

Title: Financial Performance Report at October 2023

Date: 30th November 2023

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

ACTION REQUIRED

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

SUMMARY

The Purpose of this document is to update the Board of the current financial position at 31st October 2023 against approved budget.

1. BACKGROUND

- 1.1. This is the fifth financial monitoring report for 2023/24 based on the financial allocation letter received on 28th April 2023 of **£2,551, 565** which is included in Appendix I.
- 1.2. The allocation letter makes recurrent provision for BSO recharges (**£14,250**), AFC pay award 2022/23 (**£130,616**) and increased BSO recharges related to the NI Social Work Degree Partnership (**£233**)
- 1.3. The Social Care Council had engaged with DOH Finance and agreed a 5% reduction in RRL in line with financial planning for 2023/24 however the RRL was reduced by an additional £100,000 as part of meeting the financial challenges across Health and Social Care. This represents a percentage reduction of **9.62%**.
- 1.4. A second allocation letter was received on the 4 July 2023 increasing the revenue allocation by £52,693 to **£2,604,258**. This covered **£10,000** non-recurrent allocation to support the Social Work Workforce Strategy Save Staffing project at the University of Ulster and **£42,693** non-recurrent in relation to Adult Social Care Reform funding of the 2 temporary social care posts.

- 1.5. A third allocation letter was received on the 10th August increasing the revenue allocation by **£3,784** to £2,608,042. This covered a non-recurrent allocation in relation to HSC Pensions increase in Employer contributions.
- 1.6. A fourth allocation letter was received on the 7th September 2023 increasing the revenue from £2,608,042 to £3,527,998. A net increase of **£920k**. This covered non-recurrent funding for the Social Care Workforce Strategy (£253k), disbursement for the NI Social Work Degree Partnership (£638k), Open University Practice Learning Placements (£11k) and support to the Ulster University Social Work and Community Development Approaches (£19K).
- 1.7. A fifth allocation letter was received on the 29th September 2023 increasing the revenue from £3,527,998 to £3,562,998. A net increase of **£35k**. This covered £25k of non-recurrent funding for the Promotion of Social Work and £10k to support safe staffing research at the Ulster University.
- 1.8. A sixth allocation letter was received on the 25th October 2023 increasing the revenue from £3,562,998 to £3,659,668. A net increase of **£96k**. **This represents a recurrent allocation of £96,670** in relation to 9 months' salary costs for Band 8B Research Lead post and Band 3 Admin. support, and non-pay costs as agreed with SPPG Finance (FYE of £122,863).
- 1.9. The fee income budget position has been set at **£1,568M** as per 2022/23 following the completion of a forecast review on the current level of registrants.
-

KEY ISSUES AND IMPLICATIONS

2. Current financial Position

The Financial Plan for 2023/24 along with actuals is outlined below in Table 2. The forecast column shows an expected surplus position of £1k for the year end based on the initial budget approved by the Board. The closing position at month 7 is showing an actual year to date surplus of **£239k** with a forecasted year end surplus of **£17k**.

Table 2: Income

	Month 7 - October 2023				Year End Forecast		
	Budget YTD	Actual as at Oct-23	Variance		Budget	Forecast as at Oct-23	Variance
INCOME				INCOME			
RRL	1,488,413	1,605,795	-117,382	RRL	2,551,565	2,982,982	-431,417
Disbursements	105,136	609,548	-504,412	Disbursements	180,233	687,048	-506,815
Registration Income	1,028,037	1,071,622	-43,585	Registration Income	1,568,486	1,568,486	0
Other Income	0	22,221	-22,221	Other Income	0	22,221	-22,221
TOTAL INCOME	2,621,586	3,309,186	-687,599	TOTAL INCOME	4,300,284	5,260,736	-960,452
EXPENDITURE				EXPENDITURE			
Pay	1,775,319	1,816,855	-41,537	Pay	3,010,461	3,158,277	-147,816
Non Pay	751,931	1,253,771	-501,840	Non Pay	1,289,025	2,085,028	-796,003
TOTAL EXPENDITURE	2,527,250	3,070,626	-543,377	TOTAL EXPENDITURE	4,299,486	5,243,304	-943,819
SURPLUS/ (DEFICIT)	94,336	238,559	-144,223	SURPLUS/ (DEFICIT)	798	17,432	-16,634

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

3. Variance Analysis

Income is over receipted by £688k

3.1.

- RRL is £117k higher than budget due to additional RRL of £43k for the Reform of Adult Social Care received in M3 which has been forecast to be spent June to October. Additional RRL of £4k was received in M5 for pensions additional employer contribution costs. £253k project funding and £25k promotion of social work as a career was received in M6 and £97k for research pay and non-pay costs received in M7.
- Disbursement income is £504k higher than budgeted as only the disbursement for NIDSWP was factored into the original budget. £10k was received in M3 for Ulster University, £638k Disbursements less £180k NIDSWP in original budget (£458k) plus £10.6k for Open University students and £18.8k For Social Work and Community Development approaches for Ulster University (letter 04) and £10k Safe staffing (letter 05) was received in M6.
- Registration fee income received to date is £44k 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 £1.57m registration fee

income anticipated. See appendix II for summary of registration fees and deferred income.

- Other income is £22k higher than budget due to recharges for salary costs to DoH, childcare partnership recharge and reimbursement of IMPACT project costs that were not included in the budget.

Expenditure over receipted by £543k

3.2. Pay is overspent by £42k YTD at month 7

- Senior Exec & Board – no variance
- Staff in Post overspend of £37k due to allocation not yet received for the research post which is now part of the Social Care Council staff in post structure.
- Agency underspend - £3k as all posts have now been consolidated into the permanent staffing complement.
- The above is offset by an overspend of £7k in 'other pay costs' mainly due to the senior exec YTD accrual (£13k) offset by the release of the agency backpay accrual (£5k).

3.3. Non-pay over spent by £502k YTD at month 7

- Print, Stationery & Admin – overspent by £4k due to BSO 23/24 uplift applied.
- Postage & Telephones – underspent by £6k mostly due to franking machine credit received after premises move.
- Travel costs – underspent by £10k due to less travel than budgeted and credit note received in M7.
- Cleaning - £10k underspent due to monthly slippage and release of cleaning accrual as cleaning costs are included in licence fee.
- Heat, Light & Power - £17k underspent due to monthly slippage and release of electric accrual as electric costs are included in licence fee.
- Rent, Rates & Insurance – underspent by £19k due to a rates rebate due from Millennium House and release of VAT from accrued licence fee costs after confirmation that VAT is not due on licence fee.
- Computer Hardware & Software – overspent by £60k due to additional Rackspace invoices received and additional monthly Silverbear costs which were not factored into the original budget. Storage costs have been reviewed and a monthly reduction is expected from December onwards.
- Staff Training – underspent by £10k as there has been little spend to date.
- Legal and Committee Fees – underspent by £8k mostly due to release of £6k legal accrual which has now been moved to provisions.
- General Services – overspent by £10k YTD mostly due to timing of Skills for Care payment.
- Disbursements - £505k overspend YTD due only the disbursement expenditure for NIDSWP being factored into the original budget but additional disbursement income received in M3&M6 and matching expenditure accounted for.

4. Other Financial Matters

- 4.1. The cost of dilapidations has now been established for the exit of the lease from Millennium House. An initial review of dilapidations completed by the DOH in 2016 fixed the current accrual at £138k, however the Landlord has enacted their right to seek full dilapidation costs to take the office area back to original design and has provided a cost of £468k.
- 4.2. The Social Care Council independent assessors appointed under procurement have assessed a figure of £438k for costs to take the office area back to original design.
- 4.3. The Landlord has agreed this cost and following engagements with DOH Estate colleagues and DOH finance colleagues this has been accepted in principle.
- 4.4. The impact cost on the I&E account is therefore **£300k** which is not included in these management accounts but will be identified in the coming months when formalities have been completed through our Solicitor.

5. Prompt Payment Targets

- 5.1. The Social Care Councils prompt payment performance at 31st October 2023 is **97.48%** 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 **90.94%** of bills paid in 10 days

ATTACHED DOCUMENTS AND/OR LINKS HERE

Appendix 1- Expenditure against Budget at 31st October 2023 (Month 7)

<i>SCC INCOME BUDGET</i>	2023/24 Budget	2023/24 Budget YTD	2023/24 Actual YTD	Variance	2023/24 FORECAST FY	Forecast vs Budget
	£	£				
Revenue Resource Limit	2,551,565	1,488,413	1,605,795	(117,382)	2,982,982	(431,417)
Disbursements	180,233	105,136	609,548	(504,412)	687,048	(506,815)
Registration Fee income	1,568,486	1,028,037	1,071,622	(43,585)	1,568,486	0
DOH Recharge	0	0	22,221	(22,221)	22,221	(22,221)
Total Income	4,300,284	2,621,586	3,309,186	(687,599)	5,260,736	(960,452)

<i>SCC PAY BUDGET</i>	2023/24 Budget	2023/24 Budget YTD	2023/24 Actual YTD	Variance	2023/24 FORECAST FY	Variance
	£					
Snr Exec & NED Total	182,089	104,522	103,914	608	180,306	1,782
SIP Total	2,770,051	1,618,246	1,655,427	(37,180)	2,863,242	(93,191)
Agency Total	44,471	44,471	41,949	2,522	85,848	(41,377)
Other Pay Costs Total	13,850	8,079	15,566	(7,486)	28,881	(15,030)
Total Pay	3,010,461	1,775,319	1,816,855	(41,537)	3,158,277	(147,816)

<i>SCC Non Pay BUDGET</i>	2023/24 Budget	2023/24 Budget YTD	2023/24 Actual YTD	Variance	2023/24 FORECAST FY	Variance
Print, Stationery & Admin	255,194	148,863	152,936	(4,073)	267,701	(12,507)
Postage & Telephones	12,490	7,286	897	6,389	6,101	6,389
Advertising	4,500	2,625	0	2,625	1,875	2,625
Travel Costs	20,400	11,900	2,302	9,598	10,802	9,598
Catering	3,000	1,750	4,813	(3,063)	6,063	(3,063)
Cleaning	15,700	9,158	(901)	10,060	(693)	16,393
Transport	0	0	0	0	0	0
Heat, Light & Power	24,000	14,000	(2,887)	16,887	(2,887)	26,887
Rent, Rates & Insurance	169,320	98,770	79,348	19,422	142,513	26,807
Furniture	0	0	0	(0)	0	(0)
Computer Hardware & Software	173,292	101,087	161,000	(59,913)	294,925	(121,633)
Building & Engineering	0	0	387	(387)	387	(387)
Staff Training	20,400	11,900	2,136	9,764	10,636	9,764
Legal & Committee Fees	326,290	190,336	182,693	7,643	320,978	5,312
General Services	84,206	49,120	61,190	(12,070)	339,269	(255,063)
Disbursements	180,233	105,136	609,856	(504,720)	687,356	(507,123)
Total Non Pay	1,289,025	751,931	1,253,771	(501,840)	2,085,028	(796,003)

Total Surplus/(Deficit)	798	94,336	238,559	(144,223)	17,432	(16,634)
--------------------------------	------------	---------------	----------------	------------------	---------------	-----------------

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

			Reg fees 23/24 received in month	Income relates to previous year		
	Total Income	One Off Fees			Deferred income 23/24	Release of deferred income from 22/23
Month 1	124,920.00	60,865.00	58,363.64	274.47	5,416.89	5,142.42
Month 2	131,605.00	75,985.00	46,775.26	79.95	8,764.79	22,235.18
Month 3	169,215.00	79,020.00	69,691.71	74.89	20,428.40	20,336.90
Month 4	161,750.00	53,785.00	74,115.01	377.38	33,472.60	24,098.40
Month 5	167,145.00	55,475.00	68,975.04	317.52	42,377.44	25,878.80
Month 6	183,825.00	72,985.00	60,594.97	625.93	49,619.10	45,354.07
Month 7	143,475.00	63,235.00	33,732.48	74.11	46,433.41	44,463.82
Month 8						43,244.75
Month 9						34,905.07
Month 10						66,210.40
Month 11						60,171.75
Month 12						73,354.71
Total	1,081,935.00	461,350.00	412,248.11	1,824.25	206,512.63	465,396.27

To calculate income for the year -

Total income to date

Add: deferred income to date from 22/23

Less: deferred amount to date from 23/24