999-00	Projected Actual 1999-00	Variance	
	£	£	£	£	£	£	%
Employee Costs	5,189,974	4,940,851	-249,123	18,073,788	17,713,524	-360,264	-1.99
Property Costs	177,775	135,540	-42,235	745,245	780,245	35,000	4.70
Transport Costs	244,420	222,165	-22,255	913,450	996,950	83,500	9.14
Supplies & Services	363,648	354,076	-9,572	1,496,751	1,515,251	18,500	1.24
Administration Costs	59,004	90,788	31,784	170,917	170,917	0	0.00
Payments to Other Bodies	3,156,578	3,111,322	-45,256	9,559,246	9,779,110	219,864	2.30
<b>TOTAL EXPENDITURE</b>	<b>9,191,399</b>	<b>8,854,742</b>	<b>-336,657</b>	<b>30,959,397</b>	<b>30,955,997</b>	<b>-3,400</b>	<b>-0.01</b>
Income	-1,813,196	-1,649,113	164,083	-6,324,388	-6,320,988	3,400	-0.05
<b>NET EXPENDITURE</b>	<b>7,378,203</b>	<b>7,205,629</b>	<b>-172,574</b>	<b>24,635,009</b>	<b>24,635,009</b>	<b>0</b>	<b>0.00</b>

## 3 ANALYSIS OF VARIANCES

### 3.1 Employee Costs

The position as at 28 July 2000 highlights a favourable variance of £249,123. Current projections indicate that expenditure on employee costs will be £360,264 less than that budgeted. This projected underspend is mainly due to 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 28 July 2000 highlights a favourable variance of £42,235 due to the timing of expenditure. It is anticipated that additional expenditure over that budgeted of £35,000 will be incurred due to increased water rates charges and additional fuel costs.

### **3.3 Transport Costs**

The current position highlights a favourable variance of £22,255 mainly due to the timing of claims in respect of car mileage and allowances. The projected out-turn for the year in relation to this category of expenditure is an overspend of £83,500. This is due to unanticipated transport costs for the provision of transport to and from respite centres and schools £35,000. Arrangements for the provision of this service are to be reviewed following the amalgamation of the Education and Social Work departments. Additional car mileage and allowances of £48,500 are anticipated for the year. This expenditure heading is being closely examined with a view to taking remedial action to contain expenditure within budget.

### **3.4 Supplies and Services**

The favourable variance at Period 4, £9,572 arises from the timing of expenditure. The projected out-turn for the year is an overspend of £18,500 arising from the level of community meals services being provided. This will be addressed as a priority in terms of the agreement reached at the Social Work Committee of 20 October 1999 (item 12, Page 4187 96/99).

### **3.5 Administration Costs**

The adverse variance at Period 4, £31,784 is due to the timing of expenditure. It is anticipated that administration costs will out-turn in line with the annual budget for the year.

### **3.6 Payments to Other Bodies**

The current favourable variance, £45,256 is due to the timing of expenditure. The projected adverse variance of £219,864 is mainly due to the following factors. Expenditure on Secure Accommodation placements for children is projected to out-turn £101,132 in excess of budget due to the number of current and projected placements for the year. Similarly additional expenditure of £101,109 is projected in relation to the Community Alternative Placements Scheme (CAPS), again due to the current and projected demand for this service. These additional burdens within the Children and Families / Criminal Justice service unit are offset by a projected saving from reduced utilisation of residential services provided by another local authority £49,916 as well as miscellaneous savings totalling £29,041.

Within the Community Care service unit, additional expenditure of £132,580 is anticipated due to the level of demand for services purchased from national organisations as well as a projected increase in the level of service to be purchased from external providers £170,000. These two issues are offset by available funds within the home support and day care budget £155,000 and phased implementation of new initiatives £50,000.

### 3.7 **Income**

The current adverse variance, £164,083 mainly relates to the timing of recovery of income. The final out-turn position for the year highlights an under-recovery of income totalling £3,400, however a number of underlying issues are worthy of noting. A projected under-recovery of Community Meals income of £85,000 is offset by projected additional Home Care income £94,600. This is partly due to how care is packaged and charged for. A shortfall in income of £83,000 is apparent due to lower than expected numbers of new users who are only receiving Community Alarms services. Additional income from charges to users within residential units £29,000 and additional income from the Personal Assistance Scheme £41,000 assists in offsetting this shortfall however.

## 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  
5 September 2000

## **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

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**AGENDA**