

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE – 29 JANUARY 2004

BUDGETARY PROGRESS REPORT SOCIAL WORK TO 16 NOVEMBER 2003 (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 Social Work for the period ended 16 November 2003 (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 service charges and capital charges.
- 2.2 The Social Work approved annual budget at 1 April 2003, £36,686,180 has increased by £404,730 at Period 8. This is mainly due to additional Residential Allowance transfer funding from the Scottish Executive, as well as the department's Quality of Life funding allocation for the year.

2.3 Projected Out-turn

Based on all available information, it is currently projected that the Social Work Service will out-turn at £37,090,910, which is on-line with the revised annual estimate for the year.

As in 2002/03, the Social Work budget has been re-aligned for the current financial year. This exercise is required due to historical budget pressures, as well as the efficiency target allocated as part of the budget-setting process for the current 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 budget within Children and Families. This budget is 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. It will be necessary to closely monitor and possibly review the re-aligned budget over the course of the financial year to ensure that all service pressures can be addressed.

2.4 Budget Performance to Period 8

The net expenditure to date amounts to £17,718,406, compared to a budget of £18,453,909, resulting in the actual expenditure being less than the budget by £735,503. The budget to 16 November 2003 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 16 Nov 03 Period 8	Actual Expend to 16 Nov 03 Period 8	Variance Expend to 16 Nov 03 Period 8	Revised Annual Estimate 2003-04	Projected Actual 2003-04	Variance	
	£	£	£	£	£	£	%
Regulation	67,818	62,374	-5,444	108,204	110,210	2,006	1.85
Quality and Planning	1,591,386	1,501,869	-89,517	2,613,165	2,587,503	-25,662	-0.98
Children & Families/Criminal Justice	3,503,767	3,411,864	-91,903	6,446,017	6,319,163	-126,854	-1.97
Community Care	12,277,856	12,096,864	-180,992	23,680,467	23,944,159	263,692	1.11
Health Board Account	-722,274	-1,078,162	-355,888	1,538,769	1,328,500	-210,269	-13.67
Resource Support	1,135,250	1,136,563	1,313	1,815,501	1,918,668	103,167	5.68
Community Support	600,106	587,034	-13,072	888,787	882,707	-6,080	-0.68
	18,453,909	17,718,406	-735,503	37,090,910	37,090,910	0	0.00

2.6 Summary of Subjective Costs

	Budget Expend to 16 Nov 03 Period 8	Actual Expend to 16 Nov 03 Period 8	Variance Expend to 16 Nov 03 Period 8	Revised Annual Estimate 2003-04	Projected Actual 2003-04	Variance	
	£	£	£	£	£	£	%
Employee Costs	14,013,381	13,922,712	-90,669	22,867,633	22,797,550	-70,083	-0.31
Premises Costs	558,462	434,474	-123,988	875,879	897,079	21,200	2.42
Transport Related Costs	662,909	620,311	-42,598	1,148,373	1,215,154	66,781	5.82
Supplies & Services	1,224,933	1,059,649	-165,284	3,110,032	3,151,998	41,966	1.35
Third Party Payments	10,570,789	10,329,867	-240,922	21,911,106	21,945,961	34,855	0.16
Transfer Payments	972,106	981,479	9,373	1,579,651	1,627,287	47,636	3.02
TOTAL EXPENDITURE	28,002,580	27,348,492	-654,088	51,492,674	51,635,029	142,355	0.28
Income	-9,548,671	-9,630,086	-81,415	14,401,764	14,544,119	-142,355	0.99
NET EXPENDITURE	18,453,909	17,718,406	-735,503	37,090,910	37,090,910	0	0.00

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The position as at 16 November 2003 highlights a favourable variance of £90,669. This is partly due to timing of expenditure, as well as unavoidable delays in filling vacant posts in the year-to-date, largely due to a national

shortage of qualified staff. These savings are partially offset by additional internally delivered home care services for the year-to-date. An action plan has been agreed to ensure that this additional home care expenditure can be contained within the department's overall resource allocation for the year.

Current projections indicate that expenditure on employee costs will be £70,083 less than budgeted. As highlighted above, this projection largely results from savings attributable to vacant posts, as well as reduced expenditure on Health initiatives, partially offset additional costs within the home care division.

3.2 Premises Costs

The year-to-date position highlights a favourable variance of £123,988, partly due to the timing of expenditure. The projected out-turn highlights an overspend of £21,200 mainly due to additional property repairs costs and energy costs.

3.3 Transport Related Costs

The current position highlights a favourable variance of £42,598 mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £66,781. This is mainly due to additional car mileage and allowances and vehicle hire costs.

3.4 Supplies and Services

The reported variance at Period 8 is an underspend of £165,284, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £41,966, mainly arising from additional expenditure on recruitment advertising costs, partially offset by reduced expenditure miscellaneous supplies and services.

3.5 Third Party Payments

The favourable variance at Period 8, £240,922 is partly due to the timing of payments to external providers of services. The projected out-turn is an overspend of £34,955 and is largely due to increased adult care package costs and increased expenditure on external residential schools placements within Children and Families. These additional costs are partially offset reduced expenditure on secure accommodation placements, as well as slippage and other one-off savings in the current year.

3.6 Transfer Payments

The current adverse variance, £9,373 is partly due to timing of expenditure. The projected overspend of £47,636 is mainly due to an anticipated increase in fostering and adoption allowances from the level originally budgeted. This additional expenditure on fostering allowances contributes to reduced expenditure on more expensive residential school placement costs.

3.7 Income

The position at Period 8 is an over-recovery of income of £81,415, partly due to timing of receipt of income. It is anticipated that additional income of £142,355

will be recovered for the year. This is mainly due to an anticipated increase in income from Supporting People funding to offset the cost of services provided, as well as additional income from charges to residents. These issues are partially offset by reduced income from the Health Board, which in turn is offset by reduced expenditure.

4 RECOMMENDATIONS

- 4.1** It is recommended that the Social Work Committee note the contents of this report.

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Director of Finance

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

AMcP
20 January 2004

LIST OF BACKGROUND PAPERS NIL

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

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