

Title: Financial Performance Report at March 2023

Date: 20th April 2023

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

ACTION REQUIRED

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

The Purpose of this document is to update the Board of the financial year end position at 31st March 2023.

1. BACKGROUND

- 1.1. This is the eight 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 Social Care Council received a further allocation letter on 7th October 2022 for **£764,993** broken down as follows; £627k for disbursements, £30k recurrent allocation in relation to promotion of the degree in social work, £32k in relation to fees for social work and community development approaches work for Ulster University and £75k to support training in relation to the Social Care Workforce Strategy
- 1.5. A fourth allocation letter was received on the 25th November 2022 to cover **£68,733** non-recurrent funding to support Safe Staffing Research to be disbursed to Ulster

University and **£14,500** as part of year 2 non-recurrent funding to promote Standards of Conduct and Practice for the Social Work Workforce.

- 1.6. A fifth allocation letter was received on the 15th December 2022 which represented a net decrease of **£50,933** in RRL related to £20,933 in relation to PSNI holiday pay accrual and £30,000 as part of the regional savings targets.
 - 1.7. A sixth allocation letter was received on 10th March 2023 which represented a net increase of £175,099 in RRL related to the 2022/23 pay award (£131k), BSO costs for pay award management (£14.5k) and three non-recurrent allocations to support final social care council work as follows:
 - 1.7.1. £7k to support the standards in action project
 - 1.7.2. £10k to support the social work leadership strategy
 - 1.7.3. £13k to support further training as part of the social care reform work
 - 1.8. A seventh and final allocation letter was received on the 6th April 2023 which represented an increase of £149,000 in RRL related to the James House pressure (£110k) and a small number of year end pressures covering final service charge balance for Millennium House (£14k), BSTP costs (9k), Sommerville v NMC legal case accrual (£6k) and Senior exec pay (£10k). This letter also removed the recurrent status of £30k for social work promotion funding as part of the social work strategy.
 - 1.9. The fee income budget position has been set at **£1,524M** as per 2021/22 following the completion of a forecast review on the current level of registrants.
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KEY ISSUES AND IMPLICATIONS

2. Current financial Position

The Financial Plan for 2022/23 along with actuals is outlined below in Table 2. The budget column shows an expected deficit position of £128k for the year as reported to the Board back in June 2022 based on the initial allocation letter received. Following a number of allocations to cover financial pressures, an increase in fee income and prudent management the month 12 full year actual position shows a surplus of £10k. The unaudited breakeven position target has therefore been reached for the financial year 2022/23.

Table 2: Income

	Month 12 - Mar 2023				Year End Forecast		
	Budget YTD	Actual as at Mar-23	Variance		Budget	Forecast as at Mar-23	Variance
INCOME				INCOME			
RRL	2,677,466	3,435,631	-758,165	RRL	2,974,466	3,435,631	-461,165
Registration Income	1,524,060	1,568,486	-44,426	Registration Income	1,524,060	1,568,486	-44,426
Other Income	459,132	731,364	-272,232	Other Income	162,132	731,364	-569,232
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TOTAL INCOME	4,660,658	5,735,481	1,074,823	TOTAL INCOME	4,660,658	5,735,481	1,074,823
EXPENDITURE				EXPENDITURE			
Pay	3,124,101	3,155,214	-31,113	Pay	3,124,101	3,155,214	-31,113
Non Pay	1,664,686	2,569,927	-905,241	Non Pay	1,664,686	2,569,927	-905,241
TOTAL EXPENDITURE	4,788,788	5,725,142	-936,354	TOTAL EXPENDITURE	4,788,788	5,725,142	-936,354
SURPLUS/(DEFICIT)	-128,130	10,340	-138,469	SURPLUS/(DEFICIT)	-128,130	10,340	-138,469

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

3. Variance Analysis

Income is over received by £1.07M

3.1. Revenue Resource Limit (RRL)

- RRL has been increased in Month 12 with recurrent cover for the 22/23 pay award, Non-recurrent allocation of £110k for James House and a number of other allocations as outlined at point 1.7 and 1.8 in the previous section.
- Disbursements is £467k over received YTD due to disbursements funding now received but only NIDSWP disbursement factored into original budget.

3.2. Registration fee income

Registration fee income received to date is £44k higher than expected per budget. This is mostly due to timing of payments and a higher than expected budget position and which is linked to the gradual increase in the register. Fee income is broken down into actual fees received in Month and monthly deferred income. The breakdown for the year is shown below

Total income: **£1,686,569**

Add deferred income for 21/22: £369,617

Less deferred amount from 22/23: £465,396

Less refunds £22,304

Total Fee Income for 22/23: £1,568, 486

A full breakdown by month is available in Appendix II to this report.

3.3. Other income is £272k higher than budget due to recharges for salary costs to DoH and reimbursement of IMPACT project costs that were not included in the budget.

Expenditure over receipted by £936k

3.4. **Pay is overspent by £31k YTD at month 12**

- Senior Exec & Board - £8k overspend due to Senior Executive pay award accruals released. The backdated Board pay award was paid M7 with the accrual released in 'other pay costs' below
- Agency overspend - £110k as the budget did not anticipate this level of agency spend.
- The above is offset by an underspend of £80k in 'other pay costs' mainly due to the release of the annual leave accrual (£7k), agency backpay accrual (£3k), Non-consolidated pay award accrual in M7 (£20k), PSNI holiday pay accrual in M6 (£21k) and Board back pay accrual in M7 (£3k) and release of annual leave accrual in M8 (40k). These are offset by £5k additional committee leave accrual for 22/23 in M11

3.5. **Non-pay over spent by £905k YTD at month 12**

- Computer Hardware & Software – overspent by £65k due to Silverbear Office 365 licence costs not factored into the original budget.
- Building and Engineering – overspent by £6k due to a H&J Martin invoice for desk dismantling and emergency lighting not budgeted for.
- Legal & Committee Fees – underspent by £2k due to less committee meetings than budgeted in M9-12.
- Travel costs – overspent by £4k.

- General Services – overspent by £191k. This is mostly due to the expenditure in relation to the Social Care Reform projects. Also, the variance is due to additional non-recurrent funding received in M12 but not budgeted. Additional £15k allocated in M7 from salaries for social care training. Further £14.5k projects funding for standards work forecast in M8.
- Disbursements - £569k overspend is mostly due to disbursement income confirmed in M6 and further £68,733 safe standards funding in M8 which was not in the original budget.
- Staff Training – overspend by £5k due to additional training spend in M12.
- Print, Stationery & Admin £18k overspent due to additional costs in BSO Service Level agreements.
- Rent/Rates £21K overspent due to the additional balancing service charge received for Millennium House.
- Furniture £20k overspent – additional costs associated with James House transition.

4. Breakeven Management

- 4.1. The unaudited breakeven position reflects the notified pressures and additional non-recurrent allocations received from the DOH.
- 4.2. There are three remaining agency posts in place and all posts have recruitment underway.

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. It is expected that a direct award contract will be initiated following a review and assessment of 3 suppliers in house. Unfortunately, timing has not enabled a formal procurement exercise utilising BSO Pals, however a full audit process of the procurement has been held on file to mitigate any potential risk.
- 5.2. The capital funding of **£120k** has now been received to deliver the Social Care Council App to support the social work and social care workforce. A supplier has been appointed
- 5.3. A further business case to support capital funding for ICT equipment at James House has been approved by DHCNI and a capital allocation of £101k has been received. Full expenditure has been achieved in January 2023
- 5.4. A final PC refresh capital round (£29k) to fund replacement ICT equipment has been received and expended

6. Prompt Payment Targets

- 6.1. The Social Care Councils prompt payment performance at 31st March 2023 is **98.78%** 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 is 92.37% of bills paid in 10 days

ATTACHED DOCUMENTS AND/OR LINKS HERE:

Appendix 1- Expenditure against Budget at Year End 31st March 2023 (Month 12)

Appendix II – Registration Fee Breakdown by Actual Income and Deferred Income

Appendix 1- Expenditure against Budget at Year End 31st March 2023 (Month 12)

SCC INCOME BUDGET	2022/23 Budget	2022/23 Budget YTD	2022/23 Actual YTD	Variance
	£	£		
Revenue Resource Limit	2,677,466	2,677,466	2,626,532	50,934
Disbursements	162,132	162,132	660,226	-498,094
Registration Fee income	1,524,060	1,524,060	1,568,486	-44,426
Social Care Reform 22/23 (Letter 02)	297,000	297,000	297,000	0
Social Care Training/Promotion (Letter 03)	0	0	105,000	-105,000
Safe Staffing Research & Promotion of Standards (Letter 04)	0	0	83,233	-83,233
Pay award 22/23, SLA increase, Non-recurrent projects (Letter 06)	0	0	174,866	-174,866
James House and YE pressures (Letter 07)	0	0	149,000	-149,000
DOH Recharge	0	0	71,138	-71,138
Total Income	4,660,658	4,660,658	5,735,481	-1,074,823

SCC PAY BUDGET	2022/23 Budget	2022/23 Budget YTD	2022/23 Actual YTD	Variance
	£	£	£	£
Snr Exec & NED Total	183,096	183,096	190,845	-7,750
SIP Total	2,769,286	2,769,286	2,762,664	6,622
Agency Total	154,236	154,236	264,865	-110,629
Other Pay Costs Total	17,484	17,484	-63,160	80,644
Total Pay	3,124,101	3,124,101	3,155,214	-31,113

SCC Non Pay BUDGET	2022/23 Budget	2022/23 Budget YTD	2022/23 Actual YTD	Variance
Print, Stationery & Admin	255,204	255,204	273,676	-18,472
Postage & Telephones	8,287	8,287	6,594	1,693
Advertising	4,500	4,500	3,521	979
Travel Costs	7,500	7,500	16,245	-8,745
Catering	3,000	3,000	3,170	-170
Cleaning	13,005	13,005	13,202	-197
Transport	0	0	0	0
Heat, Light & Power	20,507	20,507	24,173	-3,666
Rent, Rates & Insurance	449,299	449,299	470,691	-21,392
Furniture	0	0	20,195	-20,195
Computer Hardware & Software	135,416	135,416	200,859	-65,443
Building & Engineering	0	0	5,847	-5,847
Staff Training	17,000	17,000	21,992	-4,992
Legal & Committee Fees	315,508	315,508	313,528	1,980
General Services	273,327	273,327	464,152	-190,825
Disbursements	162,132	162,132	732,080	-569,948

Total Non-Pay	1,664,686	1,664,686	2,569,927	-905,241
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Total Surplus/(Deficit)	-128,130	-128,130	10,340	-138,469
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Appendix II – Registration Fee Breakdown by Actual Income and Deferred Income

	Total Income	One Off Fees	Reg fees 22/23 received in month	Income relates to previous year	Deferred income 22/23	Release of deferred income from 21/22
Month 1	116,320.00	55,355.00	55,550.32	272.26	5,142.42	-10,805.59
Month 2	198,910.00	68,225.00	108,059.12	360.70	22,235.18	0.00
Month 3	168,135.00	86,400.00	61,118.14	279.96	20,336.90	-32,533.63
Month 4	151,490.00	77,700.00	49,478.33	213.27	24,098.40	-25,207.21
Month 5	134,439.58	71,095.00	37,465.78	54.38	25,878.80	-18,672.16
Month 6	151,845.00	63,345.00	43,066.90	79.03	45,354.07	-41,303.38
Month 7	140,035.00	63,580.00	31,935.53	55.64	44,463.82	-38,843.45
Month 8	125,670.00	59,480.00	22,711.16	234.04	43,244.75	-35,477.90
Month 9	90,945.00	44,105.00	11,898.40	36.53	34,905.07	-32,492.89
Month 10	144,685.00	64,385.00	13,957.19	132.41	66,210.40	-24,213.16
Month 11	125,705.00	59,415.00	6,054.33	63.92	60,171.75	-50,526.37
Month 12	138,390.00	63,020.00	1,935.95	79.34	73,354.71	-59,541.19
Total	1,686,569.58	776,105.00	443,231.15	1,861.48	465,396.27	-369,616.93