

# Report

Report to:	<b>Social Work Resources Committee</b>
Date of Meeting:	<b>19 September 2018</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Director, Health and Social Care</b>

Subject:	<b>Social Work Resources - Revenue Budget Monitoring 2018/2019</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 2018 to 17 August 2018 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 overspend of £0.467m on the Social Work Resources' revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2019 of a potential overspend of £1.000m, be noted; and
- (2) that the proposed budget virements be approved.

## 3. Background

- 3.1. This is the first revenue budget monitoring report presented to the Social Work Resources Committee for the financial year 2018/2019. Further reports will follow throughout the year.
- 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. None

## 5. Financial Implications

5.1. As at 17 August 2018, there is an overspend of £0.467m against the phased budget. The financial forecast for the revenue budget to 31 March 2019 is a potential overspend of £1.000m.

- 5.2. As reported to Executive Committee on 15 August 2018, the Resource has identified pressures within Children and Families Services due to the number of residential school/external placements and fostering placements in the first 6 months of the current year. This was noted as approximately £0.800m of a pressure as at period 4. Since then, 2 more placements have been made meaning that the potential overspend for the full year has increased to £1.000 million. The Resource is currently looking at these pressures in conjunction with the other services of the Resource to identify ways to minimise and manage these costs.
- 5.3. In addition, Adult and Older People Services is experiencing pressures in respect of Direct Payments. This will continue to be monitored over the coming months.
- 6. Other Implications**
- 6.1. 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 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**

31 August 2018

**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 17 August 2018

**Contact for Further Information**

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

Hazel Goodwin, Finance Manager

Ext: 4292 (Tel: 01698 454292)

E-mail: [hazel.goodwin@southlanarkshire.gov.uk](mailto:hazel.goodwin@southlanarkshire.gov.uk)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 17 August 2018 (No.6)

## Social Work Resources Summary

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 17/08/18</b>	<b>Actual 17/08/18</b>	<b>Variance 17/08/18</b>		<b>% Variance 17/08/18</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	84,102	84,102	0	29,319	29,467	(148)	over	(0.5%)	
Property Costs	2,661	2,661	0	997	935	62	under	6.2%	
Supplies & Services	6,051	6,051	0	1,680	1,693	(13)	over	(0.8%)	
Transport & Plant	4,591	4,591	0	1,696	1,663	33	under	1.9%	
Administration Costs	1,514	1,514	0	427	439	(12)	over	(2.8%)	
Payments to Other Bodies	17,169	17,669	(500)	6,342	6,781	(439)	over	(6.9%)	
Payments to Contractors	94,650	95,150	(500)	32,513	32,636	(123)	over	(0.4%)	
Transfer Payments	754	754	0	304	372	(68)	over	(22.4%)	
Financing Charges	267	267	0	40	29	11	under	27.5%	
<b>Total Controllable Exp.</b>	<b>211,759</b>	<b>212,759</b>	<b>(1,000)</b>	<b>73,318</b>	<b>74,015</b>	<b>(697)</b>	<b>over</b>	<b>(1.0%)</b>	
<b>Total Controllable Inc.</b>	<b>(60,369)</b>	<b>(60,369)</b>	<b>0</b>	<b>(11,178)</b>	<b>(11,408)</b>	<b>230</b>	<b>over recovered</b>	<b>2.1%</b>	
<b>Net Controllable Exp.</b>	<b>151,390</b>	<b>152,390</b>	<b>(1,000)</b>	<b>62,140</b>	<b>62,607</b>	<b>(467)</b>	<b>over</b>	<b>(0.8%)</b>	

**Variance Explanations**

Variance explanations are shown in Appendices B and C.

**Budget Virements**

Budget virements are shown in Appendices B-E.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 17 August 2018 (No.6)

## Children and Families Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 17/08/18</b>	<b>Actual 17/08/18</b>	<b>Variance 17/08/18</b>		<b>% Variance 17/08/18</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	15,002	15,002	0	5,279	5,376	(97)	over	(1.8%)	1,a
Property Costs	315	315	0	94	86	8	under	8.5%	
Supplies & Services	525	525	0	216	200	16	under	7.4%	
Transport & Plant	622	622	0	234	197	37	under	15.8%	
Administration Costs	275	275	0	129	142	(13)	over	(10.1%)	b
Payments to Other Bodies	8,374	8,874	(500)	3,634	3,880	(246)	over	(6.8%)	2,b
Payments to Contractors	4,203	4,703	(500)	1,596	1,763	(167)	over	(10.5%)	3,b
Transfer Payments	741	741	0	299	364	(65)	over	(21.7%)	4,b
Financing Charges	17	17	0	8	8	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>30,074</b>	<b>31,074</b>	<b>(1,000)</b>	<b>11,489</b>	<b>12,016</b>	<b>(527)</b>	<b>over</b>	<b>(4.6%)</b>	
<b>Total Controllable Inc.</b>	<b>(397)</b>	<b>(397)</b>	<b>0</b>	<b>(44)</b>	<b>(109)</b>	<b>65</b>	<b>over recovered</b>	<b>147.7%</b>	<b>5</b>
<b>Net Controllable Exp.</b>	<b>29,677</b>	<b>30,677</b>	<b>(1,000)</b>	<b>11,445</b>	<b>11,907</b>	<b>(462)</b>	<b>over</b>	<b>(4.0%)</b>	

Variance Explanations

- Employee Costs**  
This overspend is a result of turnover being less than anticipated.
- Payments to Other Bodies**  
This overspend is due to the increase in demand for external foster placements.
- Payments to Contractors**  
This overspend is due to the demand for children's residential school and secure placements.
- 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.
- Income**  
This over recovery relates to the higher than budgeted income from the Home Office for services provided to unaccompanied asylum seeking children.

Budget Virements

- Budget transfer in relation to reception services. Adults and Older People £0.236m, Performance and Support (£0.423m). Employee Costs £0.187m.
- Budget realignment in relation to fostering, kinship and legal expenses. Administration costs £0.140m, Payments to Other Bodies £0.064m, Payments to Contractors (£0.344m), Transfer Payments £0.140m.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 17 August 2018 (No.6)

## Adults and Older People Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 17/08/18</b>	<b>Actual 17/08/18</b>	<b>Variance 17/08/18</b>		<b>% Variance 17/08/18</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	56,901	56,901	0	19,898	20,048	(150)	over	(0.8%)	1,a,b,c,h,i
Property Costs	1,637	1,637	0	699	644	55	under	7.9%	2
Supplies & Services	4,966	4,966	0	1,344	1,357	(13)	over	(1.0%)	
Transport & Plant	3,595	3,595	0	1,334	1,333	1	under	0.1%	j
Administration Costs	374	374	0	143	140	3	under	2.1%	
Payments to Other Bodies	8,013	8,013	0	2,613	2,777	(164)	over	(6.3%)	3,b,d,e,g
Payments to Contractors	90,435	90,435	0	30,913	30,873	40	under	0.1%	c,e,f,g,k
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	36	36	0	18	13	5	under	27.8%	
<b>Total Controllable Exp.</b>	<b>165,957</b>	<b>165,957</b>	<b>0</b>	<b>56,962</b>	<b>57,185</b>	<b>(223)</b>	<b>over</b>	<b>(0.4%)</b>	
<b>Total Controllable Inc.</b>	<b>(54,069)</b>	<b>(54,069)</b>	<b>0</b>	<b>(8,840)</b>	<b>(9,006)</b>	<b>166</b>	<b>over recovered</b>	<b>1.9%</b>	<b>4,b,f,j,k</b>
<b>Net Controllable Exp.</b>	<b>111,888</b>	<b>111,888</b>	<b>0</b>	<b>48,122</b>	<b>48,179</b>	<b>(57)</b>	<b>over</b>	<b>(0.1%)</b>	

**Variance Explanations****1. Employee Costs**

This overspend is a result of Home Care recruitment for future vacancies to maintain staffing levels, partly offset by vacancies which are in the process of being filled.

**2. Property Costs**

This underspend relates mainly to savings generated with the installation of energy efficient boilers within day care and residential units and reduced demand for heating in the current climatic conditions.

**3. Payments to Other Bodies**

This overspend is a result of more service users than budgeted opting for direct payments to exercise choice and control of their care package.

**4. Income**

This over recovery is a result of non-recurring income received from service users in respect of prior year care costs being higher than budgeted.

**Budget Virements**

- Budget transfer in relation to reception services. Children and Families £0.187m, Performance and Support (£0.423m). Employee Costs £0.236m.
- Budget established for Integration Partnership funding. Net Effect 0: Employee Costs £4.572m, Payments to Other Bodies £0.726m, Income (£5.298m).
- Budget realignment from internal care and support to external supported living. Net Effect 0: Employee Costs (£0.214m), Payments to Contractors £0.214m.
- Budget transfer in relation to Lanarkshire Carers Centre. Performance and Support (£0.131m). Payments to Other Bodies £0.131m.
- Budget realignment in respect of direct payments. Payments to Other Bodies £0.137m, Payments to Contractors (£0.137m).
- Budget realignment in relation to allocation for Social Care Fund care home placements. Payments to Contractors (£0.100m), Income £0.100m.
- Budget realignment in relation to Living Wage increase. Payments to Other Bodies (£0.153m), Payments to Contractors £0.153m.
- Transfer of Corporate overtime saving. Employee Costs (£0.230m).
- Transfer from Finance and Corporate Resources in respect of Employability funding £0.243m. Employee Costs £0.243m.
- Budget established for increase in previous year's income. Transport and Plant £0.100m, Income (£0.100m).
- Budget established for specialist provision in East Kilbride. Payments to Contractors £0.373m, Income (£0.373m).

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 17 August 2018 (No.6)

## Justice and Substance Misuse

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 17/08/18	Actual 17/08/18	Variance 17/08/18		% Variance 17/08/18	Note
	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>									
Employee Costs	5,511	5,511	0	1,918	1,824	94	under	4.9%	1
Property Costs	65	65	0	27	24	3	under	11.1%	
Supplies & Services	94	94	0	33	46	(13)	over	(39.4%)	
Transport & Plant	119	119	0	45	51	(6)	over	(13.3%)	
Administration Costs	424	424	0	24	30	(6)	over	(25.0%)	
Payments to Other Bodies	237	237	0	92	114	(22)	over	(23.9%)	
Payments to Contractors	12	12	0	4	0	4	under	100.0%	
Transfer Payments	6	6	0	2	4	(2)	over	(100.0%)	
Financing Charges	10	10	0	5	5	0	under	0.0%	
<b>Total Controllable Exp.</b>	6,478	6,478	0	2,150	2,098	52	under	2.4%	
<b>Total Controllable Inc.</b>	(5,384)	(5,384)	0	(2,164)	(2,164)	0	-	0.0%	
<b>Net Controllable Exp.</b>	1,094	1,094	0	(14)	(66)	52	under	371.4%	

**Variance Explanations****1. Employee costs**

This underspend is a result of vacancies which are in the process of being filled.

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 17 August 2018 (No.6)

## Performance and Support

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 17/08/18</b>	<b>Actual 17/08/18</b>	<b>Variance 17/08/18</b>		<b>% Variance 17/08/18</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	6,688	6,688	0	2,224	2,219	5	under	0.2%	<b>a,c,d</b>
Property Costs	644	644	0	177	181	(4)	over	(0.2%)	
Supplies & Services	466	466	0	87	90	(3)	over	(3.4%)	
Transport & Plant	255	255	0	83	82	1	under	1.2%	
Administration Costs	441	441	0	131	127	4	under	3.1%	<b>d</b>
Payments to Other Bodies	545	545	0	3	10	(7)	over	(233.3%)	<b>b</b>
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	7	7	0	3	4	(1)	over	(33.3%)	
Financing Charges	204	204	0	9	3	6	under	66.7%	
<b>Total Controllable Exp.</b>	<b>9,250</b>	<b>9,250</b>	<b>0</b>	<b>2,717</b>	<b>2,716</b>	<b>1</b>	<b>under</b>	<b>0.0%</b>	
<b>Total Controllable Inc.</b>	<b>(519)</b>	<b>(519)</b>	<b>0</b>	<b>(130)</b>	<b>(129)</b>	<b>(1)</b>	<b>under recovered</b>	<b>(0.8%)</b>	<b>c,d</b>
<b>Net Controllable Exp.</b>	<b>8,731</b>	<b>8,731</b>	<b>0</b>	<b>2,587</b>	<b>2,587</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**Budget Virements**

- a. Budget transfer in relation to reception services. Children and Families £0.187m, Adults and Older People £0.236m. Employee Costs (£0.423m).
- b. Budget in relation to Lanarkshire Carers Centre. Adults and Older People £0.131m. Payments to Other Bodies (£0.131m).
- c. Budget established for South Lanarkshire Integration Joint Board's Chief Officer and Chief Financial Officer. Employee Costs £0.178m, Income (£0.178m).
- d. Budget established for Scottish Legal Aid Board. Employee Costs £0.106m, Administration Costs £0.004m, Income (£0.110m).