

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE – 9 NOVEMBER 2000

BUDGETARY CONTROL SUMMARY STATEMENT SOCIAL WORK TO 22 SEPTEMBER 2000 (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 22 September 2000 (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 annual budget at 1 April 2000, £24,586,535 has increased by £6,914 to £24,593,449 at Period 6. This is due to additional resources allocated, mainly in respect of costs associated with a reduction in the working week for Home Care staff per the Single Status agreements. This is offset by a reduction, mainly attributable to staffing amendments approved as part of the Council restructuring on 1 July 2000.

2.3 Projected Out-turn

Based on all available information, it is currently projected that the Social Work Service will out-turn at £24,593,449, which is on line with the revised annual estimate figure for the year. There are a number of budgetary pressures, which are highlighted in section 3 below. At this time, the Director of Educational and Social Services is looking to identify funding measures to ensure service delivery can be achieved within current financial resources.

2.4 Budget Performance to Period 6

The net expenditure to date amounts to £10,682,609 compared to a budget of £11,343,137, resulting in the actual expenditure being, less than the budget by £660,528. The budget to 22 September 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 22 Sep 00 Period 6	Actual Expend to 22 Sep 00 Period 6	Variance Expend to 22 Sep 00 Period 6	Revised Annual Estimate 1999-00	Projected Actual 1999-00	Variance	
	£	£	£	£	£	£	%
Regulation	442,896	371,070	-71,826	947,715	851,975	-95,740	-10.10
Children & Families/Criminal Justice	3,390,441	3,022,847	-367,594	6,763,719	6,761,789	-1,930	-0.03
Community Care	6,087,446	6,162,741	75,295	13,264,451	13,344,518	80,067	0.60
Health Board Account	376,976	129,691	-247,285	1,318,127	1,280,243	-37,884	-2.87
Support Services	1,045,378	996,260	-49,118	2,299,437	2,354,924	55,487	2.41
	11,343,137	10,682,609	-660,528	24,593,449	24,593,449	0	0.00

2.6 Summary of Subjective Costs

	Budget Expend to 22 Sep 00 Period 6	Actual Expend to 22 Sep 00 Period 6	Variance Expend to 22 Sep 00 Period 6	Revised Annual Estimate 1999-00	Projected Actual 1999-00	Variance	
	£	£	£	£	£	£	%
Employee Costs	8,400,840	8,034,566	-366,274	18,111,825	17,847,072	-264,753	-1.46
Property Costs	299,065	227,840	-71,225	755,245	787,949	32,704	4.33
Transport Costs	390,916	351,195	-39,721	920,445	999,635	79,190	8.60
Supplies & Services	633,051	669,134	36,083	1,549,254	1,613,574	64,320	4.15
Administration Costs	81,143	87,548	6,405	173,922	204,065	30,143	17.33
Payments to Other Bodies	4,375,999	4,318,480	-57,519	9,596,746	9,580,736	-16,010	-0.17
TOTAL EXPENDITURE	14,181,014	13,688,763	-492,251	31,107,437	31,033,031	-74,406	-0.24
Income	-2,837,877	-3,006,154	-168,277	-6,513,988	-6,439,582	74,406	-1.14
NET EXPENDITURE	11,343,137	10,682,609	-660,528	24,593,449	24,593,449	0	0.00

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The position as at 22 September 2000 highlights a favourable variance of £366,274. Current projections indicate that expenditure on employee costs will be £264,753 less than that budgeted. This projection results from 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 22 September 2000 highlights a favourable variance of £71,225 due to the timing of expenditure. The projected out-turn highlights an adverse variance of £32,704 attributable to additional energy costs.

A non-domestic rates assessment has been received, which has indicated that a number of properties have been classified as office accommodation. The department has appealed this evaluation and awaits a final decision from the Assessor's office. If the appeal is unsuccessful, additional rates costs of £81,522 are likely to be incurred, and Committee will be advised of the outcome at the earliest opportunity.

3.3 Transport Costs

The current position highlights a favourable variance of £39,721, mainly due to the timing of claims in respect of car mileage and allowances. The projected out-turn for the year is an overspend of £79,190. This is mainly due to unanticipated respite transport costs and hire of vehicles. The Director of Educational and Social Services is conducting an analysis of this expenditure with a view to taking corrective action where possible.

3.4 Supplies and Services

The reported variance at Period 6 is an overspend of £36,083 and arises from the timing of expenditure. The projected out-turn for the year is an overspend of £64,320, mainly 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 6, £6,405 is due to additional communication costs and is currently projected to out-turn at £30,143 over the annual budget.

3.6 Payments to Other Bodies

The current favourable variance, £57,519 is due to the timing of expenditure. There are a number of issues across all sectors of the department, which are resulting in both adverse and favourable variances. Unit Managers are monitoring and controlling expenditure to ensure that the department remains within the resource allocation for the financial year.

There is a potential overspend of £223,866 due to a significant increase in the number of children currently within Secure Accommodation placement. This is a national issue and the Director of Educational and Social Services is investigating alternative funding methods for this item of expenditure in the current year. Any alteration to the projection will be reported to Committee in due course.

3.7 Income

The current favourable variance, £168,277 mainly relates to the timing of income from the Scottish Executive and Ayrshire and Arran Health Board. As with Payments to Other Bodies, there are several areas that show variance from the

annual budget. Unit Managers are monitoring income to ensure that the department maximises income recoverable in the year.

In the main any under recoveries are currently being met by over recoveries in other headings. However, within Community Care there is a potential under recovery for Aids and Adaptations income, although officers are investigating ways to address this shortfall from within the department's overall budget. Members will be advised of the situation at the earliest opportunity. The projected under recovery of £74,406 mainly results from lower than budgeted income for charges to new Community Alarms users.

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/EC
31 October 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

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AGENDA