

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE – 7 NOVEMBER 2002

BUDGETARY CONTROL SUMMARY STATEMENT SOCIAL WORK TO 22 SEPTEMBER 2002 (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 Social Work for the period ended 22 September 2002 (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 2002, £29,562,960 has increased by £3,763,574 to £33,326,534 at Period 6. 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 £33,326,534, 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 6

The net expenditure to date amounts to £13,450,400 compared to a budget of £13,725,494, resulting in the actual expenditure being less than the budget by £275,094. The budget to 22 September 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 22 Sep 02 Period 6	Actual Expend to 22 Sep 02 Period 6	Variance Expend to 22 Sep 02 Period 6	Revised Annual Estimate 2002-03	Projected Actual 2002-03	Variance	
	£	£	£	£	£	£	%
Regulation	1,049,890	1,017,583	-32,307	2,365,990	2,346,493	-19,497	-0.82
Children & Families/Criminal Justice	3,091,582	3,066,077	-25,505	6,768,262	6,772,378	4,116	0.06
Community Care	8,326,567	8,142,697	-183,870	21,168,721	21,194,708	25,987	0.12
Health Board Account	503,290	469,490	-33,800	1,320,842	1,255,825	-65,017	-4.92
Resource Support	754,165	754,553	388	1,702,719	1,757,130	54,411	3.20
	13,725,494	13,450,400	-275,094	33,326,534	33,326,534	0	0.00

2.6 Summary of Subjective Costs

	Budget Expend to 22 Sep 02 Period 6	Actual Expend to 22 Sep 02 Period 6	Variance Expend to 22 Sep 02 Period 6	Revised Annual Estimate 2002-03	Projected Actual 2002-03	Variance	
	£	£	£	£	£	£	%
Employee Costs	9,151,062	8,993,714	-157,348	19,215,120	19,166,451	-48,669	-0.25
Premises Costs	302,051	316,927	14,876	827,541	847,244	19,703	2.38
Transport Related Costs	428,783	399,324	-29,459	990,991	1,081,001	90,010	9.08
Supplies & Services	862,115	809,115	-53,000	2,390,074	2,534,954	144,880	6.06
Third Party Payments	6,249,738	6,086,090	-163,648	17,442,743	17,107,695	-335,048	-1.92
Transfer Payments	488,741	598,905	110,164	1,045,237	1,168,688	123,451	11.81
TOTAL EXPENDITURE	17,482,490	17,204,075	-278,415	41,911,706	41,906,033	-5,673	-0.01
Income	-3,756,996	-3,753,675	3,321	-8,585,172	-8,579,499	5,673	-0.07
NET EXPENDITURE	13,725,494	13,450,400	-275,094	33,326,534	33,326,534	0	0.00

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The position as at 22 September 2002 highlights a favourable variance of £157,348. Current projections indicate that expenditure on employee costs will be £48,669 less than that budgeted. This projection largely results from vacant posts from April 2002 to the anticipated date of filling in the year.

3.2 Premises Costs

The year-to-date position highlights an adverse variance of £14,876, partly due to the timing of expenditure. The projected out-turn highlights an overspend of £19,703, mainly due to additional property repairs costs and energy costs.

3.3 Transport Related Costs

The current position highlights a favourable variance of £29,459, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £90,010. This is mainly due to additional car mileage and allowances.

3.4 Supplies and Services

The reported variance at Period 6 is an underspend of £53,000, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £144,880. This is mainly due to additional expenditure on client requisites, catering costs 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 6, £163,648 is partly due to the timing of payments to external providers of services. The projected out-turn is an underspend of £335,048 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 6 is an under-recovery of income of £3,321. It is anticipated that income will be under-recovered by £5,673 for the year. This is mainly due to reduced income from the Health Board, which in-turn is offset by reduced expenditure.

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
22 October 2002

LIST OF BACKGROUND PAPERS

NIL

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

Implementation officer: Euan Couperwhite, Departmental Finance Officer
Tom McHugh, Head of Accounting Services

AGENDA