

Report

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| Report to: | Social Work Resources Committee |
| Date of Meeting: | 8 May 2019 |
| Report by: | Executive Director (Finance and Corporate Resources) Director, Health and Social Care |

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| Subject: | Social Work Resources - Revenue Budget Monitoring 2018/2019 |
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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 2018 to 1 March 2019 for Social Work Resources
- ◆ provide a forecast for the year to 31 March 2019

2. Recommendation(s)

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

- (1) that the forecast to 31 March 2019 of an overspend of £1.109m be noted;
- (2) that an overspend of £0.913m as at 1 March 2019, as detailed in Appendix A of the report, be noted; and
- (2) that the proposed budget virements, as detailed in the appendices to the report, be approved.

3. Background

3.1. This is the fourth revenue budget monitoring report presented to the Social Work Resources Committee for the financial year 2018/2019.

3.2. The Resource has completed its formal probable outturn exercise for the year. This exercise identifies the expected spend to 31 March 2019. 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 in Appendices B to E.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. **Probable Outturn:** Following the Council's formal Probable Outturn exercise, the Resource position is an overspend of £1.109m. There are no proposed transfers to reserves.

- 5.2. This overspend is slightly higher than the £1.000 million that has been reported to Committee throughout the year and relates to Children and Families (external residential places, foster places as well as the level of kinship care payments) and Adults and Older People (being staff costs), partially offset by underspends in Performance and Support and Justice due to employee turnover and vacancies.
- 5.3. **As at 1 March 2019**, there is an overspend position against the phased budget, being an overspend of £0.913m against the phased budget.
- 5.4 Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report.
- 6. Other Implications**
- 6.1. 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.
- 6.2. There are no implications for sustainability in terms of the information contained in this report.
- 7. Equality Impact Assessment and Consultation Arrangements**
- 7.1. 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.
- 7.2. 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

11 March 2019

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 1 March 2019

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 1 March 2019 (No.13)

Social Work Resources Summary

| Budget Category | Annual Budget | Forecast for Year BEFORE Transfers | Annual Forecast Variance BEFORE Transfers | Annual Forecast Variance AFTER Transfers | Budget Proportion 1/3/19 | Actual 1/3/19 | Variance 1/3/19 | % Variance 1/3/19 | Note |
|--|----------------------|---|--|---|---------------------------------|----------------------|------------------------|--------------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Employee Costs | 84,301 | 84,825 | (524) | (524) | 73,741 | 73,647 | 94 | under | 0.1% |
| Property Costs | 2,661 | 2,324 | 337 | 337 | 2,506 | 2,204 | 302 | under | 12.1% |
| Supplies & Services | 6,130 | 6,181 | (51) | (51) | 4,767 | 4,859 | (92) | over | (1.9%) |
| Transport & Plant | 4,592 | 4,419 | 173 | 173 | 4,205 | 4,022 | 183 | under | 4.4% |
| Administration Costs | 1,519 | 1,661 | (142) | (142) | 1,063 | 1,115 | (52) | over | (4.9%) |
| Payments to Other Bodies | 18,670 | 19,318 | (648) | (648) | 16,815 | 17,501 | (686) | over | (4.1%) |
| Payments to Contractors | 94,229 | 94,246 | (17) | (17) | 81,963 | 82,256 | (293) | over | (0.4%) |
| Transfer Payments | 755 | 947 | (192) | (192) | 714 | 928 | (214) | over | (30.0%) |
| Financing Charges | 267 | 292 | (25) | (25) | 191 | 218 | (27) | over | (14.1%) |
| Total Controllable Exp. | 213,124 | 214,213 | (1,089) | (1,089) | 185,965 | 186,750 | (785) | over | (0.4%) |
| Total Controllable Inc. | (60,918) | (60,898) | (20) | (20) | (60,226) | (60,098) | (128) | under recovered | 0.2% |
| Net Controllable Exp. | 152,206 | 153,315 | (1,109) | (1,109) | 125,739 | 126,652 | (913) | over | (0.7%) |
| Transfer to Reserves (as at 01/03/19) | | | | | 0 | 0 | 0 | | |
| Position After Transfers to Reserves (as at 01/03/19) | | | | | 125,739 | 126,652 | (913) | over | (0.7%) |

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 1 March 2019 (No.13)

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 1/3/19 | Actual 1/3/19 | Variance 1/3/19 | | % Variance 1/3/19 | Note |
|--|----------------------|---|--|---|---------------------------------|----------------------|------------------------|----------------|--------------------------|-------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| Employee Costs | 14,974 | 15,338 | (364) | (364) | 13,134 | 13,214 | (80) | over | (0.6%) | 1 |
| Property Costs | 323 | 309 | 14 | 14 | 313 | 304 | 9 | under | 2.9% | |
| Supplies & Services | 525 | 485 | 40 | 40 | 493 | 487 | 6 | under | 1.2% | |
| Transport & Plant | 624 | 600 | 24 | 24 | 578 | 545 | 33 | under | 5.7% | |
| Administration Costs | 275 | 326 | (51) | (51) | 256 | 279 | (23) | over | (9.0%) | |
| Payments to Other Bodies | 8,374 | 9,114 | (740) | (740) | 8,092 | 8,803 | (711) | over | (8.8%) | 2 |
| Payments to Contractors | 4,203 | 4,914 | (711) | (711) | 3,880 | 4,603 | (723) | over | (18.6%) | 3 |
| Transfer Payments | 741 | 929 | (188) | (188) | 701 | 909 | (208) | over | (29.7%) | 4 |
| Financing Charges | 17 | 22 | (5) | (5) | 17 | 19 | (2) | Over | (11.8%) | |
| Total Controllable Exp. | 30,056 | 32,037 | (1,981) | (1,981) | 27,464 | 29,163 | (1,699) | over | (6.2%) | |
| Total Controllable Inc. | (371) | (571) | 200 | 200 | (344) | (476) | 132 | over recovered | 38.4% | 5 |
| Net Controllable Exp. | 29,685 | 31,466 | (1,781) | (1,781) | 27,120 | 28,687 | (1,567) | over | (5.8%) | |
| Transfer to Reserves (as at 01/03/19) | | | | | 0 | 0 | 0 | | | |
| Position After Transfers to Reserves (as at 01/03/19) | | | | | 27,120 | 28,687 | (1,567) | over | (5.8%) | |

Variance Explanations**1. Employee Costs**

This overspend is a result of employee turnover being less than anticipated.

2. Payments to Other Bodies

This overspend is due to the increase in demand for external foster placements, adoption allowances, Throughcare and kinship care payments.

3. Payments to Other Contractors

This overspend is due to the increased demand for children's residential school and external placements.

4. Transfer Payments

This overspend is due to payments being made to carers to support the welfare of young people and is mainly in relation to an increase in demand for kinship care.

5. Income

This over recovery relates to the higher than budgeted income from the Home Office for services provided to unaccompanied asylum seeking children.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 1 March 2019 (No.13)

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 1/3/19 | Actual 1/3/19 | Variance 1/3/19 | | % Variance 1/3/19 | Note |
|---|---------------|------------------------------------|---|--|--------------------------|---------------|-----------------|-----------------|-------------------|------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| Employee Costs | 56,857 | 57,643 | (786) | (786) | 49,689 | 50,214 | (525) | over | (1.1%) | 1 |
| Property Costs | 1,643 | 1,442 | 201 | 201 | 1,548 | 1,388 | 160 | under | 10.3% | 2 |
| Supplies & Services | 5,006 | 5,096 | (90) | (90) | 3,740 | 3,809 | (69) | over | (1.8%) | 3 |
| Transport & Plant | 3,595 | 3,467 | 128 | 128 | 3,288 | 3,174 | 114 | under | 3.5% | 4 |
| Administration Costs | 373 | 481 | (108) | (108) | 343 | 408 | (65) | over | (19.0%) | 5 |
| Payments to Other Bodies | 9,924 | 9,806 | 118 | 118 | 8,365 | 8,308 | 57 | under | 0.7% | 6 |
| Payments to Contractors | 90,014 | 89,332 | 682 | 682 | 78,072 | 77,637 | 435 | under | 0.6% | 7 |
| Transfer Payments | 7 | 7 | 0 | 0 | 6 | 9 | (3) | over | (50.0%) | |
| Financing Charges | 36 | 43 | (7) | (7) | 36 | 36 | 0 | - | 0.0% | |
| Total Controllable Exp. | 167,455 | 167,317 | 138 | 138 | 145,087 | 144,983 | 104 | under | 0.1% | |
| Total Controllable Inc. | (53,920) | (53,587) | (333) | (333) | (53,425) | (53,144) | (281) | under recovered | (0.5%) | 8 |
| Net Controllable Exp. | 113,535 | 113,730 | (195) | (195) | 91,662 | 91,839 | (177) | over | (0.2%) | |
| Transfer to Reserves (as at 01/03/19) | | | | | 0 | 0 | 0 | | | |
| Position After Transfer to Reserves (as at 01/03/19) | | | | | 91,662 | 91,839 | (177) | over | (0.2%) | |

Variance Explanations**1. Employee Costs**

This overspend is a result of Home Care recruitment for future vacancies to maintain staffing levels and overtime to meet service delivery, partly offset by staff turnover in other services.

2. Property Costs

This underspend relates mainly to savings generated from the installation of energy efficient boilers within day care and residential units and reduced demand for heating during the year due to climatic conditions.

3. Supplies and Services

This overspend is attributable to the requirement to purchase new and to replace existing assistive technology equipment, which is used to support service users to remain at home.

4. Transport and Plant

The underspend reflects the saving being achieved as a result of the withdrawal of the Meals on Wheels service by the provider. The saving forms part of the savings for 2019/20.

5. Administration Costs

This overspend reflects the cost of mobile technology for lone working.

6. Payments to Other Bodies

This underspend is being achieved as a result of voluntary organisations withdrawing from service provision and forms part of the savings for 2019/20. It also reflects the current cost to implement the Carers Act.

7. Payments to Contractors

The underspend is a result of a reduction in the funding required for named care home placements and is offset by an under recovery in income.

8. Income

The under recovery is a result of a reduction in the funding required for named care home placements offset in part by the non-recurring income received from service users in respect of prior year care costs being higher than budgeted.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 1 March 2019 (No.13)

Justice and Substance Misuse

| Budget Category | Annual Budget | Forecast for Year BEFORE Transfers | Annual Forecast Variance BEFORE Transfers | Annual Forecast Variance AFTER Transfers | Budget Proportion 1/3/19 | Actual 1/3/19 | Variance 1/3/19 | | % Variance 1/3/19 | Note |
|--|----------------------|---|--|---|---------------------------------|----------------------|------------------------|-----------------------|--------------------------|-------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| Employee Costs | 5,787 | 5,651 | 136 | 136 | 5,100 | 4,852 | 248 | under | 4.9% | 1, a |
| Property Costs | 65 | 68 | (3) | (3) | 63 | 57 | 6 | under | 9.5% | |
| Supplies & Services | 133 | 166 | (33) | (33) | 127 | 150 | (23) | over | (18.1%) | a |
| Transport & Plant | 120 | 98 | 22 | 22 | 111 | 88 | 23 | under | 20.7% | |
| Administration Costs | 430 | 434 | (4) | (4) | 72 | 87 | (15) | over | (20.8%) | |
| Payments to Other Bodies | 267 | 358 | (91) | (91) | 258 | 349 | (91) | over | (35.3%) | 2 |
| Payments to Contractors | 12 | 0 | 12 | 12 | 11 | 16 | (5) | over | (45.5%) | |
| Transfer Payments | 6 | 10 | (4) | (4) | 6 | 9 | (3) | over | (50.0%) | |
| Financing Charges | 10 | 21 | (11) | (11) | 10 | 18 | (8) | over | (80.0%) | |
| Total Controllable Exp. | 6,830 | 6,806 | 24 | 24 | 5,758 | 5,626 | 132 | under | 2.3% | |
| Total Controllable Inc. | (5,735) | (5,853) | 118 | 118 | (5,585) | (5,592) | 7 | Over recovered | 0.1% | a |
| Net Controllable Exp. | 1,095 | 953 | 142 | 142 | 173 | 34 | 139 | under | 80.3% | |
| Transfer to Reserves (as at 01/03/19) | | | | | 0 | 0 | 0 | | | |
| Position After Transfers to Reserves (as at 01/03/19) | | | | | 173 | 34 | 139 | under | 80.3% | |

Variance Explanations**1. Employee costs**

This underspend is a result of staff turnover being higher than anticipated.

2. Payments to Other Bodies

This overspend reflects the current service requirement to support service users in the community. This is being managed within the overall grant allocation.

Budget Virements

- a.** S27 Criminal Justice Social Work Grant realignment £0. Employee Costs £0.220m, Supplies and Services £0.038m, Income (£0.258m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 1 March 2019 (No.13)

Performance and Support

| Budget Category | Annual Budget | Forecast for Year BEFORE Transfers | Annual Forecast Variance BEFORE Transfers | Annual Forecast Variance AFTER Transfers | Budget Proportion 1/3/19 | Actual 1/3/19 | Variance 1/3/19 | | % Variance 1/3/19 | Note |
|--|----------------------|---|--|---|---------------------------------|----------------------|------------------------|-----------------------|--------------------------|-------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | | |
| Employee Costs | 6,683 | 6,193 | 490 | 490 | 5,818 | 5,367 | 451 | under | 7.8% | 1 |
| Property Costs | 630 | 505 | 125 | 125 | 582 | 455 | 127 | under | 21.8% | 2 |
| Supplies & Services | 466 | 434 | 32 | 32 | 407 | 413 | (6) | over | (1.5%) | |
| Transport & Plant | 253 | 254 | (1) | (1) | 228 | 215 | 13 | under | 5.7% | |
| Administration Costs | 441 | 420 | 21 | 21 | 392 | 341 | 51 | under | 13.0% | 3 |
| Payments to Other Bodies | 105 | 40 | 65 | 65 | 100 | 41 | 59 | under | 59.0% | 4 |
| Payments to Contractors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | n/a | |
| Transfer Payments | 1 | 1 | 0 | 0 | 1 | 1 | 0 | under | 0.0% | |
| Financing Charges | 204 | 206 | (2) | (2) | 128 | 145 | (17) | over | (13.3%) | |
| Total Controllable Exp. | 8,783 | 8,053 | 730 | 730 | 7,656 | 6,978 | 678 | under | 8.9% | |
| Total Controllable Inc. | (892) | (887) | (5) | (5) | (872) | (886) | 14 | over recovered | 1.6% | |
| Net Controllable Exp. | 7,891 | 7,166 | 725 | 725 | 6,784 | 6,092 | 692 | under | 10.2% | |
| Transfer to Reserves (as at 01/03/19) | | | | | 0 | 0 | 0 | | | |
| Position After Transfers to Reserves (as at 01/03/19) | | | | | 6,784 | 6,09 | 692 | Under | 10.2% | |

Variance Explanations**1. Employee costs**

This underspend is attributable to several elements - a number of vacancies which are in the process of being filled, vacancies for temporary posts where funding ends 31 March 2019, part contribution of Chief Officer salary from NHS and the current cost to implement the Carers Act .

2. Property costs

The underspend is in relation to rates and other property costs which will offset other budget pressures within the Resource.

3. Administration Costs

This underspend reflects the current costs for printing, telephones and postage. These costs have decreased since the previous financial year.

4. Payments to Other Bodies

This underspend reflects the current cost to implement the Carers Act.