

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE – 30 JANUARY 2003

BUDGETARY CONTROL SUMMARY STATEMENT SOCIAL WORK TO 17 NOVEMBER 2002 (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 Section for the period ended 17 November 2002 (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 annual budget at 1 April 2002, £29,562,960 has increased by £3,763,574 to £33,326,534 at Period 8. This is mainly due to additional resources from the Scottish Executive in respect of care home fees increases and Free Personal Care for the Elderly. The reporting structure of this report has been amended from previous periods to separately identify Support to Communities expenditure budgeted within Social Work.
- 2.3** **Projected Out-turn**

Based on all available information, it is currently projected that the Social Work Service will out-turn at £33,326,534, which is on-line with the revised annual estimate for the year.

The Social Work budget has been re-aligned for the current financial year. It is important to note that this has been achieved partly through identification of non-recurring savings. These include additional staff turnover from agreed posts, which cannot presently be recruited to, as well as savings from unavoidable delays in implementing new initiatives.

The projected break-even figure includes anticipated savings from the secure accommodation and residential schools budgets within Children and Families. These budgets are unpredictable and will be closely monitored for the remainder of the financial year.

Although the budget has been re-aligned for the current year, the department continues to face significant challenges in addressing unmet need in terms of a continuing and growing demand for a range of statutory services, including community care, childcare and addiction services.

2.4 Budget Performance to Period 8

The net expenditure to date amounts to £18,054,910 compared to a budget of £18,594,698, resulting in the actual expenditure being less than the budget by £539,788. The budget to 17 November 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 17 Nov 02 Period 8	Actual Expend to 17 Nov 02 Period 8	Variance Expend to 17 Nov 02 Period 8	Revised Annual Estimate 2002-03	Projected Actual 2002-03	Variance	
	£	£	£	£	£	£	%
Regulation	1,160,178	1,101,016	-59,162	2,066,178	2,068,171	1,993	0.10
Children & Families/Criminal Justice	3,938,200	3,849,123	-89,077	6,355,737	6,462,695	106,958	1.68
Community Care	11,621,107	11,477,211	-143,896	21,141,520	21,090,122	-51,398	-0.24
Health Board Account	347,725	180,637	-167,088	1,320,842	1,245,620	-75,222	-5.70
Resource Support	1,027,005	1,002,195	-24,810	1,604,399	1,710,110	105,711	6.59
Support to Communities	500,483	444,728	-55,755	837,858	749,816	-88,042	-10.51
	18,594,698	18,054,910	-539,788	33,326,534	33,326,534	0	0.00

2.6 Summary of Subjective Costs

	Budget Expend to 17 Nov 02 Period 8	Actual Expend to 17 Nov 02 Period 8	Variance Expend to 17 Nov 02 Period 8	Revised Annual Estimate 2002-03	Projected Actual 2002-03	Variance	
	£	£	£	£	£	£	%
Employee Costs	11,700,012	11,692,474	-7,538	19,228,844	19,380,031	151,187	0.79
Premises Costs	499,113	455,161	-43,952	827,541	874,603	47,062	5.69
Transport Related Costs	579,983	537,575	-42,408	994,243	1,059,035	64,792	6.52
Supplies & Services	1,184,928	1,139,521	-45,407	2,390,074	2,544,170	154,096	6.45
Third Party Payments	8,733,216	8,326,955	-406,261	17,353,578	17,056,195	-297,383	-1.71
Transfer Payments	665,366	750,613	85,247	1,045,237	1,152,677	107,440	10.28
TOTAL EXPENDITURE	23,362,618	22,902,299	-460,319	41,839,517	42,066,711	227,194	0.54
Income	-4,767,920	-4,847,389	-79,469	-8,512,983	-8,740,177	-227,194	2.67
NET EXPENDITURE	18,594,698	18,054,910	-539,788	33,326,534	33,326,534	0	0.00

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The position as at 17 November 2002 highlights a favourable variance of £7,538. Current projections indicate that expenditure on employee costs will be £151,187 greater than budgeted. This projection largely results from expenditure on additional Training Grant from the Scottish Executive (offset by additional income) and additional sessional staff cover within residential units.

This projection includes savings from vacant posts from 1 April to 17 November 2002 and takes account of the anticipated date of filling in the year.

3.2 Premises Costs

The year-to-date position highlights a favourable variance of £43,952, partly due to the timing of expenditure. The projected out-turn highlights an overspend of £47,062, mainly due to additional property repairs costs, water charges and energy costs.

3.3 Transport Related Costs

The current position highlights a favourable variance of £42,408, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £64,792. This is mainly due to additional car mileage and allowances.

3.4 Supplies and Services

The reported variance at Period 8 is an underspend of £45,407, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £154,096. This is mainly due to additional expenditure on client requisites, catering costs, recruitment advertising and miscellaneous supplies and services, as well as additional expenditure to offset Children's Change Fund monies carried forward from the last financial year.

3.5 Third Party Payments

The favourable variance at Period 8, £406,261 is partly due to the timing of payments to external providers of services. The projected out-turn is an underspend of £297,383 and is largely due to reduced expenditure on residential schools and secure accommodation placements within Children and Families, as well as reduced expenditure on externally-provided home care services.

3.6 **Transfer Payments**

The current and projected additional expenditure is due to the level of fostering and adoption allowances being incurred, as well as payments to young people leaving the care of the authority. The additional expenditure on fostering and adoption contributes to reduced expenditure on residential schools placement costs, as outlined above.

3.7 **Income**

The position at Period 8 is an over-recovery of income of £79,469. It is anticipated that income will be over-recovered by £227,194 for the year. This is mainly due to increased Training Grant and Criminal Justice Grant income from the Scottish Executive, as well as unbudgeted Transitional Housing Benefit income.

The level of Transitional Housing Benefit income recoverable in the year is dependent on the timing of implementation of tenancy agreements and the department continues to work closely with the Housing Benefits section to ensure that agreements are in place by the due date.

4 **RECOMMENDATIONS**

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

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John Mulgrew
**Director of Educational and
Social Services**

AMcP
13 January 2003

LIST OF BACKGROUND PAPERS NIL

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

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