

Title: Financial Performance Report at February 2024

Date: 30th March 2024

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

ACTION REQUIRED

| | |
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| 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 29th February 2024 against approved budget.

1. BACKGROUND

- 1.1. This is the eight 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. A seventh allocation letter was received on 31 January 2024 increasing the revenue from £3,659,668 to £3,917,168. A net increase of **£257k**. This represents a non-recurrent allocation of £5,500 for social care strategy work and a non-recurrent allocation of £252k to cover dilapidations charges for Millennium House.
- 1.10. An eight allocation letter was received on 28th February 2024 increasing the revenue from £3,917,168 to £3,998,495. A net increase of **£81k**. This represents a non-recurrent allocation of £53,000 for social work strategy work, a non-recurrent allocation of £8k for the Social Work Implementation Board and £19.86k to cover the Loneliness project.
- 1.11. The fee income budget position has been reset at **£1,668M** in line with the register increases witnessed over the last number of months and 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 2023/24 along with actuals is outlined below in Table 2. The closing position at month 11 is showing an actual year to date credit of **£178K** which includes the dilapidations non recurrent RRL and project income that will be expended in Month 12. The Year End forecast column shows an expected credit position of **£5.7k** for the year end based on the initial budget approved by the Board.

Table 2: Income

| Month 11 - February 2024 | | | | Year End Forecast | | | |
|---------------------------|------------------|---------------------|-------------------|---------------------------|------------------|-----------------------|-------------------|
| | Budget YTD | Actual as at Feb-24 | Variance | | Budget | Forecast as at Feb-24 | Variance |
| INCOME | | | | INCOME | | | |
| RRL | 2,338,935 | 3,264,076 | -925,141 | RRL | 2,551,565 | 3,605,247 | -1,053,682 |
| Disbursements | 165,214 | 671,548 | -506,334 | Disbursements | 180,233 | 687,048 | -506,815 |
| Registration | | | | Registration | | | |
| Income | 1,442,989 | 1,532,967 | -89,978 | Income | 1,568,486 | 1,668,967 | -100,481 |
| Other Income | 0 | 44,861 | -44,861 | Other Income | 0 | 44,861 | -44,861 |
| TOTAL INCOME | 3,947,137 | 5,513,452 | -1,566,314 | TOTAL INCOME | 4,300,284 | 6,006,123 | -1,705,839 |
| EXPENDITURE | | | | EXPENDITURE | | | |
| Pay | 2,763,432 | 3,116,364 | -352,932 | Pay | 3,010,461 | 3,385,443 | -374,983 |
| Non Pay | 1,181,606 | 2,218,985 | -1,037,379 | Non Pay | 1,289,025 | 2,614,960 | -1,325,935 |
| TOTAL EXPENDITURE | 3,945,039 | 5,335,349 | -1,390,311 | TOTAL EXPENDITURE | 4,299,486 | 6,000,404 | -1,700,918 |
| | | | | | | | |
| SURPLUS/ (DEFICIT) | 2,099 | 178,102 | -176,004 | SURPLUS/ (DEFICIT) | 798 | 5,719 | -4,921 |

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 £1,566k

- 3.1. RRL is £925k 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. £258k was received in M10 for dilapidations and Social Care Workforce strategy. £81k was received in M11 for Social Care workforce strategy, Social work workforce implementation board and Loneliness project plus £279k anticipated RRL for 22/23 & 23/24 Pay award.
- 3.2. Disbursement income is £506k 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.
- 3.3. Registration fee income received to date is £90k higher than expected per budget. This is mostly due to timing of payments and the forecast for the remainder of the

year has been adjusted with registration fee income anticipated to year end to show a £100k variance.

- 3.4. Other income is £45k 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 £1390k

3.5. Pay is overspent by £352k YTD at month 11

- Senior Exec & Board – small variance of £3k.
- Staff in Post overspend of £66k due to research post not in original budget, some staff moving up pay points and overtime M6-M8.
- Agency overspend - £40k as additional agency staff approved to cover comms, FTP and business support.
- There is an overspend of £243k in 'other pay costs' mainly due to the release of the balance held in senior exec accrual moved to provisions (£48k M9)) as advised by the DOH, release of senior exec accrual in M11 offset by £279k Pay Award accrual for 22/23 & 23/24 uplift.

3.6. Non-pay over spent by £1,037k YTD at month 11

- Print, Stationery & Admin – overspent by £12k due to BSO 23/24 uplift applied.
- Postage & Telephones – underspent by £9k mostly due to franking machine credit received after premises move.
- Travel costs – underspent by £8k due to less travel than budgeted and credit note received in M7.
- Catering – overspent by £4k.
- Cleaning - £16k underspent due to monthly slippage and release of cleaning accrual as cleaning costs are included in licence fee.
- Heat, Light & Power - £26k underspent due to monthly slippage and release of electric accrual as electric costs are included in licence fee.
- Rent, Rates & Insurance – underspent by £25k 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 £87k due to additional Rackspace invoices received and additional monthly Silverbear costs which were not factored into the original budget. Additional purchase of monitors/keyboards and workstations in M11.
- Staff Training – overspent by £32k due to £6k University of Ulster fees from Research budget, £9k Fitness to Practice officer training and £17k Loneliness project expenditure.
- Legal and Committee Fees – underspent by £15k mostly due to release of £6k legal accrual which has now been moved to provisions.

- General Services – overspent by £188k YTD mostly due to timing of Skills for Care payment and google analytics (£7k) and project expenditure which was not included in the original budget (£138k spent on projects at M11) and additional £50k project spend allocated in M11.
- Disbursements - £516k 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. Additional £8k QUB safe staffing disbursement accrued in M11 to match RRL received.
- Building & Engineering - £302k due to additional dilapidations cost for Millennium House. RRL received from DoH to cover this additional cost.

4. Prompt Payment Targets

4.1. The Social Care Councils prompt payment performance at 28th February 2024 is **97.76%** 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 **89.60%** of bills paid in 10 days

ATTACHED DOCUMENTS AND/OR LINKS HERE

Appendix 1- Expenditure against Budget at 29th February 2024 (Month 11)

| SCC INCOME BUDGET | 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 | 2,338,935 | 3,264,076 | (925,141) | 3,605,247 | (1,053,682) |
| Disbursements | 180,233 | 165,214 | 671,548 | (506,334) | 687,048 | (506,815) |
| Registration Fee income | 1,568,486 | 1,442,989 | 1,532,967 | (89,978) | 1,668,967 | (100,481) |
| DOH Recharge | 0 | 0 | 44,861 | (44,861) | 44,861 | (44,861) |
| Total Income | 4,300,284 | 3,947,137 | 5,513,452 | (1,566,314) | 6,006,123 | (1,705,839) |

| SCC PAY BUDGET | 2023/24 Budget | 2023/24 Budget YTD | 2023/24 Actual YTD | Variance | 2023/24 FORECAST FY | Variance |
|-----------------------|---------------------------|-------------------------------|-------------------------------|------------------|--------------------------------|------------------|
| | £ | | | | | |
| Snr Exec & NED Total | 182,089 | 166,575 | 169,554 | (2,978) | 184,134 | (2,046) |
| SIP Total | 2,770,051 | 2,539,690 | 2,606,636 | (66,946) | 2,843,091 | (73,040) |
| Agency Total | 44,471 | 44,471 | 84,427 | (39,956) | 101,317 | (56,846) |
| Other Pay Costs Total | 13,850 | 12,696 | 255,747 | (243,051) | 256,901 | (243,051) |
| Total Pay | 3,010,461 | 2,763,432 | 3,116,364 | (352,932) | 3,385,443 | (374,983) |

| SCC Non Pay BUDGET | 2023/24 Budget | 2023/24 Budget YTD | 2023/24 Actual YTD | Variance | 2023/24 FORECAST FY | Variance |
|------------------------------|---------------------------|-------------------------------|-------------------------------|--------------------|--------------------------------|--------------------|
| | | | | | | |
| Print, Stationery & Admin | 255,194 | 233,928 | 245,612 | (11,684) | 277,007 | (21,813) |
| Postage & Telephones | 12,490 | 11,449 | 2,449 | 9,000 | 3,490 | 9,000 |
| Advertising | 4,500 | 4,125 | 0 | 4,125 | 375 | 4,125 |
| Travel Costs | 20,400 | 18,700 | 10,700 | 8,000 | 12,400 | 8,000 |
| Catering | 3,000 | 2,750 | 6,902 | (4,152) | 7,152 | (4,152) |
| Cleaning | 15,700 | 14,392 | (1,767) | 16,159 | (1,726) | 17,426 |
| Transport | 0 | 0 | 0 | 0 | 0 | 0 |
| Heat, Light & Power | 24,000 | 22,000 | (4,041) | 26,041 | (4,041) | 28,041 |
| Rent, Rates & Insurance | 169,320 | 155,210 | 130,619 | 24,591 | 143,252 | 26,068 |
| Furniture | 0 | 0 | 268 | (268) | 268 | (268) |
| Computer Hardware & Software | 173,292 | 158,851 | 245,722 | (86,871) | 292,878 | (119,586) |
| Building & Engineering | 0 | 0 | 302,108 | (302,108) | 302,108 | (302,108) |
| Staff Training | 20,400 | 18,700 | 50,363 | (31,663) | 85,254 | (64,854) |
| Legal & Committee Fees | 326,290 | 299,099 | 283,636 | 15,463 | 311,293 | 14,997 |
| General Services | 84,206 | 77,189 | 265,586 | (188,397) | 488,921 | (404,715) |
| Disbursements | 180,233 | 165,214 | 680,829 | (515,616) | 696,329 | (516,096) |
| Total Non Pay | 1,289,025 | 1,181,606 | 2,218,985 | (1,037,379) | 2,614,960 | (1,325,935) |

| | | | | | | |
|--------------------------------|------------|--------------|----------------|------------------|--------------|----------------|
| Total Surplus/(Deficit) | 798 | 2,099 | 178,102 | (176,004) | 5,719 | (4,921) |
|--------------------------------|------------|--------------|----------------|------------------|--------------|----------------|

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

| | | | Reg fees 23/24 received in month | Income relates to previous year | Deferred income 23/24 | Release of deferred income from 22/23 |
|----------|--------------|--------------|---|--|--------------------------|--|
| | Total Income | One Off Fees | | | | |
| 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 | 126,645.00 | 59,060.00 | 23,604.90 | 118.21 | 43,861.89 | 43,244.75 |
| Month 9 | 92,875.00 | 40,600.00 | 13,327.29 | 20.22 | 38,897.49 | 34,905.07 |
| Month 10 | 159,020.00 | 63,705.00 | 16,085.14 | - | 79,229.86 | 66,210.40 |
| Month 11 | 132,899.00 | 60,603.00 | 6,608.39 | 140.49 | 65,547.11 | 60,171.75 |
| Month 12 | | | | | | 73,354.71 |
| | | | | | | |
| Total | 1,593,374.00 | 685,318.00 | 471,873.83 | 2,103.17 | 434,048.98 | 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