

## Paper for the

Social Work England Board

## Sponsor

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## Author

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## Reviewed by

Executive Leadership Team

## This paper is for

Assurance and Noting

## Associated Strategic Objective

SO9: We will establish robust infrastructure, systems and processes that promote trust and confidence.

## Impact: Risk Type and Appetite

Finance - Cautious

## 1. Summary

This paper provides an update on the following:

- Management Accounts which cover the year ending 31 March 2021
- Our commercial strategy
- the status of the implementation of our new corporate system (Enable)

## 2. Action required.

N/A

## 3. Commentary

### **Management Accounts**

A summary set of the Management Accounts for the year to 31 March 2021 can be found in Annex A.

Key highlights are:

- Full year expenditure, net of fee income, was £7,410k which was £9k higher than budget. This was an improvement on the £16k overspend envisaged in the full year forecast prepared in February.
- Full year capital expenditure was £2,199k, which was £177k less than budget due to the supplier who supported the development of the “forge” case management system being unable to complete a previously agreed scheme of work as they were approaching the end of the contract. In February it had been anticipated that they would be able to complete the work. The uncompleted work will now be reviewed and absorbed into the initial workplan for the new supplier and completed in the early part of the new financial year. We expect no impact to the 2021/2022 capital budget.
- In recent months we have seen an improvement in fee income with full year income ending the year £113k better than budget. This improvement is due to higher-than-expected restoration fees which were paid by Social Workers who re-joined the register in the last quarter.
- Total assets net of liabilities was £6.1m with cash, prepayments, and fixed assets of £11.5m offset by liabilities of £5.1m. The largest liability was prepaid fee income and accrued cost of £4.9m

### **Commercial strategy**

We are currently developing a commercial strategy which we plan to bring to the ARAC meeting in June 2021, following approval by ELT. This will set out our approach to procuring services in support of our operational needs and objectives, as described in our business plan.

Areas for consideration include:

- How and when we procure
- Length of contract
- How we manage contracts once procured, including performance management as well as the exit, renewal and transition to new suppliers
- Identifying and developing meaningful relationships with our key suppliers
- Ensuring value for money
- Applying lessons learnt
- Ensuring budget holders and contract owners are aware of their roles and responsibilities.

### **Implementation of Enable**

We went live at the beginning of April with the core finance, procurement and HR modules and plan to roll out the remaining payroll and expenses modules during June and July. The procurement module enables staff to raise requisitions, budget holders to approve orders and purchase invoices to be matched against orders. This has greatly improved and standardised our finance control environment.

During the rest of the year, we intend to rollout out additional functionality including contract management and budgetary control tools.

## **4. Conclusions and/or Recommendations**

N/A

**ANNEX A      MANAGEMENT ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2021**

**INCOME AND EXPENDITURE STATEMENT**

| Directorates                                                 | YTD Actual         | YTD Budget         | Variance         | % Variance     | 2020/2021 Forecast |
|--------------------------------------------------------------|--------------------|--------------------|------------------|----------------|--------------------|
| <b>Fee Income</b>                                            | <b>(9,140,806)</b> | <b>(9,027,226)</b> | <b>113,580</b>   |                | <b>(9,086,269)</b> |
| <b>Executive Leadership</b>                                  |                    |                    |                  |                |                    |
| Staff                                                        | 676,310            | 675,932            | (378)            | (0)            | 676,308            |
| Seconded Staff                                               | 59,933             | 47,535             | (12,398)         | (26.1%)        | 55,626             |
| Support                                                      | 31,459             | 40,000             | 8,541            | 21.4%          | 31,242             |
| <b>Total</b>                                                 | <b>767,702</b>     | <b>763,467</b>     | <b>(4,235)</b>   | <b>(0.6%)</b>  | <b>763,176</b>     |
| <b>Corporate Services</b>                                    |                    |                    |                  |                |                    |
| Staff                                                        | 959,780            | 1,176,148          | 216,368          | 18.4%          | 953,458            |
| Agency Staff                                                 | 62,748             | 0                  | (62,748)         |                | 60,578             |
| Support                                                      | 1,234,456          | 1,257,713          | 23,257           | 1.8%           | 1,264,325          |
| <b>Total</b>                                                 | <b>2,256,984</b>   | <b>2,433,861</b>   | <b>176,877</b>   | <b>7.3%</b>    | <b>2,278,360</b>   |
| <b>People and Business Support</b>                           |                    |                    |                  |                |                    |
| Staff                                                        | 1,127,175          | 864,575            | (262,600)        | (30.4%)        | 1,136,108          |
| Agency Staff                                                 | 21,924             | 0                  | (21,924)         |                | 9,823              |
| Support                                                      | 1,782,035          | 1,521,148          | (260,887)        | (17.2%)        | 1,782,472          |
| <b>Total</b>                                                 | <b>2,931,135</b>   | <b>2,385,723</b>   | <b>(545,411)</b> | <b>(22.9%)</b> | <b>2,928,403</b>   |
| <b>Fitness to Practise</b>                                   |                    |                    |                  |                |                    |
| Staff                                                        | 2,764,963          | 3,010,515          | 245,552          | 8.2%           | 2,788,178          |
| Agency Staff                                                 | 62,747             | 0                  | (62,747)         |                | 62,747             |
| Support                                                      | 4,408,879          | 4,205,198          | (203,682)        | (4.8%)         | 4,305,862          |
| <b>Total</b>                                                 | <b>7,236,589</b>   | <b>7,215,712</b>   | <b>(20,877)</b>  | <b>(0.3%)</b>  | <b>7,156,787</b>   |
| <b>Registration, Education Quality Assurance &amp; Legal</b> |                    |                    |                  |                |                    |
| Staff                                                        | 1,400,299          | 1,320,748          | (79,551)         | (6.0%)         | 1,411,406          |
| Agency                                                       | (7,105)            | 0                  | 7,105            |                | (8,280)            |
| Seconded Staff                                               | 24,684             | 0                  | (24,684)         |                | 24,683             |
| Support                                                      | 365,909            | 496,947            | 131,038          | 26.4%          | 397,643            |
| <b>Total</b>                                                 | <b>1,783,788</b>   | <b>1,817,695</b>   | <b>33,908</b>    | <b>1.9%</b>    | <b>1,825,452</b>   |
| <b>Strategy, Policy and Engagement</b>                       |                    |                    |                  |                |                    |
| Staff                                                        | 1,180,211          | 1,208,775          | 28,564           | 2.4%           | 1,157,319          |
| Seconded Staff                                               | 109,079            | 26,817             | (82,262)         | (306.8%)       | 107,955            |
| Support                                                      | 285,695            | 576,170            | 290,475          | 50.4%          | 286,703            |
| <b>Total</b>                                                 | <b>1,574,985</b>   | <b>1,811,762</b>   | <b>236,777</b>   | <b>13.1%</b>   | <b>1,551,977</b>   |
| <b>Total Expenditure</b>                                     | <b>16,551,183</b>  | <b>16,428,221</b>  | <b>(122,961)</b> | <b>(0.7%)</b>  | <b>16,504,155</b>  |
| <b>Net Expenditure (exc depreciation)</b>                    | <b>7,410,377</b>   | <b>7,400,995</b>   | <b>(9,381)</b>   | <b>(0.1%)</b>  | <b>7,417,887</b>   |
| <b>Depreciation</b>                                          | <b>586,079</b>     | <b>593,808</b>     | <b>7,729</b>     |                | <b>586,079</b>     |
| <b>Net Expenditure (inc depreciation)</b>                    | <b>7,996,456</b>   | <b>7,994,803</b>   | <b>(1,652)</b>   | <b>(0.0%)</b>  | <b>8,003,965</b>   |
| <b>Capital Expenditure</b>                                   | <b>2,199,030</b>   | <b>2,377,000</b>   | <b>177,970</b>   |                | <b>2,322,326</b>   |
| <b>Total</b>                                                 | <b>10,195,486</b>  | <b>10,371,803</b>  | <b>176,318</b>   |                | <b>10,326,291</b>  |

## BALANCE SHEET AS AT 31 MARCH 2021

|                                                                  | £<br>Cost        | £<br>Depreciation  | £<br>N.B.V         |
|------------------------------------------------------------------|------------------|--------------------|--------------------|
| <b>Fixed Assets</b>                                              |                  |                    |                    |
| Buildings                                                        | 1,264,301        | (521,167)          | 743,134            |
| IT Equipment                                                     | 785,521          | (426,782)          | 358,738            |
| Fixtures & Fittings                                              | 318,851          | (241,004)          | 77,847             |
| Forge System (WIP)                                               | 4,414,777        |                    | 4,414,777          |
|                                                                  | <u>6,783,451</u> | <u>(1,188,953)</u> | <u>5,594,497</u>   |
| <b>Current Assets</b>                                            |                  |                    |                    |
| Prepayments                                                      |                  |                    | 675,967            |
| Bank                                                             |                  |                    | 5,248,466          |
|                                                                  |                  |                    | <u>5,924,433</u>   |
| <b>Current Liabilities</b>                                       |                  |                    |                    |
| Accruals                                                         |                  |                    | (4,970,571)        |
| Trade Payables                                                   |                  |                    | (448)              |
| Payroll Control                                                  |                  |                    | (150,669)          |
|                                                                  |                  |                    | <u>(5,121,688)</u> |
| <b>Working Capital (Current Assets less Current Liabilities)</b> |                  |                    | <u>802,745</u>     |
| <b>Non-Current Liabilities</b>                                   |                  |                    |                    |
| Other Payables                                                   |                  |                    | (293,694)          |
|                                                                  |                  |                    | <u>(293,694)</u>   |
| <b>TOTAL ASSETS and LIABILITIES</b>                              |                  |                    | <u>6,103,548</u>   |
| <b><u>Taxpayers Equity</u></b>                                   |                  |                    |                    |
| General fund                                                     |                  |                    | (6,103,548)        |
| <b>TOTAL TAXPAYERS' EQUITY</b>                                   |                  |                    | <u>(6,103,548)</u> |