

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE – 6 NOVEMBER 2003

BUDGETARY CONTROL SUMMARY STATEMENT SOCIAL WORK TO 21 SEPTEMBER 2003 (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 21 September 2003 (Period 6).

2 OVERALL POSITION

- 2.1 The following report relates to service costs and income directly controlled by the department and excludes rechargeable 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 £133,840 at Period 6. This is mainly due to the department's Quality of Life funding allocation for the year as well as additional funding from the Scottish Executive.
- 2.3 Projected Out-turn

Based on all available information, it is currently projected that the Social Work Service will out-turn at £36,820,020, 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 6

The net expenditure to date amounts to £15,599,844 compared to a budget of £15,973,771 resulting in the actual expenditure being less than the budget by £373,927. The budget to 21 September 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 21 Sep 03 Period 6	Actual Expend to 21 Sep 03 Period 6	Variance Expend to 21 Sep 03 Period 6	Revised Annual Estimate 2003-04	Projected Actual 2003-04	Variance	
	£	£	£	£	£	£	%
Regulation	47,243	45,597	-1,646	101,204	100,645	-559	-0.55
Quality and Planning	1,185,279	1,092,193	-93,086	2,613,165	2,591,100	-22,065	-0.84
Children & Families/Criminal Justice	2,737,366	2,756,783	19,417	6,446,017	6,333,649	-112,368	-1.74
Community Care	9,979,784	9,923,927	-55,857	23,348,728	23,292,180	-56,548	-0.24
Health Board Account	745,599	518,919	-226,680	1,606,618	1,719,249	112,631	7.01
Resource Support	852,400	831,204	-21,196	1,815,501	1,918,253	102,752	5.66
Community Support	426,100	431,221	5,121	888,787	864,944	-23,843	-2.68
	15,973,771	15,599,844	-373,927	36,820,020	36,820,020	0	0.00

2.6 Summary of Subjective Costs

	Budget Expend to 21 Sep 03 Period 6	Actual Expend to 21 Sep 03 Period 6	Variance Expend to 21 Sep 03 Period 6	Revised Annual Estimate 2003-04	Projected Actual 2003-04	Variance	
	£	£	£	£	£	£	%
Employee Costs	10,123,635	10,289,920	166,285	21,849,837	21,995,642	145,805	0.67
Premises Costs	435,491	386,723	-48,768	875,879	903,338	27,459	3.14
Transport Related Costs	489,316	449,479	-39,837	1,158,107	1,263,973	105,866	9.14
Supplies & Services	644,383	603,066	-41,317	3,007,839	3,028,325	20,486	0.68
Third Party Payments	8,042,953	7,681,190	-361,763	22,231,626	21,858,367	-373,259	-1.68
Transfer Payments	729,082	789,700	60,618	1,579,651	1,624,973	45,322	2.87
TOTAL EXPENDITURE	20,464,860	20,200,078	-264,782	50,702,939	50,674,618	-28,321	-0.06
Income	-4,491,089	-4,600,234	-109,145	-13,882,919	-13,854,598	28,321	-0.20
NET EXPENDITURE	15,973,771	15,599,844	-373,927	36,820,020	36,820,020	0	0.00

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The position as at 21 September 2003 highlights an adverse variance of £166,285. This is largely due to additional internally delivered home care services for the year-to-date. An action plan has been agreed to ensure that

this additional expenditure can be contained within the department's overall resource allocation and this is reflected in the projected out-turn for the year. This additional expenditure is partially offset by savings achieved due to unavoidable delays in filling vacant posts and reflects a national shortage of qualified Social Work staff.

Current projections indicate that expenditure on employee costs will be £145,805 greater than that budgeted. As highlighted above, this projection largely results from additional costs within the home care division for the year and is partially offset by savings on vacant posts from April 2003 to the actual and anticipated date of filling in the year.

3.2 Premises Costs

The year-to-date position highlights a favourable variance of £48,768, partly due to the timing of expenditure. The projected out-turn highlights an overspend of £27,459 mainly due to additional property repairs costs and energy costs.

3.3 Transport Related Costs

The current position highlights a favourable variance of £39,837 mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £105,866. This is mainly due to additional car mileage and allowances and vehicle hire costs.

3.4 Supplies and Services

The reported variance at Period 6 is an underspend of £41,317, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £20,486 mainly arising from additional expenditure on recruitment advertising costs.

3.5 Third Party Payments

The favourable variance at Period 6, £361,763 is partly due to the timing of payments to external providers of services. The projected out-turn is an underspend of £373,259 and is largely due to reduced expenditure on secure accommodation placements within Children and Families, as well as reduced expenditure on externally provided home care services. This second issue offsets increased expenditure on internally delivered services, as detailed at 3.1 in the report.

3.6 Transfer Payments

The current adverse variance, £60,618 is partly due to timing of expenditure. The projected overspend of £45,322 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 6 is an over-recovery of income of £109,145, partly due to timing of receipt of income. It is anticipated that income will be under-recovered by £28,321 for the year. This is due to an anticipated reduction in income from clients, based on current recovery levels and will be closely monitored for the remainder of the financial year.

4 RECOMMENDATIONS

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

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

AMcP
23 October 2003

LIST OF BACKGROUND PAPERS NIL

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

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