

Report

Report to:	Social Work Resources Committee
Date of Meeting:	2 June 2021
Report by:	Executive Director (Finance and Corporate Resources) Director, Health and Social Care

Subject:	Social Work Resources - Revenue Budget Monitoring 2020/2021
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide information on the actual expenditure measured against the revenue budget for the period 1 April 2020 to 26 February 2021 for Social Work Resources
- ♦ provide a forecast for the year to 31 March 2021

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the overspend of £0.309 million on the Social Work Resources' revenue budget, as detailed in Appendix A of the report, be noted;
- (2) that the forecast to 31 March 2021 of £0.379m overspend position, be noted; and
- (3) that the proposed budget virement be approved.

3. Background

- 3.1. This is the fifth revenue budget monitoring report presented to the Social Work Resources Committee for the financial year 2020/2021.
- 3.2. The report details the financial position for Social Work Resources in Appendix A, and then details the individual services, along with variance explanations, in Appendices B to F.

4. Employee Implications

4.1. None.

5. Financial Implications

- 5.1. **Probable Outturn:** As at 31 March 2021, there is a forecast overspend of £0.379m against the annual budget, all of which relates to an additional COVID related expenditure for Children and Families Services, which will not be funded by the Scottish Government via the Mobilisation Plan as these services are not delegated to the IJB. These costs are being considered and reported as part of the Council's probable outturn position.
- 5.2. There has been confirmation that this year's additional costs of COVID-19 faced by services devolved to the IJB will be fully funded through the Mobilisation plan, therefore no account is taken of this pressure in the figures.

- 5.3. As at 26 February 2021, there is an overspend position of £0.309m against the phased budget.
- 5.4. The COVID-19 spend included in the services devolved to the Integrated Joint Board are being included in the Mobilisation Plan which the Scottish Government are using to allocate funds to the Health and Social Care Partnership. The additional cost includes expenditure on beds to facilitate discharge from hospital, expenditure on support for carers, PPE equipment and also staff overtime. These additional costs and income from Scottish Government are included in Appendix B and total £16.444m.
- 5.5. In addition to extra costs, Social Work Resources has lost income from services which are not being provided during the emergency and non-achievement of proposed savings. This totals £1.4m at period 12 and is included at Appendix D.
- 5.6. Taking the two figures together gives additional cost to the Council of £17.844m, which includes accrued costs.
- 5.7. The Social Care Mobilisation monies received to date have been fully spent. As at 26 February 2021, the Council has received £12.606m reflecting all the invoices raised to date for actual spend. A further £5.235m would be required to meet the spend of £17.841m incurred to that point. Invoices have been raised for these amounts.
- 5.8. Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report, as appropriate.
- 5.9 **Year end update:** The final position for the Resource is becoming clearer, it is likely that the services delegated to the IJB – including Adults and Older People Services and Substance Misuse - will underspend by £0.236m and it is proposed that the underspend will be transferred to reserves for use by the IJB in future years. In addition, the services not delegated to IJB – Children and Families, Performance and Support and Justice – will underspend by £0.758m and it is proposed that the underspend will be transferred to reserves for use on budget pressures that are emerging in relation to an increase in external residential placements for young people .

6. Climate Change, Sustainability and Environmental Implications

- 6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

7 Other Implications

- 7.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outcome exercise ensures early warning for corrective action to be taken where appropriate.
- 7.2. There are no implications for sustainability in terms of the information contained in this report.

8 Equality Impact Assessment and Consultation Arrangements

- 8.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

8.2 There was also no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning
Executive Director (Finance and Corporate Resources)

Val de Souza
Director, Health and Social Care

29 March 2021

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 26 February 2021

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 26 February 2021 (No.12)

Social Work Resources Summary

	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 26/2/21	Actual 26/2/21	Variance 26/2/21		% Variance 26/2/21	Note
	£000	£000	£004	£004	£000	£000	£000			
<u>Budget Category</u>										
Employee Costs	91,729	98,335	(6,606)	(6,606)	81,230	84,912	(3,682)	Over	-4.5%	
Property Costs	2,653	3,099	(446)	(446)	2,409	3,068	(659)	Over	-27.4%	
Supplies & Services	5,777	7,534	(1,757)	(1,757)	4,900	5,574	(674)	Over	-13.8%	
Transport & Plant	4,317	4,285	32	32	4,073	3,967	106	Under	2.62%	
Administration Costs	1,696	1,554	142	142	1,125	1,110	15	Under	1.38%	
Payments to Other Bodies	21,591	21,383	208	208	18,176	18,162	14	Under	0.1%	
Payments to Contractors	105,425	121,851	(16,426)	(16,426)	84,965	97,755	(12,790)	Over	-15.1%	
Transfer Payments	3,117	3,041	76	76	2,876	2,786	90	Under	3.1%	
Financing Charges	335	356	(21)	(21)	330	357	(27)	Over	-8.2%	
Total Controllable Exp.	236,640	261,438	(24,798)	(24,798)	181,744	198,526	(16,782)	Over	-9.2%	
Total Controllable Inc.	(63,481)	(87,900)	24,419	24,419	(51,371)	(68,669)	17,298	over recovered	-33.7%	
Net Controllable Exp.	173,159	173,538	(379)	(379)	148,713	149,022	(309)	Over	-0.2%	

Variance Explanations

Variance explanations are shown in Appendices B -F.

Budget Virements

Budget virements are shown in Appendices B-F.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 26 February 2021 (No.12)

Covid-19

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 26/2/21	Actual 26/2/21	Variance 26/2/21		% Variance 26/2/21	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	0	6,208	(6,208)	(6,208)	0	3,390	(3,390)	Over	n/a	1
Property Costs	0	536	(536)	(536)	0	716	(716)	Over	n/a	2
Supplies & Services	0	2,621	(2,621)	(2,621)	0	1,323	(1,323)	Over	n/a	3
Transport & Plant	0	180	(180)	(180)	0	69	(69)	Over	n/a	
Administration Costs	0	30	(30)	(30)	0	84	(84)	Over	n/a	
Payments to Other Bodies	0	321	(321)	(321)	0	477	(477)	Over	n/a	4
Payments to Contractors	0	13,877	(13,877)	(13,877)	0	10,650	(10,650)	Over	n/a	5
Transfer Payments	0	55	(55)	(55)	0	45	(45)	Over	n/a	
Financing Charges	0	0	0	0	0	2	(2)	Over	n/a	
Total Controllable Exp.	0	23,828	(23,828)	(23,828)	0	16,756	(16,756)	Over	n/a	
Total Controllable Inc.	0	(23,458)	23,458	23,458	0	(16,444)	16,444	Over recovered	n/a	6
Net Controllable Exp.	0	370	(370)	(370)	0	312	(312)	Over	n/a	

Variance Explanations**1 Employee Costs**

These costs relate to the response to COVID-19 to maintain existing service delivery and to support hospital discharge.

2 Property Costs

These costs related to expenditure on hygiene and cleaning products in response to COVID-19.

3 Supplies & Services

These costs relate to the additional requirement for PPE in responding to COVID-19

4 Payments to Other Bodies

This expenditure relates to payments to Voluntary Action South Lanarkshire to provide additional support during COVID-19.

5 Payment to Contractors

This expenditure relates to the response to COVID-19 to provide capacity in the system, payments to external providers in respect of sustainability, the Social Care Support Fund and additional costs incurred on PPE and infection and prevention control measures.

6 Income

This over recovery of income is currently offsetting the expenditure incurred in response to COVID-19.

Budget Virements

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 26 February 2021 (No.12)

Children and Families Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 26/2/21	Actual 26/2/21	Variance 26/2/21		% Variance 29/1/21	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	16,813	16,818	(5)	(5)	14,854	14,839	15	Under	0.1%	
Property Costs	333	311	22	22	304	293	11	Under	3.6%	
Supplies & Services	731	629	102	102	672	609	63	Under	9.4%	
Transport & Plant	624	463	161	161	512	373	139	Under	27.1%	1
Administration Costs	297	207	90	90	261	202	59	Under	22.6%	
Payments to Other Bodies	9,613	9,371	242	242	8,756	8,470	286	Under	3.3%	2
Payments to Contractors	6,065	7,514	(1,449)	(1,449)	5,181	6,440	(1,259)	Over	-24.3%	3
Transfer Payments	3,091	2,949	142	142	2,865	2,727	138	Under	4.8%	4
Financing Charges	19	30	(11)	(11)	19	31	(12)	Over	-63.2%	
Total Controllable Exp.	37,586	38,292	(706)	(706)	33,424	33,984	(560)	Over	-1.7%	
Total Controllable Inc.	(1,137)	(1,535)	398	398	(1,061)	(1,424)	363	over recovered	-34.2%	5
Net Controllable Exp.	36,449	36,757	(308)	(308)	32,363	32,560	(197)	Over	-0.6%	

Variance Explanations**1. Transport and Plant**

This underspend has arisen as a result of a reduction in service required and level of payment to providers.

2. Payment to Other Bodies

This underspend relates to services not being delivered due to COVID and as a result of the incorporation of new funding for mental health and wellbeing offset in part by an overspend in fostering related services.

3. Payment to Contractors

This overspend is a result of the increased requirement for children's residential school and secure placements.

4. Transfer Payments

This underspend is based on the current cost of service and it is anticipated that the budget will be required in full by 31 March 21.

5. Income

This is in relation to the recovery of costs from the Home Office for services provided to unaccompanied asylum-seeking children in South Lanarkshire children's care facilities.

Budget Virements

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 26 February 2021 (No.12)

Adults and Older People Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 26/2/21	Actual 26/2/21	Variance 26/2/21		% Variance 26/2/21	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	61,414	62,067	(653)	(653)	54,375	54,919	(544)	Over	-1.0%	1
Property Costs	1,716	1,736	(20)	(20)	1,536	1,547	(11)	Over	-0.7%	
Supplies & Services	4,493	3,692	801	801	3,723	3,102	621	Under	16.7%	2
Transport & Plant	3,346	3,368	(22)	(22)	3,236	3,250	(14)	Over	-0.4%	
Administration Costs	436	454	(18)	(18)	387	421	(34)	Over	-8.8%	
Payments to Other Bodies	11,489	11,082	407	407	8,954	8,639	315	Under	3.5%	
Payments to Contractors	99,287	100,391	(1104)	(1104)	79,722	80,602	(880)	Over	-1.1%	3
Transfer Payments	7	13	(6)	(6)	6	14	(8)	Over	-133.3%	
Financing Charges	42	45	(3)	(3)	40	47	(7)	Over	-175%	
Total Controllable Exp.	182,230	182,848	(618)	(618)	151,979	152,541	(562)	Over	-0.4%	
Total Controllable Inc.	(55,096)	(55,671)	575	575	(44,257)	(44,756)	499	Over recovered	-1.1%	4
Net Controllable Exp.	127,134	127,177	(43)	(43)	107,772	107,785	(63)	Over	-0.1%	

Variance Explanations1. **Employee Costs**

The overspend is attributable to: Home Care recruitment for future vacancies to maintain staffing levels and overtime to meet service delivery; additional posts to meet service improvements within Home Care; offset in part by a non-recurring underspend in residential services being a timing difference between the decommissioning of existing services and the opening of the new replacement facility.

2. **Supplies & Services**

The underspend is attributable to a reduction in adaptations and catering and supplies for day care services, both impacted by COVID. The underspend is offset in part by an overspend on the license costs associated with the new home care scheduling system. Additionally, within catering there has been a delay in implementing the 2020-21 savings and the cost of not achieving this savings is offset by COVID-19 funding from the Scottish Government.

3. **Payment to Contractors**

The overspend relates to additional home care hours called on to the external market as a result of an increase in demand.

3. **Income**

This over recovery relates to the expected mobilisation funding in relation to non-achievement of savings as a result of the response to COVID-19.

Budget Virements

- a. Realignment of budget for Direct Payments Net Effect £0, Payment to Other Bodies £0.367m, Payment to Contractors (£0.367m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 26 February 2021 (No.12)

Performance and Support Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 26/2/21	Actual 26/2/21	Variance 26/2/21		% Variance 26/2/21	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	6,882	6,765	117	117	6,117	6,021	96	Under	1.6%	1
Property Costs	527	439	88	88	449	437	62	Under	12.4%	
Supplies & Services	435	484	(49)	(49)	424	465	(41)	Over	-9.7%	
Transport & Plant	251	191	60	60	236	191	45	Under	19.1%	
Administration Costs	423	328	95	95	383	311	72	Under	18.8%	
Payments to Other Bodies	35	33	2	2	34	36	(2)	over	-5.9%	
Payments to Contractors	0	(4)	4	4	0	(4)	4	Under	n/a	
Transfer Payments	0	10	(10)	(10)	0	0	0	Under	n/a	
Financing Charges	262	257	5	5	259	254	5	Under	1.9%	
Total Controllable Exp.	8,815	8,503	312	312	7,952	7,711	241	Under	3.0%	
Total Controllable Inc.	(759)	(747)	(12)	(12)	(268)	(260)	(8)	Under recovered	3.0%	
Net Controllable Exp.	8,056	7,756	300	300	7,684	7,451	233	under	3.0%	

Variance Explanations

1. The underspend in employee costs mainly relates to a reduction in physiotherapy sessions for employees as a result of COVID and a small number of vacancies.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 26 February 2021 (No.12)

Justice Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 26/2/21	Actual 26/2/21	Variance 26/2/21		% Variance 26/2/21	Note
	£000	£000	£000	£000	£000	£000	£004			
Employee Costs	6,620	6,477	143	143	5,884	5,742	141	Under	2.4%	1
Property Costs	77	77	0	0	70	75	(5)	Over	-7.19%	
Supplies & Services	118	108	10	10	81	75	6	Under	7.4%	
Transport & Plant	96	83	13	13	89	84	5	Under	5.6%	
Administration Costs	540	535	5	5	94	92	1	Under	2.1%	
Payments to Other Bodies	454	576	(122)	(122)	432	540	(108)	Over	-25.0%	
Payments to Contractors	73	73	0	0	62	67	(5)	Over	-8.1%	
Transfer Payments	19	14	5	5	5	0	5	Under	100.0%	
Financing Charges	12	24	(12)	(12)	12	23	(11)	Over	-91.7%	
Total Controllable Exp.	8,009	7,967	42	42	6,729	6,699	30	Under	0.4%	
Total Controllable Inc.	(6,489)	(6,489)	0	0	(5,785)	(5,785)	0	-	0.0%	
Net Controllable Exp.	1,520	1,478	42	42	944	914	30	Under	3.2%	

Variance Explanations**1. Employee Costs**

The underspend is as a result of vacancies which are actively being recruited.

Budget Virements