

# EAST AYRSHIRE COUNCIL

## SOCIAL WORK COMMITTEE – 27 MARCH 2003

### BUDGETARY PROGRESS REPORT SOCIAL WORK TO 9 FEBRUARY 2003 (PERIOD 11)

#### 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 9 February 2003 (Period 11).

## 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 11. 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.
- 2.3 Projected Out-turn

Based on all available information, it is currently projected that the Social Work Service will out-turn at £33,239,049, which is £87,485 less than 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. The national shortage of key workers has an adverse effect on the implementation of new initiatives.

The projected underspend includes an anticipated saving 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.

## 2.4 Budget Performance to Period 11

The net expenditure to date amounts to £25,936,057 compared to a budget of £26,669,364, resulting in the actual expenditure being less than the budget by £733,307. The budget to 9 February 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<br>Expend to<br>9 Feb 03<br>Period 11 | Actual<br>Expend to<br>9 Feb 03<br>Period 11 | Variance<br>Expend to<br>9 Feb 03<br>Period 11 | Revised<br>Annual<br>Estimate<br>2002-03 | Projected<br>Actual<br>2002-03 | Variance       |              |
|--------------------------------------|--|--|--|--|--------------------------------|----------------|--------------|
|                                      | £  | £  | £  | £  | £                              | £              | %            |
| Regulation                           | 1,804,315                                    | 1,719,833                                    | -84,482  | 2,066,178                                | 2,104,004                      | 37,826         | 1.83         |
| Children & Families/Criminal Justice | 5,595,066                                    | 4,933,482                                    | -661,584                                       | 6,355,737                                | 6,233,916                      | -121,821       | -1.92        |
| Community Care                       | 15,683,387                                   | 16,030,045                                   | 346,658  | 21,087,659                               | 21,059,220                     | -28,439        | -0.14        |
| Health Board Account                 | 1,436,807                                    | 1,210,126                                    | -226,681                                       | 1,374,703                                | 1,375,711                      | 1,008          | 0.07         |
| Resource Support                     | 1,377,757                                    | 1,354,082                                    | -23,675  | 1,604,399                                | 1,717,826                      | 113,427        | 7.07         |
| Support to Communities               | 772,032                                      | 688,489                                      | -83,543  | 837,858                                  | 748,372                        | -89,486        | -10.68       |
|                                      | <b>26,669,364</b>                            | <b>25,936,057</b>                            | <b>-733,307</b>                                | <b>33,326,534</b>                        | <b>33,239,049</b>              | <b>-87,485</b> | <b>-0.26</b> |

## 2.6 Summary of Subjective Costs

|                          | Budget<br>Expend to<br>9 Feb 03<br>Period 11 | Actual<br>Expend to<br>9 Feb 03<br>Period 11 | Variance<br>Expend to<br>9 Feb 03<br>Period 11 | Revised<br>Annual<br>Estimate<br>2002-03 | Projected<br>Actual<br>2002-03 | Variance       |              |
|--------------------------|--|--|--|--|--------------------------------|----------------|--------------|
|                          | £  | £  | £  | £  | £                              | £              | %            |
| Employee Costs           | 16,521,464                                   | 16,459,464                                   | -62,000  | 19,244,786                               | 19,322,236                     | 77,450         | 0.40         |
| Premises Costs           | 703,095                                      | 588,426                                      | -114,669                                       | 854,051                                  | 866,054                        | 12,003         | 1.41         |
| Transport Related Costs  | 839,310                                      | 794,461                                      | -44,849  | 995,453                                  | 1,034,039                      | 38,586         | 3.88         |
| Supplies & Services      | 1,977,222                                    | 1,657,016                                    | -320,206                                       | 2,714,027                                | 2,926,358                      | 212,331        | 7.82         |
| Third Party Payments     | 12,691,709                                   | 12,367,501                                   | -324,208                                       | 17,185,978                               | 17,489,109                     | 303,131        | 1.76         |
| Transfer Payments        | 909,735                                      | 1,017,585                                    | 107,850  | 1,045,237                                | 1,135,854                      | 90,617         | 8.67         |
| <b>TOTAL EXPENDITURE</b> | <b>33,642,535</b>                            | <b>32,884,453</b>                            | <b>-758,082</b>                                | <b>42,039,532</b>                        | <b>42,773,650</b>              | <b>734,118</b> | <b>1.75</b>  |
| Income                   | -6,973,171                                   | -6,948,396                                   | 24,775   | -8,712,998                               | -9,534,601                     | -821,603       | 9.43         |
| <b>NET EXPENDITURE</b>   | <b>26,669,364</b>                            | <b>25,936,057</b>                            | <b>-733,307</b>                                | <b>33,326,534</b>                        | <b>33,239,049</b>              | <b>-87,485</b> | <b>-0.26</b> |

### **3 ANALYSIS OF VARIANCES**

#### **3.1 Employee Costs**

The position as at 9 February 2003 highlights a favourable variance of £62,000. Current projections indicate that expenditure on employee costs will be £77,450 greater than budgeted. This projection is largely due to expenditure on posts funded from additional income as well as additional sessional staff cover within residential units.

This projection includes savings from vacant posts from 1 April 2002 to 9 February 2003 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 £114,669 partly due to the timing of expenditure. The projected out-turn highlights an overspend of £12,003, mainly due to unbudgeted costs incurred to provide necessary cover during the recent Fire Fighters pay dispute, as well as additional water rates charges. These issues are partially offset by reduced expenditure on general property repairs.

#### **3.3 Transport Related Costs**

The current position highlights a favourable variance of £44,849, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £38,586. This is mainly due to additional car mileage and allowances, partially offset by reduced excess travel costs.

#### **3.4 Supplies and Services**

The reported variance at Period 11 is an underspend of £320,206, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £212,331. This is mainly due to additional expenditure on client requisites, catering costs and other miscellaneous supplies and services. These costs are largely offset by additional Transitional Housing Benefit income.

#### **3.5 Third Party Payments**

The favourable variance at Period 11, £324,208 is partly due to the timing of payments to external providers of services. The projected out-turn is an overspend of £303,131 and is largely due to expenditure on services delivered by third party providers, offset by additional Transitional Housing Benefit and Health Board income. These costs are partially offset by reduced expenditure on secure accommodation placements within Children and Families.

### **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 a reduction on more expensive residential schools placement costs.

### **3.7 Income**

The position at Period 11 is an under-recovery of income of £24,775. It is anticipated that income will be over-recovered by £821,603 for the year. This is mainly due to increased Criminal Justice Grant income from the Scottish Executive, increased income from the Health Board, 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 Supporting People team within Housing, 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.

Alex McPhee  
**Director of Finance**

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

AMcP  
10 March 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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