

Report

Report to:	Social Work Resources Committee
Date of Meeting:	28 June 2023
Report by:	Executive Director (Finance and Corporate Resources) Director, Health and Social Care

1 Subject:	Social Work Resources - Revenue Budget Monitoring 2022/2023
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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 2022 to 31 March 2023 for Social Work Resources

2. Recommendation(s)

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

- (1) that the Social Work Resources final outturn position as at 31 March 2023 of a breakeven, after transfer to reserves, as detailed in Appendix A of the report, be noted, and
- (2) that the proposed budget virements 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 2022/2023.
- 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 E.

4. Employee Implications

4.1. There are no employee implications as a result of this report.

5. Financial Implications

- 5.1. As at 31 March 2023, the figures in this report show there was an unplanned underspend position against the budget, being £5.635m. This was the position before transfers to reserves. The position reported in the paper includes proposed transfers to reserves (as detailed in Appendices B to E) presented to the Executive Committee on 21 June 2023. The Resource position as at 31 March 2023, after the proposed transfers to reserves, is breakeven. Note this is before taking into account the impact of job evaluation which is covered at sections 5.5-5.11.

- 5.2. The transfer to reserves arose from an unplanned underspend within Adult and Older People Services. There are also unplanned underspends within Performance and Support Services (£0.785m) and Justice Services (£0.510m), offset with an overspend in Children and Families Services (£1.295m), giving an overall breakeven. This overspend is after funding of £6m has been added in 2022/2023.
- 5.3. The Adult and Older People position at Appendix C shows an unplanned underspend of £5.635m before transfers to reserves. Included within this position is a commitment in relation to the Integration Joint Board (IJB). The budget delegated to the IJB has underspent by £7.510m and the Council agreed to the IJB retaining £1.423m of this non-recurring unplanned underspend within their reserves at probable outturn. This has increased slightly to £1.875m as at 31 March 2023 and is earmarked for future care costs in line with the approach to integrating health and social care budgets. Of the unplanned underspend remaining, it was agreed at probable outturn that £5.635m would be transferred to a Council reserve to be used in 2023/24 to support Children and Families pressures.
- 5.4. Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report, as appropriate.

Home Carers Job Evaluation:

- 5.5. There are no implications within this paper from the outcome of the Home Carers' Job Evaluation in terms of recurring costs. The outcome of the Job Evaluation exercise for Home Carers will result in significant recurring costs for the Care at Home service that is delegated to the IJB in 2023/2024 and beyond. The costs of grade changes will be approximately £7m. The IJB have set a budget for 2023/2024, however, these costs are not included in that budget. The IJB's Financial Regulations and Integration Scheme set out the process for such an eventuality.
- 5.6. The Financial Regulations state that if the Integration Joint Board's Chief Financial Officer is advised that a significant change is likely to the Integration Joint Board's overall financial position and the deviation involves a change of policy of the Integration Joint Board or results in revenue implications for future years, a report will be provided for the Integration Joint Board in good time detailing the financial consequences to enable appropriate action to be taken timeously.
- 5.7. The regulations state that, if an overspend is forecast on either Parties' in scope budget, the Chief Officer and the Integration Joint Board's Chief Financial Officer will aim to agree a recovery plan with the relevant Party to balance the overspending budget and to determine the actions required to be taken by the IJB to deliver the recovery plan.
- 5.8. Ordinarily, any such event would require to be met within the envelope of funding provided to the IJB. The intense budget and service pressures on local government, the Health Board and our Health and Social Care partners has been noted previously and is ongoing, both nationally and locally. It should be noted that the financial position for both the IJB and the Council partner both indicate significant budget gaps moving forwards, and therefore it is likely that any recovery plan identified will require changes to be made to the services currently commissioned by the IJB.

Back Dated Pay:

- 5.9. **Back Dated Pay:** In addition to the recurring costs, at a meeting of South Lanarkshire Council on 24 May 2023 it was asked that a review take place in relation to the implementation date of the outcome. Whilst the outcome of the Job Evaluation stated that grades were to change from 1 April 2023, there was the possibility that this review would change that outcome and back dated pay would require to be paid out. These costs would be in relation to Home Carers and, therefore, the costs are part of the services delegated to the IJB.
- 5.10. As of the 12 June 2022 the outcome of the review is now known. A basis has been established for back-dating to October 2020. The value of the back pay will take some time to calculate, however, these costs will require to be included in the financial position for 2022/2023. The Executive Committee (1 February 2023) had agreed that it would clawback a non-recurring underspend from the IJB of £5.6 million (as detailed at section 5.3) and use this to help with Children and Families pressures into 2023/2024. As Home Carer back pay now requires to be paid, the IJB will now not underspend and, therefore, that funding will not be available. The Council will, therefore, need to identify other funding to help with Children and Families costs into 2023/2024 and a proposal has been made to the Executive Committee on this.
- 5.11. As the outcome of the review was only known as this report was being finalised it has not been possible to update the figures in this report to reflect the outcome highlighted above. We will now require to quantify the full costs and the funding package and report back in August to Executive Committee.

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. There are inflationary and budget pressures including utilities (as well as general inflation pressures) this year which increase the risk of overspend, however, these have mitigated through the IJB financial plan for 2022/2023. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken where appropriate.

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)

Professor Soumen Sengupta

Director, Health and Social Care

12 June 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Social Work Resources Committee – 3/5/23
- ◆ Executive Committee – 21/6/23

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 31 March 2023

Contact for Further Information

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

Graham Booth, Finance Manager

Ext: 2699 (Tel: 01698 452699)

Email: Graham.Booth@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 March 2023 (No.14)

Social Work Resources Summary

	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 31/03/23	Actual 31/03/23	Variance 31/03/23	% Variance 31/03/23	Note
	£000	£000	£000	£000	£000	£000	£000		
<u>Budget Category</u>									
Employee Costs	111,620	106,534	5,086	1,141	111,620	106,745	4,875	Under	4.4%
Property Costs	3,572	3,606	(34)	(34)	3,572	3,599	(27)	Over	-0.8%
Supplies & Services	7,551	7,013	538	538	7,551	7,414	137	Under	1.8%
Transport & Plant	4,837	4,871	(34)	(34)	4,837	4,896	(59)	Over	-1.2%
Administration Costs	1,669	1,595	74	74	1,669	1,718	(49)	Over	-2.9%
Payments to Other Bodies	26,874	24,813	2,061	1,031	26,874	25,198	1,676	Under	6.2%
Payments to Contractors	132,532	134,469	(1,937)	(2,597)	132,532	133,899	(1,367)	Over	-1.0%
Transfer Payments	3,831	3,932	(101)	(101)	3,831	4,034	(203)	Over	-5.3%
Financing Charges	389	422	(33)	(33)	389	454	(65)	Over	-16.7%
Total Controllable Exp.	292,875	287,255	5,620	(15)	292,875	287,957	4,918	Under	1.7%
Total Controllable Inc.	(76,782)	(76,797)	15	15	(76,782)	(77,499)	717	Over recovered	-0.9%
Net Controllable Exp.	216,093	210,458	5,635	0	216,093	210,458	5,635	Under	2.6%
Transfer to reserves as at (31/03/23)	0	0	0	0	0	5,635	(5,635)	-	n/a
Position after Transfer to Reserves (31/03/23)	216,093	210,458	5,635	0	216,093	216,093	0	-	

Variance Explanations

Variance explanations are shown in Appendices B - E.

Budget Virements

Budget virements are shown in Appendices B-E.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 March 2023 (No.14)

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	Actual	Variance		% Variance	Note
	£000	£000	£000	£000	31/03/23	31/03/23	31/03/23		31/03/23	
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	18,590	18,185	405	405	18,590	18,155	435	Under	2.3%	1
Property Costs	473	478	(5)	(5)	473	492	(19)	Over	-4.0%	
Supplies & Services	769	629	140	140	769	754	15	Under	2.0%	
Transport & Plant	634	643	(9)	(9)	634	789	(155)	Over	-24.4%	2
Administration Costs	336	350	(14)	(14)	336	347	(11)	Over	-3.3%	
Payments to Other Bodies	11,064	10,079	985	985	11,064	10,092	972	Under	8.8%	3,a
Payments to Contractors	9,117	11,580	(2,463)	(2,463)	9,117	11,731	(2,614)	Over	-28.7%	4
Transfer Payments	3,818	3,901	(83)	(83)	3,818	3,990	(172)	Over	-4.5%	5
Financing Charges	20	33	(13)	(13)	20	38	(18)	Over	-90.0%	
Total Controllable Exp.	44,821	45,878	(1,057)	(1,057)	44,821	46,388	(1,567)	Over	-3.5%	
Total Controllable Inc.	(2,367)	(2,268)	(99)	(99)	(2,367)	(2,639)	272	Over recovered	-11.5%	6
Net Controllable Exp.	42,454	43,610	(1,156)	(1,156)	42,454	43,749	(1,295)	Over	-3.1%	
Transfer to reserves as at (31/03/23)					0	0	0	-	n/a	
Position after Transfer to Reserves (31/03/23)	42,454	43,610	(1,156)	(1,156)	42,454	43,749	(1,295)	Over	-3.1%	

Variance Explanations**1. Employee costs**

The underspend in employee costs is mainly attributable to a slippage in the Whole Family Wellbeing funding due to recruitment and Social Worker vacancies which are actively being recruited.

2. Transport & Plant

The overspend has arisen from the requirement for transport for both children in the community and looked after children.

3. Payment to Other bodies

The underspend is in respect of non-recurring underspends in relation to Whole Family Wellbeing, and Mental Health monies and funding to develop both supported accommodation and young carers services. This is offset in part by an overspend as a result of the increased requirement for support with adoption allowances and fostering placements.

4. Payment to Contractors

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

5. Transfer Payments

This overspend relates to an increase in numbers for kinship care.

6. Income

The over recovery of income mainly relates to an increase in funding due to an increase in the number of unaccompanied asylum seeking young people being supported.

Budget Virements

- a. Part reversal transfer of Covid funding from Finance and Corporate, Payment to Other Bodies (£0.643m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 March 2023 (No.14)

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	Actual	Variance		% Variance	Note
	£000	£000	£000	£000	31/03/23	31/03/23	31/03/23		31/03/23	
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	80,363	76,862	3,501	(444)	80,363	77,037	3,326	under	4.1%	1,a
Property Costs	2,551	2,547	4	4	2,551	2,510	41	under	1.6%	a
Supplies & Services	6,194	5,787	407	407	6,194	6,074	120	under	1.9%	2,a
Transport & Plant	3,853	3,904	(51)	(51)	3,853	3,808	45	under	1.2%	a
Administration Costs	466	411	55	55	466	535	(69)	over	-14.8%	a
Payments to Other Bodies	15,235	14,224	1,011	(18)	15,235	14,559	676	under	4.4%	3,a
Payments to Contractors	123,362	122,836	526	(135)	123,362	122,114	1,248	under	1.0%	4,a
Transfer Payments	7	25	(18)	(18)	7	36	(29)	over	-414.3%	
Financing Charges	50	56	(6)	(6)	50	75	(25)	over	-50.0%	
Total Controllable Exp.	232,081	226,652	5,429	(206)	232,081	226,748	5,333	under	2.3%	
Total Controllable Inc.	(66,747)	(66,953)	206	206	(66,747)	(67,049)	302	over recovered	-0.5%	a
Net Controllable Exp.	165,334	159,699	5,635	0	165,334	159,699	5,635	under	3.4%	
Transfer to reserves as at (31/03/23)	0	0	0	0	0	5,635	(5,635)	-	n/a	
Position after Transfer to Reserves (31/03/23)	165,334	159,699	5,635	0	165,334	165,334	0	-	-	

Variance Explanations**1. Employee costs**

The underspend is a mainly a result of an underspend in Home First funding due to recruitment challenges and vacancies across Social Workers, Day Care services and Residential homes.

2. Supplies and Services

The underspend is a result of reductions in day services impacted by Covid 19.

3. Payments to Other Bodies

Only part year funding is required from the Carers Act funding, resulting in a non-recurring underspend.

4. Income

The over recovery of income relates to non-recurring income received from service users in respect of prior year care costs being higher than budgeted.

Budget Virements

- a. Incorporation of Covid funding from IJB reserve Net Effect: £0, Employee costs (£0.144m), Property costs (£0.029m), Supplies and Service (£0.318m), Transport (£0.049m), Payment to Other Bodies (£0.047m), Payment to Contractors (£1.510m), Income (£2.097m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 March 2023 (No.14)

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	Actual	Variance		% Variance	Note
	31/03/23	31/03/23	31/03/23	31/03/23	31/03/23	31/03/23	31/03/23		31/03/23	
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	5,803	5,096	707	707	5,803	5,057	746	under	12.9%	1
Property Costs	481	489	(8)	(8)	481	485	(4)	over	-0.8%	
Supplies & Services	500	523	(23)	(23)	500	530	(30)	over	-6.0%	
Transport & Plant	257	231	26	26	257	192	65	under	25.3%	2
Administration Costs	330	326	4	4	330	321	9	under	2.7%	
Payments to Other Bodies	35	18	17	17	35	18	17	under	48.6%	
Payments to Contractors	10	10	0	0	10	10	0	-	0.0%	
Transfer Payments	0	0	0	0	0	0	0	-	n/a	
Financing Charges	310	323	(13)	(13)	310	322	(12)	over	-3.9%	
Total Controllable Exp.	7,726	7,016	710	710	7,726	6,935	791	under	10.2%	
Total Controllable Inc.	(573)	(542)	(31)	(31)	(573)	(567)	(6)	under recovered	1.0%	
Net Controllable Exp.	7,153	6,474	679	679	7,153	6,368	785	under	11.0%	
Transfer to reserves as at (31/03/23)					0	0	0	-	n/a	
Position after Transfer to Reserves (31/03/23)	7,153	6,474	679	679	7,153	6,368	785	under	11.0%	

Variance Explanations

1. Employee costs

This is an underspend due to vacancies which are being actively recruited, mainly within Admin and Clerical staff.

2. Transport & Plant

The underspend is attributable to transport of community groups not being fully operational during the financial year.

Budget Virements

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 March 2023 (No 14)

Justice Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion	Actual	Variance	% Variance	Note
	£000	£000	£000	£000	31/03/23	31/03/23	31/03/23	31/03/23	
					£000	£000	£000		
Employee Costs	6,684	6,391	473	473	6,864	6,496	368	under	5.4% 1
Property Costs	67	92	(25)	(25)	67	112	(45)	over	-67.2%
Supplies & Services	88	74	14	14	88	56	32	under	36.4%
Transport & Plant	93	93	0	0	93	107	(14)	over	-15.1%
Administration Costs	537	508	29	29	537	515	22	under	4.1%
Payments to Other Bodies	540	492	48	48	540	529	11	under	2.0%
Payments to Contractors	43	43	0	0	43	44	(1)	over	-2.3%
Transfer Payments	6	6	0	0	6	8	(2)	over	-33.3%
Financing Charges	9	10	(1)	(1)	9	19	(10)	over	-111.1%
Total Controllable Exp.	8,247	7,709	538	538	8,247	7,886	361	under	4.4%
Total Controllable Inc.	(7,095)	(7,034)	(61)	(61)	(7,095)	(7,244)	149	over recovered	-2.1% 2
Net Controllable Exp.	1,152	675	477	477	1,152	642	510	Under	44.3%
Transfer to reserves as at (31/03/23)					0	0	0	-	n/a
Position after Transfer to Reserves (31/03/23)	1,152	675	477	477	1,152	642	510	Under	

Variance Explanations1. **Employee costs**

This underspend is due to vacancies which are being actively recruited.

2. **Income**

The over recovery of income is non-recurring resulting from additional services being provided on a pan Lanarkshire basis.

Budget Virements