

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE – 11 SEPTEMBER 2003

BUDGETARY PROGRESS REPORT SOCIAL WORK TO 27 JULY 2003 (PERIOD 4)

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 27 July 2003 (Period 4).

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 2003, £36,686,180 has increased by £52,840 to £36,739,020 at Period 4. This is due to the department's Quality of Life funding allocation for the year, as well as a movement of training resources from Corporate Services to offset the cost of a post transferred.

2.3 Projected Out-turn

Based on all available information, it is currently projected that the Social Work Service will out-turn at £36,739,020, 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 4

The net expenditure to date amounts to £8,893,659 compared to a budget of £9,113,980, resulting in the actual expenditure being less than the budget by £220,321. The budget to 27 July 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 27 July 03 Period 4 | Actual Expend to 27 July 03 Period 4 | Variance Expend to 27 July 03 Period 4 | Revised Annual Estimate 2003-04 | Projected Actual 2003-04 | Variance | |
|--------------------------------------|---|---|---|--|--------------------------------|----------|-------------|
| | £ | £ | £ | £ | £ | £ | % |
| Regulation | 30,376 | 35,928 | 5,552 | 101,204 | 98,610 | -2,594 | -2.56 |
| Quality and Planning | 783,305 | 759,689 | -23,616 | 2,613,165 | 2,627,641 | 14,476 | 0.55 |
| Children & Families/Criminal Justice | 1,879,283 | 1,815,276 | -64,007 | 6,446,017 | 6,427,002 | -19,015 | -0.30 |
| Community Care | 6,241,347 | 6,171,581 | -69,766 | 23,228,301 | 23,127,458 | -100,843 | -0.43 |
| Health Board Account | -668,906 | -751,982 | -83,076 | 1,620,618 | 1,721,461 | 100,843 | 6.22 |
| Resource Support | 557,293 | 544,195 | -13,098 | 1,840,928 | 1,901,424 | 60,496 | 3.29 |
| Community Support | 291,282 | 318,972 | 27,690 | 888,787 | 835,424 | -53,363 | -6.00 |
| | 9,113,980 | 8,893,659 | -220,321 | 36,739,020 | 36,739,020 | 0 | 0.00 |

2.6 Summary of Subjective Costs

| | Budget Expend to 27 July 03 Period 4 | Actual Expend to 27 July 03 Period 4 | Variance Expend to 27 July 03 Period 4 | Revised Annual Estimate 2003-04 | Projected Actual 2003-04 | Variance | |
|--------------------------|---|---|---|--|--------------------------------|----------------|--------------|
| | £ | £ | £ | £ | £ | £ | % |
| Employee Costs | 6,887,895 | 7,018,886 | 130,991 | 22,282,720 | 22,501,030 | 218,310 | 0.98 |
| Premises Costs | 246,412 | 225,928 | -20,484 | 875,423 | 898,651 | 23,228 | 2.65 |
| Transport Related Costs | 308,734 | 289,314 | -19,420 | 1,153,650 | 1,237,766 | 84,116 | 7.29 |
| Supplies & Services | 2,756,602 | 2,517,374 | -239,228 | 11,233,412 | 11,275,987 | 42,575 | 0.38 |
| Third Party Payments | 2,489,020 | 2,212,119 | -276,901 | 13,538,595 | 13,208,600 | -329,995 | -2.44 |
| Transfer Payments | 433,987 | 490,152 | 56,165 | 1,410,426 | 1,329,212 | -81,214 | -5.76 |
| TOTAL EXPENDITURE | 13,122,650 | 12,753,773 | -368,877 | 50,494,226 | 50,451,246 | -42,980 | -0.09 |
| Income | -4,008,670 | -3,860,114 | 148,556 | -13,755,206 | -13,712,226 | 42,980 | -0.31 |
| NET EXPENDITURE | 9,113,980 | 8,893,659 | -220,321 | 36,739,020 | 36,739,020 | 0 | 0.00 |

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The position as at 27 July 2003 highlights an adverse variance of £130,991. This is largely due to additional internally delivered home care services for the year-to-date. Current projections indicate that expenditure on employee costs will be £246,687 greater than that budgeted. This projection largely results from additional costs within the home care and transport divisions. These projected additional costs are 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 £20,484, partly due to the timing of expenditure. The projected out-turn highlights an overspend of £23,228 mainly due to additional property rental costs and energy costs.

3.3 Transport Related Costs

The current position highlights a favourable variance of £19,420 mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of £84,116. This is mainly due to additional car mileage and allowances and vehicle hire costs.

3.4 Supplies and Services

The reported variance at Period 4 is an underspend of £239,228, mainly due to the timing of expenditure. The projected out-turn for the year is an overspend of

£42,575 mainly arising from additional expenditure within the Children and Families operational budget, to meet increased demands on the service.

3.5 Third Party Payments

The favourable variance at Period 4, £276,901 is partly due to the timing of payments to external providers of services. The projected out-turn is an underspend of £329,995 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 highlighted within Employee Costs. This area of the budget will be closely monitored for the remainder of the financial year.

3.6 Transfer Payments

The current adverse variance, £56,165 is largely due to timing of expenditure. The projected underspend of £81,214 is mainly due to an anticipated reduction in adoption allowances from the level originally budgeted. This saving is partially offset by additional fostering allowances, which in turn contributes to reduced expenditure on more expensive residential school placement costs.

3.7 Income

The position at Period 4 is an under-recovery of income of £148,556, partly due to timing of receipt of income. It is anticipated that income will be under-recovered by £42,980 for the year. This is mainly due to reduced income from the level of Criminal Justice grant initially anticipated.

4 RECOMMENDATIONS

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

Alex McPhee
Director of Finance

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

AMcP
28 August 2003

LIST OF BACKGROUND PAPERS
NIL

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

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