

Report

Report to:	Social Work Resources Committee
Date of Meeting:	10 November 2021
Report by:	Executive Director (Finance and Corporate Resources) Director, Health and Social Care

Subject:	Social Work Resources - Revenue Budget Monitoring 2021/2022
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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 2021 to 10 September 2021 for Social Work Resources
- ♦ provide a forecast for the year to 31 March 2022

2. Recommendation(s)

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

- (1) the overspend of £0.092m, excluding Covid on the Social Work Resources revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2022 of an overspend of £0.5m, excluding Covid, be noted; and
- (2) that the proposed budget virements be approved.

3. Background

- 3.1. This is the second revenue budget monitoring report presented to the Social Work Resources Committee for the financial year 2021/2022.
- 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. There are no employee implications as a result of this report.

5. Financial Implications

- 5.1. As at 10 September 2021, there is an overspend of £0.984m against the phased budget, of which £0.892m is Covid related and £0.092m non Covid related. The financial forecast for the revenue budget to 31 March 2022 is an overspend of £0.5m prior to the completion of the annual probable outturn exercise.
- 5.2. The Council continues to incur expenditure in relation to Covid-19 and in order to separate these costs from the Council's normal activities, a Covid-19 Service has been included within Social Work Resources (Appendix B).

- 5.3. The Covid related expenditure incurred by Social Work Resources for Adults and Older People Social Care, is expected to be funded by Covid reserves and the Scottish Government Mobilisation Plan funding, via Health. The additional cost includes expenditure on beds to facilitate discharge from hospital, PPE equipment, staff overtime and sustainability and additional cost being incurred by Social Care providers and other costs associated with the remobilisation of services. These additional costs and income from Scottish Government are included in Appendix B and total £7.873 million.
- 5.4. In addition to extra costs, Social Work Resources has lost income from services which are not being provided during the emergency and this totals £0.749m at period 6 and is included at Appendix D.
- 5.5. Taking the two figures together gives additional cost to the Council of £8.622m.
- 5.6 As part of re-mobilisation of services, hospitals are seeing presentation of service users with more complex needs requiring much higher packages of care on discharge, resulting in additional costs within Care at Home and Care Homes. To address this demand, recruitment for Care at Home staffing has been authorised. In addition, there are further pressures within supported living, direct payments and unachieved savings. The additional cost pressures of £7.1m will be included in year in the mobilisation plan.
- 5.7 These costs represent service delivery that will recur into next financial year. On the 5 October 2021, the Scottish Government announced recurring investment funding nationally of £300m, however, the Council/Health and Social Care Partnership have yet to be notified of its share of these funds. Planning for future year budgets is ongoing with the Service and the Chief Financial Officer of the Integration Joint Board, and it has been agreed that an update on the financial strategy for 2022/23 will be presented to the next IJB Board meeting. This will include an update on recurring funding; an estimate of remaining financial pressures for 2022/23 and the requirement to bridge any remaining budget gap.
- 5.8. Whilst these costs are being charged to Mobilisation plan for 2021/2022, there is a risk that if these packages are prolonged, this will be an additional pressure moving into 2022/2023, that additional funding may not fully cover. Separately, there are also costs being charged directly to the Mobilisation plan which are not directly linked to ongoing service delivery of Care at Home or Care Homes and as such represent a lesser risk of their impact on the financial position of the IJB into 2022/23. These costs total £8 million and reflect staff overtime to cover absence, PPE hub and supply, and interim placements to avoid delays in discharging patients from hospital. Whilst these costs are being incurred this year, and met from the mobilisation plan, in the absence of further funding these will result in additional pressures for the IJB going forward. The additional funding announced on 5 October (as detailed in section 5.7) may assist in some of these pressures if they are recurring, specifically interim placements.

- 5.9. Appendix B also includes additional Covid related expenditure for Children and Families Services (£0.892m), which will not be funded by the Scottish Government via the Mobilisation Plan, as these services are not delegated to the IJB. These additional costs mainly related to residential and external placements for young people arising from the pandemic and will be met from the Councils Covid funding that forms part of a separate report to the Executive Committee. This is an issue that appears to be evident across the Country. An exercise has been carried out to update the costs which are attributable to Covid, with the value increasing from £1.4m to £2.350m. These placements are unlikely to be temporary, there is an estimated cost of £2.7m into 2022/23 for these placements, including the Education element of these placements.
- 5.10. The Resource has identified pressures due to demand that are not as a direct result of the pandemic. The full year expected overspend for the service (excluding Covid) is £0.5m. This is a reduction in the position reported previously and reflects the outcome of the work carried out to review costs that are a result of the pandemic (see section 5.9.). The position as at 10 September, is an overspend of £0.251m, and is offset in part by an underspend in Performance and Support Services.
- 5.11. 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. The risk has been assessed as low given the detailed budget management applied across the Resources. 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.
- 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)

Soumen Sengupta

Director, Health and Social Care

12 October 2021

Link(s) to Council Values/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 10 September 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 10 September (No.6)

Social Work Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/9/21	Actual 10/9/21	Variance 10/9/21		% Variance 10/9/21	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	96,206	96,206	0	38,086	40,676	(2,590)	over	-6.8%	
Property Costs	2,641	2,641	0	730	950	(220)	over	-30.1%	
Supplies & Services	5,139	5,139	0	2,120	2,679	(559)	over	-26.4%	
Transport & Plant	4,479	4,479	0	3,561	3,594	(33)	over	-0.9%	
Administration Costs	1,698	1,698	0	474	457	17	under	3.6%	
Payments to Other Bodies	23,631	23,631	0	9,060	9,693	(633)	over	-7.0%	
Payments to Contractors	104,995	104,995	0	39,342	45,531	(6,189)	over	-15.7%	
Transfer Payments	3,125	3,125	0	1,480	1,796	(316)	over	-21.4%	
Financing Charges	337	337	0	170	204	(34)	over	-20.0%	
Total Controllable Exp.	242,251	242,251	0	95,023	105,580	(10,557)	Over	-11.1%	
Total Controllable Inc.	(66,448)	(66,448)	0	(13,420)	(22,993)	9,573	over recovered	-71.3%	
Net Controllable Exp.	175,803	175,803	0	81,603	82,587	(984)	Over	-1.2%	

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 10 September (No6)

Covid-19

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/9/21	Actual 10/9/21	Variance 10/9/21	% Variance 10/9/21	Note
	£000	£000	£000	£000	£000	£000		
Employee Costs	0	0	0	0	3,048	(3,048)	over	1
Property Costs	0	0	0	0	196	(196)	over	2
Supplies & Services	0	0	0	0	568	(568)	over	3
Transport & Plant	0	0	0	0	30	(30)	over	
Administration Costs	0	0	0	0	5	(5)	over	
Payments to Other Bodies	0	0	0	0	622	(622)	over	4
Payments to Contractors	0	0	0	0	5,911	(5,911)	over	5
Transfer Payments	0	0	0	0	23	(23)	over	
Financing Charges	0	0	0	0	0	0	-	
Total Controllable Exp.	0	0	0	0	10,403	(10,403)	Over	
Total Controllable Inc.	0	0	0	0	(9,511)	9,511	Over recovered	6
Net Controllable Exp.	0	0	0	0	892	(892)	Over	

Variance Explanations**1 Employee Costs**

These costs relate to the response to COVID-19 to maintain existing service delivery and to support hospital discharge and includes the £500 payment to Social Care staff.

2 Property Costs

These costs related to expenditure on hygiene products in response to COVID-19 and the operation of the PPE hub for supplies to all Social Care providers.

3 Supplies & Services

These costs mainly relate to an increase in demand for equipment and adaptations as services are remobilised.

4 Payments To Other Bodies

This expenditure relates to costs incurred by South Lanarkshire Leisure in respect of providing COVID-19 vaccination venues, additional supports required for fostering, adoption and services where the service user has chosen a direct payment.

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. It also includes the expenditure in relation to residential schools and external placements for young people as a result of the pandemic.

6 Income

This over recovery of income is currently offsetting the expenditure incurred in response to COVID-19 and the cost of the £500 payment to Social Care staff.

Budget Virements

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 10 September 2021 (No.6)

Children and Families Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/9/21	Actual 10/9/21	Variance 10/9/21		% Variance 10/09/21	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	17,082	17,082	0	7,123	7,057	66	under	0.9%	
Property Costs	328	328	0	82	93	(11)	over	-13.4%	
Supplies & Services	509	509	0	219	220	(1)	over	-0.5%	
Transport & Plant	628	628	0	288	296	(8)	over	-2.8%	b
Administration Costs	299	299	0	130	126	4	under	3.1%	
Payments to Other Bodies	9,860	9,860	0	4,089	4,052	37	under	0.9%	b
Payments to Contractors	4,832	4,832	0	1,866	1,982	(116)	over	-6.2%	1a
Transfer Payments	3,112	3,112	0	1,475	1,759	(284)	over	-19.3%	2
Financing Charges	19	19	0	9	14	(5)	over	-55.6%	
Total Controllable Exp.	36,699	36,699	0	15,281	15,599	(318)	over	-2.1%	
Total Controllable Inc.	(2,289)	(2,289)	0	(1,046)	(1,113)	67	over recovered	-6.4%	3a,b
Net Controllable Exp.	34,380	34,380	0	14,235	14,486	(251)	over	-1.8%	

Variance Explanations**1. Payment to Contractors**

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

2. Transfer Payments

This overspend relates to additional demand for kinship care.

3. 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

a Incorporation of Winter Protection carry forward funding Net Effect £0, Payment to Contractors £0.269m, Income (£0.269m).

b Incorporation of Unaccompanied Asylum funding Net Effect £0, Transport £0.004m, Payment to Other Bodies £0.096m, Income (£0.100m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 10 September 2021 (No.6)

Adults and Older People Services

Budget Category	Annual Budget £000	Forecast for Year £000	Annual Forecast Variance £000	Budget Proportion 10/9/21 £000	Actual 10/9/21 £000	Variance 10/9/21 £000		% Variance 10/09/21	Note
Employee Costs	64,915	64,915	0	25,237	25,035	202	under	0.8%	1b
Property Costs	1,645	1,645	0	380	374	6	under	1.6%	
Supplies & Services	4,027	4,027	0	1,669	1,663	6	under	0.4%	
Transport & Plant	3,509	3,509	0	3,032	3,054	(22)	over	-0.7%	
Administration Costs	435	435	0	157	179	(22)	over	-14.0%	
Payments to Other Bodies	13,186	13,186	0	4,506	4,510	(4)	over	-0.1%	a
Payments to Contractors	100,078	100,078	0	37,465	37,627	(162)	over	-0.4%	2
Transfer Payments	7	7	0	3	12	(9)	over	-300.0%	
Financing Charges	42	42	0	22	22	0	-	0.0%	
Total Controllable Exp.	187,844	187,844	0	72,471	72,476	(5)	Over	0.0%	
Total Controllable Inc.	(55,904)	(55,904)	0	(9,509)	(9,514)	5	over recovered	0.1%	a, b
Net Controllable Exp.	131,940	131,940	0	62,962	62,962	0	-	0.0%	

Variance Explanations**1. Employee Costs**

The underspend is a result of vacancies for Social Workers, residential staff and home carers offset in part by turnover being less than budgeted for within other staff categories.

2. Payment to Contractors

This overspend is a result slippage in savings related to reviews of care packages.

Budget Virements

- a Incorporation of Distress Briefing Intervention funding for 21/22 Net Effect £0: Payment to Other Bodies £0.263m, Income (£0.263).
- b Budget realignment of residential income Net Effect £0: Employee Costs £0.165m, Income (£0.165m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 10 September 2021 (No.6)

Performance and Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/9/21	Actual 10/9/21	Variance 10/9/21		% Variance 10/09/21	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	6,913	6,913	0	2,873	2,738	135	under	4.7%	1
Property Costs	531	531	0	169	168	1	under	0.6%	
Supplies & Services	496	496	0	182	178	4	under	2.2%	
Transport & Plant	251	251	0	182	156	26	under	14.3%	
Administration Costs	430	430	0	135	99	36	under	26.7%	
Payments to Other Bodies	35	35	0	0	0	0	-	n/a	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	262	262	0	131	158	(27)	over	-20.6%	
Total Controllable Exp.	8,918	8,918	0	3,672	3,497	175	Under	4.8%	
Total Controllable Inc.	(1,020)	(1,020)	0	(132)	(122)	(10)	under recovered-	7.6%	
Net Controllable Exp.	7,898	7,898	0	3,540	3,375	165	under	4.7%	

Variance Explanations**1. Employee Costs**

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 10 September 2021 (No6)

Justice Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 10/9/21	Actual 10/9/21	Variance 10/9/21		% Variance 10/09/21	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	7,296	7,296	0	2,853	2,798	55	under	1.9%	a
Property Costs	137	137	0	99	119	(20)	over	-20.2%	a
Supplies & Services	107	107	0	50	50	0	-	0.0%	a
Transport & Plant	91	91	0	59	58	1	under	1.7%	
Administration Costs	534	534	0	52	48	4	under	7.7%	
Payments to Other Bodies	550	550	0	465	509	(44)	over	-9.5%	a
Payments to Contractors	85	85	0	11	11	0	-	0.0%	
Transfer Payments	6	6	0	2	2	0	-	0.0%	
Financing Charges	14	14	0	8	10	(2)	over	-25.0%	a
Total Controllable Exp.	8,820	8,820	0	3,599	3,605	(6)	over	-0.2%	
Total Controllable Inc.	(7,235)	(7,235)	0	(2,733)	(2,733)	0	-	0.0%	a
Net Controllable Exp.	1,585	1,585	0	866	872	(6)	-	-0.7%	

Variance Explanations**Budget Virements**

- a. Incorporation of Justice Services recovery funding Net Effect £0: Employee costs £0.425m, Property costs £0.065m, Supplies & Services £0.008m, Payment to Other Bodies £0.242m, Financing Charges £0.002m, Income (£0.742m).