

# Report

Report to:	<b>Social Work Resources Committee</b>
Date of Meeting:	<b>15 February 2023</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Director, Health and Social Care</b>

Subject:	<b>Social Work Resources - Revenue Budget Monitoring 2022/2023</b>
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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 29 December 2022 for Social Work Resources
- ◆ provide a forecast for the year to 31 March 2023

## 2. Recommendation(s)

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

- (1) that the forecast to 31 March 2023 of a breakeven position after proposed transfers to reserves, as detailed in Appendix A of the report, be noted;
- (2) that a breakeven position as at 29 December 2022, as detailed in Appendix A, after proposed transfers to reserves be noted; and
- (3) that the proposed budget virements be approved.

## 3. Background

- 3.1. This is the third revenue budget monitoring report presented to the Social Work Resources Committee for the financial year 2022/2023.
- 3.2. The Resources has completed its formal probable outturn exercise for the year. This exercise identifies the expected spend to the 31 March 2023. Details are included in section 5.
- 3.3. 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. **Probable Outturn:** Following the Council's probable outturn exercise, the Resource is reporting a breakeven position after proposed transfers to reserves of £5.635m. Transfers to reserves were approved as part of the overall Council position at the Executive Committee on 1 February 2023. The Resource position is outlined in Appendix A.

- 5.2 The transfer to reserves has arisen from an underspend within Adult and Older People Services. There are also underspends within Performance and Support Services (£0.679m) and Justice Services (£0.477m), offset with an overspend in Children and Family Services (£1.156m) giving an overall breakeven. This overspend is after funding of £6.5m has been added in 2022/23.
- 5.3. The Adult and Older People position at Appendix C shows an underspend of £5.635m before transfers to reserves. Included within this position is a commitment in relation to the Integration Joint Board (IJB) in relation to specific funding which is not anticipated to spend this financial year (£1.423m). The Executive Committee, on 1 February 2023, approved that the IJB retains this non-recurring underspend within their reserves, earmarked for future care costs in line with the approach to integrating health and social care budgets.
- 5.4. The Adult and Older People position also includes an underspend in core Council budgets (£5.635 million). The IJB financial regulations allow the Council to adjust its contributions in respect of unplanned underspends like this. The Council's contribution can be reduced by this amount. This position relates to the financial year 2022/23. Again, the Executive Committee on 1 February 2023, approved that this underspend is retained by the Council to help cover the Children and Families' budget pressures into 2023/2024. This will be facilitated by a transfer to reserves allowing the monies to be used into 2023/2024 to support Children and Families' pressures.
- 5.5 This approach was adopted in 2021/2022 when some of the unplanned Adult and Older People underspend was retained by the Council to help cover the Children and Families' budget pressure. The amount may be revisited if there is a change in financial outlook by the end of the financial year. After transfers to reserves, Adults and Older People services show a breakeven position.
- 5.6. Period 10: as at 29 December 2022, there is a breakeven position against the phased budget after proposed transfers to reserves. Detailed variance explanations are outlined in Appendix B to E.
- 5.7. Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report, as appropriate.

## **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 2022/23. 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)**

**Soumen Sengupta**  
**Director, Health and Social Care**

30 January 2023

**Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, Effective, Efficient and Transparent

**Previous References**

- ◆ Social Work Resources Committee – 16 November 2022

**List of Background Papers**

- ◆ Financial Ledger and budget monitoring results to 29 December 2022

**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 29 December (No.10)

## Social Work Resources Summary

	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 29/12/22	Actual 29/12/22	Variance 29/12/22	% Variance 29/12/22	Note
	£000	£000	£000	£000	£000	£000	£000		
<b><u>Budget Category</u></b>									
Employee Costs	111,118	106,032	5,086	1,141	80,063	77,171	2,892	under	3.6%
Property Costs	3,636	3,670	(34)	(34)	2,473	2,414	59	under	2.4%
Supplies & Services	8,244	7,705	538	538	4,652	4,249	403	under	8.7%
Transport & Plant	4,890	4,924	(34)	(34)	4,054	4,061	(7)	over	-0.2%
Administration Costs	1,751	1,677	74	74	670	664	6	under	0.9%
Payments to Other Bodies	27,487	25,426	2,061	1,031	20,039	18,048	1,991	under	9.9%
Payments to Contractors	134,673	136,610	(1,937)	(2,597)	87,057	88,562	(1,505)	over	-1.7%
Transfer Payments	3,831	3,932	(101)	(101)	3,251	3,358	(107)	over	-3.3%
Financing Charges	396	429	(33)	(33)	217	236	(19)	over	-8.8%
<b>Total Controllable Exp.</b>	296,026	290,406	5,620	(15)	202,476	198,763	3,713	under	1.8%
<b>Total Controllable Inc.</b>	(78,969)	(78,984)	15	15	(56,185)	(56,287)	102	over recovered	-0.2%
<b>Net Controllable Exp.</b>	217,057	211,422	5,635	0	146,291	142,476	3,815	under	2.6%
<b>Transfer to reserves as at (31/03/23)</b>	0	0	0	0	0	3,815	(3,815)		
<b>Position after Transfer to Reserves (31/03/23)</b>	217,058	211,423	5,635	0	146,291	146,291	0	under	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 29 December 2022 (No.10)

## 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 29/12/22	Actual 29/12/22	Variance 29/12/22	% Variance 29/12/22	Note
	£000	£000	£000	£000	£000	£000	£000		
Employee Costs	18,521	18,116	405	405	13,746	13,369	377	under	2.7% 1,a,c d,e,f
Property Costs	473	478	(5)	(5)	335	368	(33)	over	-9.9% a
Supplies & Services	758	618	140	140	513	412	101	under	19.7% 2,a,f
Transport & Plant	634	643	(9)	(9)	440	476	(36)	over	-8.2%
Administration Costs	353	367	(14)	(14)	196	205	(9)	over	-4.6% f
Payments to Other Bodies	11,796	10,881	985	985	8,024	7,230	794	under	9.9% 3, a, e, f
Payments to Contractors	9,760	12,223	(2,463)	(2,463)	6,605	8,518	(1,913)	over	-29.0% 4, b
Transfer Payments	3,818	3,901	(83)	(83)	3,242	3,328	(86)	over	-2.7% 5
Financing Charges	21	34	(13)	(13)	16	28	(12)	over	-75.0%
<b>Total Controllable Exp.</b>	<b>46,134</b>	<b>47,191</b>	<b>(1,057)</b>	<b>(1,057)</b>	<b>33,117</b>	<b>33,934</b>	<b>(817)</b>	<b>over</b>	<b>-2.5%</b>
<b>Total Controllable Inc.</b>	<b>(2,367)</b>	<b>(2,268)</b>	<b>(99)</b>	<b>(99)</b>	<b>(1,720)</b>	<b>(1,620)</b>	<b>(100)</b>	<b>under recovered</b>	<b>5.8% 6,f</b>
<b>Net Controllable Exp.</b>	<b>43,767</b>	<b>44,923</b>	<b>(1,156)</b>	<b>(1,156)</b>	<b>31,397</b>	<b>32,314</b>	<b>(917)</b>	<b>over</b>	<b>-2.9%</b>
<b>Transfer to reserves as at (31/03/23)</b>									
<b>Position after Transfer to Reserves (31/03/23)</b>	<b>43,767</b>	<b>44,923</b>	<b>(1,156)</b>	<b>(1,156)</b>	<b>31,397</b>	<b>32,314</b>	<b>(917)</b>	<b>over</b>	<b>-2.9%</b>

**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. Supplies and Services**

The underspend is attributable to supplies for clients which is demand led.

**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 under recovery of income relates to external funding where recruitment has not taken place. The funding will be carried forward for future expenditure.

**Budget Virements**

- Incorporation of Whole Family Wellbeing funding £1.827m, Employee costs £0.819m, Property costs £0.070m, Supplies & Services £0.070m, Payment to other bodies £0.868m.
- Incorporation of Covid funding £2.522m, Payment to contractor £2.522m.
- Incorporation of additional pay award £0.718m, Employee costs £0.718m.
- Reduction in NIC requirement (£0.065m), Employee costs £0.065m.
- Realignment of Mental Health and Wellbeing funding Net effect £0, Employee costs (£0.446m), Payment to Other Bodies £0.446m.
- Realignment of Scottish Attainment Challenge funding for LACC Net effect £0, Employee costs (£0.031m), Supplies & Services (£0.086m), Administration £0.001m, Payment to Other Bodies £0.112m, Income £0.004m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 29 December 2022 (No.10)

## 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 29/12/22	Actual 29/12/22	Variance 29/12/22	% Variance 29/12/22	Note
	£000	£000	£000	£000	£000	£000	£000		
Employee Costs	79,986	76,485	3,501	(444)	57,279	55,530	1,749	under	6.1% 1,a,b,c,d,f
Property Costs	2,562	2,558	4	4	1,656	1,541	115	under	6.9% 2,a,b
Supplies & Services	6,941	6,534	407	407	4,015	3,728	287	under	7.1% 3,a,b,g
Transport & Plant	3,907	3,958	(51)	(51)	3,358	3,341	17	under	0.5%
Administration Costs	462	407	55	55	177	207	(30)	over	-16.9% b
Payments to Other Bodies	15,126	14,115	1,011	(18)	11,524	10,457	1,067	under	9.3% 4,a,b,e,f
Payments to Contractors	124,870	124,344	526	(135)	80,409	80,001	408	under	0.5% 5,a,b,d
Transfer Payments	7	25	(18)	(18)	5	25	(20)	over	-400.0%
Financing Charges	55	61	(6)	(6)	34	34	0	-	0.0% b
<b>Total Controllable Exp.</b>	<b>233,916</b>	<b>228,487</b>	<b>5,429</b>	<b>(206)</b>	<b>158,457</b>	<b>154,864</b>	<b>3,593</b>	<b>under</b>	<b>3.4%</b>
<b>Total Controllable Inc.</b>	<b>(68,872)</b>	<b>(69,078)</b>	<b>206</b>	<b>206</b>	<b>(50,014)</b>	<b>(50,236)</b>	<b>222</b>	<b>over recovered</b>	<b>-0.4% 6,a,b,e,g</b>
<b>Net Controllable Exp.</b>	<b>165,044</b>	<b>159,409</b>	<b>5,635</b>	<b>0</b>	<b>108,443</b>	<b>104,628</b>	<b>3,815</b>	<b>under</b>	<b>5.1%</b>
<b>Transfer to reserves as at (31/03/23)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,815</b>	<b>(3,815)</b>		
<b>Position after Transfer to Reserves (31/03/23)</b>	<b>165,044</b>	<b>159,409</b>	<b>5,635</b>	<b>0</b>	<b>108,443</b>	<b>108,443</b>	<b>0</b>	<b>under</b>	<b>0%</b>

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. Property costs**

The underspend is a result of utility increases being less than expected.

**3. Supplies and Services**

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

**4. Payments to Other Bodies**

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

**5. Payments to Contractors**

The underspend has arisen as a result of the availability of external care at home providers to deliver services.

**6. Income**

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

Budget Virements

- Incorporation of Covid funding from IJB reserve Net Effect £0, Employee costs £0.072m, Property costs £0.009m, Supplies and services £1.029m, Payment to other bodies (£0.083m), Payment to contractors £6.326m, Income (£7.353m).
- Reversal of drawdown from reserves for IJB financial plan Net Effect £0, Employee costs (£1.568m), Property costs (£0.072m), Supplies & Services (£0.109m), Administration costs (£0.003m), Payment to Other Bodies (£0.007m), Payment to contractors (£3.496m), Financing charges (£0.003m), Income £5.258m.
- Transfer to Performance and Support services of workforce development funding for new posts approved at committee (£0.146m), Employee costs (£0.146m).
- Realignment of home care budget Net Effect £0, Employee costs £0.283m, Payment to Contractor (£0.283m).
- Incorporation of IJB reserves funding Net Effect £0, Payment to Other Bodies £0.166m, Income (0.166m).
- Realignment of Carers Act funding Net Effect £0, Employee costs £0.494m, Payment to Other Bodies (£0.494m).
- Creation of temporary budget for fit out of Blantyre project Net Effect £0, Supplies & Services £0.487m, Income (£0.487m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 29 December 2022 (No.10)

## 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
					29/12/22	29/12/22	29/12/22		29/12/22	
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	5,772	5,065	707	707	4,150	3,597	553	under	13.3%	1,a,b c,d
Property Costs	534	542	(8)	(8)	422	424	(2)	over	-0.5%	
Supplies & Services	457	480	(23)	(23)	68	69	(1)	over	-1.5%	
Transport & Plant	257	231	26	26	192	171	21	under	10.9%	
Administration Costs	330	326	4	4	228	217	11	under	4.8%	
Payments to Other Bodies	35	18	17	17	33	18	15	under	45.5%	
Payments to Contractors	0	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	0	-	n/a	
Financing Charges	310	323	(13)	(13)	159	165	(6)	over	-3.8%	
Total Controllable Exp.	7,695	6,985	710	710	5,252	4,661	591	under	11.3%	
Total Controllable Inc.	(569)	(538)	(31)	(31)	(106)	(77)	(29)	under recovered	27.4%	
Net Controllable Exp.	7,126	6,447	679	679	5,146	4,584	562	under	10.9%	
Transfer to reserves as at (31/03/23)										
Position after Transfer to Reserves (31/03/23)	7,126	6,447	679	679	5,146	4,584	562	under	10.9%	

Variance Explanations

## 1. Employee costs

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

Budget Virements

- Incorporation of additional pay award £0.275m: Employee costs £0.275m
- Reduction in NIC requirement (£0.027): Employee costs (£0.027m).
- Transfer from Adult & Older People services of workforce development funding for new posts approved at committee £0.146m: Employee costs £0.146m.
- Incorporation of Adult Disability Payment funding £0.223m: Employee costs £0.223m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 29 December 2022 (No 10)

## 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
	29/12/22	29/12/22	29/12/22	29/12/22	29/12/22	29/12/22	29/12/22		29/12/22	
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	6,839	6,366	473	473	4,888	4,675	213	under	4.4%	1,a,b
Property Costs	67	92	(25)	(25)	60	81	(21)	over	-35.0%	
Supplies & Services	88	74	14	14	56	40	16	under	28.6%	
Transport & Plant	92	92	0	0	64	73	(9)	over	-14.1%	
Administration Costs	606	577	29	29	69	35	34	under	49.3%	
Payments to Other Bodies	530	482	48	48	458	343	115	under	25.1%	2
Payments to Contractors	43	43	0	0	43	43	0	-	0.0%	
Transfer Payments	6	6	0	0	4	5	(1)	over	-25.0%	
Financing Charges	10	11	(1)	(1)	8	9	(1)	over	-12.5%	
<b>Total Controllable Exp.</b>	8,281	7,743	538	538	5,650	5,304	346	under	6.1%	
<b>Total Controllable Inc.</b>	(7,161)	(7,100)	(61)	(61)	(4,345)	(4,354)	9	over recovered	-0.2%	
<b>Net Controllable Exp.</b>	1,120	643	477	477	1,305	950	355	under	27.2%	
<b>Transfer to reserves as at (31/03/23)</b>										
<b>Position after Transfer to Reserves (31/03/23)</b>	1,120	643	477	477	1,305	950	355	Under	27.2%	

Variance Explanations**1. Employee costs**

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

**2. Payments to Other Bodies**

The underspend is a result of changes to contracts for services procured from third sector providers which has resulted in a non-recurring underspend.

Budget Virements

- Incorporation of additional pay award £0.274m, Employee costs £0.274m.
- Reduction in NIC requirement (£0.021m), Employee costs (£0.021m).