

Title: Financial Performance Report at August 2022

Date: 28th September 2022

Presented by: Declan McAllister, Director of Registration & Corporate Services

ACTION REQUIRED

This Paper is to – (please select)	For Approval
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SUMMARY

The Purpose of this document is to update the Board of the current financial position at 31st August 2022.

BACKGROUND

- 1.1 This is the Third financial monitoring report for 2022/23 based on the financial allocation letter received on 6th May 2022 of **£2,677,466** which is included in Appendix I.
- 1.2 The allocation letter makes recurrent provision for BSO recharges (**£7,979**) and AFC pay award 2021/22 (**£100,468**).
- 1.3 The Social Care Council have also engaged with DOH OSS colleagues in relation to a further funding bid to support the Reform of Adult Social Care and a current bid for funding and a presentation has been made to support the activities for 2022/23. An allocation letter for £297,000 was received on 21 July 2022.
- 1.4 The fee income position has been set at **£1,524M** as per 2021/22 and having completed a forecast review on the current level of registrants.

KEY ISSUES AND IMPLICATIONS

2 Current financial Position

2.1 Table 2 below shows a surplus of £52,469 at 31st August 2022.

Table 2: Income Position at 31st August 2022

	Month 5 – August 2022			Year End Forecast		
	Budget	Actual as at Aug-22	Variance	Budget	Forecast as at Aug-22	Variance
INCOME						
RRL	1,115,611	1,115,610	1	2,677,466	2,677,466	1
Disbursements	67,555	67,555	0	162,132	162,132	0
Registration Income	747,996	752,153	-4,158	1,524,060	1,524,060	0
Social Care Reform	66,000	66,000	0	297,000	297,000	0
DOH Recharge	0	7,978	-7,978	0	7,978	-7,978
TOTAL INCOME	1,997,162	2,009,297	-12,135	4,660,658	4,668,635	-7,977
EXPENDITURE						
Pay	1,311,803	1,315,464	-3,661	3,124,277	3,099,558	24,718
Non Pay	649,983	641,364	8,619	1,664,686	1,700,559	-35,873
TOTAL EXPENDITURE	1,961,786	1,956,828	4,958	4,788,963	4,800,117	-11,155
SURPLUS/(DEFICIT)	35,376	52,469	-17,093	-128,305	-131,482	3178

The performance table above shows cumulative YTD expenditure of £1,956k (£1,315k in pay and £641k in non-pay) in comparison to cumulative YTD income of £2,009.

The reasons for the YTD £52k variance between the YTD budget and YTD actuals are explained in detail below.

3 Variance Analysis

Income is Over receipted by £12k

3.1 Revenue Resource Limit (RRL)

The Social Care Council RRL for the year has been received in line with budget

3.2 Registration fee income

Registration fee income received to date is £4k higher than expected per budget. This is mostly due to timing of payments and therefore, the forecast for the remainder of the year has been adjusted to remain in line with the £1.5m registration fee income anticipated.

- 3.3 Other income is £8k higher than budget due to recharges for salary costs to DoH that were not included in the budget.

Expenditure under receipted by £5k

3.4 **Pay is overspent by £4k YTD at month 5**

- Senior Exec & Board - £17k overspend due to Senior Executive pay award paid in month 2. This will reduce when Human Resources confirm the amount of the 2021/22 accrual to be released against this payment.
- Agency overspend - £37k as budget did not anticipate this level of agency spend.
- The above is offset by an underspend of £33k in 'other pay costs' mainly due to a reduction of the 21/22 annual leave accrual, release of Senior Exec accrual for a previous CEO and reduction in agency backpay accrual.

3.5 **Non pay under spent by £9k YTD at month 5**

- Building and Engineering – overspent by £3k due to a H&J Martin invoice for desk dismantling and emergency lighting not budgeted for.
- Legal & Committee Fees – overspent by £3k due to a legal invoice received which wasn't included in the budget.
- General Services – underspent by £16k. This is mostly due to the expenditure in relation to the Social Care Reform project not having commenced yet. This spend has been reprofiled from Months 6-12.
- Disbursements - £10k overspend due to a £20k payment to Barnardos not budgeted for offset by the release of £9.7k in relation to the 21/22 disbursements accrual.
- The above overspends are offset by small underspends in Print, Stationery & Admin (£3k), Postage & Telephones (£1k), Rent, Rates & Insurance (£2k) and Staff Training (£3k).

4 Breakeven Management

- 4.1 The current overspend has come about due to the delay in the James House transition. Verbal confirmation has been received by DOH finance that the bid submitted for £180k funding to cover this overspend and additional James House costs will be met and will ensure breakeven is achieved at year end.
- 4.2 One remaining agency post in communications is being maintained through to December and two remaining agency posts in registration are being maintained during the induction process for the new registration appointees.
- 4.3 A recruitment is now underway to replace the vacant Registration Officer post.

5 Capital Expenditure

- 5.1 The year 2 capital funding of £138k to deliver the Fitness to Practice case management system has been provided and work is underway to procure and implement by 31st March 2023.
- 5.2 A further capital business case is in progress to meet the cost of new ICT assets required for the office space in James House.
- 5.3 Final comments have also now been returned to DHCNI on the capital business case to support the design and implementation of a Social Care Council App to support social care community of practice and registration.

6 Prompt Payment Targets

- 6.1 The Social Care Councils prompt payment performance at 31st August 2022 is 99.34% of invoices paid in 30 days with a target of 95% to maintain. Under the NI Assembly target of 75% of bills paid in 10 days the outturn for the first ten months of the year is 95.21% of bills paid in 10 days

ATTACHED DOCUMENTS AND/OR LINKS HERE

Appendix 1- Expenditure against Budget at 31st August 2022 (Month 5)

<i>SCC INCOME BUDGET</i>	2022/23 Budget	2022/23 Budget YTD	2022/23 Actual YTD	Variance
	£	£		
Revenue Resource Limit	2,677,466	1,115,611	1,115,610	1
Disbursements	162,132	67,555	67,555	0
Registration Fee income	1,524,060	747,996	752,153	(4,158)
Social Care Reform 22/23	297,000	66,000	66,000	0
DOH Recharge	0		7,978	(7,978)
Total Income	4,660,658	1,997,162	2,009,297	(12,135)

<i>SCC PAY BUDGET</i>	2022/23 Budget	2022/23 Budget YTD	2022/23 Actual YTD	Variance
	£			
Snr Exec & NED Total	183,096	78,428	95,179	(16,751)
SIP Total	2,769,286	1,111,514	1,094,107	17,407
Agency Total	154,236	114,503	151,723	(37,220)
Other Pay Costs Total	17,659	7,358	(25,545)	32,903
Total Pay	3,124,277	1,311,803	1,315,464	(3,661)

<i>SCC Non Pay BUDGET</i>	2022/23 Budget	2022/23 Budget YTD	2022/23 Actual YTD	Variance
Print, Stationery & Admin	255,204	106,335	103,555	2,780
Postage & Telephones	8,287	3,453	1,991	1,462
Advertising	4,500	3,500	3,521	(21)
Travel Costs	7,500	3,125	4,879	(1,754)
Catering	3,000	1,250	439	811
Cleaning	13,005	5,419	5,617	(198)
Transport	0	0	0	0
Heat, Light & Power	20,507	8,545	7,957	588
Rent, Rates & Insurance	449,299	199,113	197,072	2,041
Furniture	0	0	0	0
Computer Hardware & Software	135,416	56,423	56,570	(146)
Building & Engineering	0	0	3,412	(3,412)
Staff Training	17,000	7,083	3,663	3,420
Legal & Committee Fees	315,508	131,462	134,387	(2,925)
General Services	273,327	56,720	40,865	15,855
Disbursements	162,132	67,555	77,435	(9,880)
Total Non Pay	1,664,686	649,983	641,364	8,619
Total Surplus/(Deficit)	(128,305)	35,376	52,469	(17,093)