

Report

Report to:	Social Work Resources Committee
Date of Meeting:	28 November 2018
Report by:	Executive Director (Finance and Corporate Resources) Director, Health and Social Care

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 12 October 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 £0.599m 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 second 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 12 October 2018, there is an overspend of £0.599m against the phased budget. The financial forecast for the revenue budget to 31 March 2019 is a potential overspend of £1.000m.

- 5.2. 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. The estimate of the potential full year pressure remains at approximately £1.000m. 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

22 October 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Social Work Resources Committee of 19 September 2018

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 12 October 2018

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 12 October 2018 (No.8)

Social Work Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/10/18	Actual 12/10/18	Variance 12/10/18		% Variance 12/10/18	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	84,034	84,034	0	41,802	41,921	(119)	over	(0.3%)	
Property Costs	2,677	2,677	0	1,596	1,472	124	under	7.8%	
Supplies & Services	6,091	6,091	0	2,629	2,662	(33)	over	(1.3%)	
Transport & Plant	4,591	4,591	0	2,410	2,331	79	under	3.3%	
Administration Costs	1,514	1,514	0	570	612	(42)	over	(7.4%)	
Payments to Other Bodies	17,757	18,257	(500)	9,164	9,575	(411)	over	(4.5%)	
Payments to Contractors	94,461	94,961	(500)	46,678	47,029	(351)	over	(0.8%)	
Transfer Payments	754	754	0	416	552	(136)	over	(32.7%)	
Financing Charges	267	267	0	53	39	14	under	26.4%	
Total Controllable Exp.	212,146	213,146	(1,000)	105,318	106,193	(875)	over	(0.8%)	
Total Controllable Inc.	(60,740)	(60,740)	0	(18,772)	(19,048)	276	over recovered	1.5%	
Net Controllable Exp.	151,406	152,406	(1,000)	86,546	87,145	(599)	over	(0.7%)	

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 12 October 2018 (No.8)

Children and Families Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/10/18	Actual 12/10/18	Variance 12/10/18		% Variance 12/10/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	14,975	14,975	0	7,512	7,679	(167)	over	(2.2%)	1
Property Costs	321	321	0	257	248	9	under	3.5%	
Supplies & Services	525	525	0	311	292	19	under	6.1%	
Transport & Plant	622	622	0	326	273	53	under	16.3%	2
Administration Costs	275	275	0	165	182	(17)	over	(10.3%)	
Payments to Other Bodies	8,374	8,874	(500)	5,030	5,395	(365)	over	(7.3%)	3
Payments to Contractors	4,203	4,703	(500)	2,241	2,563	(322)	over	(14.4%)	4
Transfer Payments	741	741	0	409	542	(133)	over	(32.5%)	5
Financing Charges	17	17	0	12	11	1	under	8.3%	
Total Controllable Exp.	30,053	31,053	(1,000)	16,263	17,185	(922)	over	(5.7%)	
Total Controllable Inc.	(370)	(370)	0	(94)	(171)	77	over recovered	81.9%	6
Net Controllable Exp.	29,683	30,683	(1,000)	16,169	17,014	(845)	over	(5.2%)	

Variance Explanations

- Employee Costs**
This overspend is a result of turnover being less than anticipated.
- Transport and Plant**
This underspend has arisen as a result of service changes leading to a reduced requirement for transport.
- Payments to Other Bodies**
This overspend is due to the increase in demand for external foster placements.
- Payments to Other Contractors**
This overspend is due to the increased 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, some of which have resulted in payments relating to previous financial years.
- 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 12 October 2018 (No.8)

Adults and Older People Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/10/18	Actual 12/10/18	Variance 12/10/18		% Variance 12/10/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	56,900	56,900	0	28,353	28,593	(240)	over	(0.8%)	1
Property Costs	1,643	1,643	0	946	858	88	under	9.3%	2
Supplies & Services	5,006	5,006	0	2,168	2,219	(51)	over	(2.4%)	3
Transport & Plant	3,595	3,595	0	1,892	1,863	29	under	1.5%	
Administration Costs	374	374	0	201	222	(21)	over	(10.4%)	
Payments to Other Bodies	9,041	9,041	0	3,952	3,986	(34)	over	(0.9%)	a
Payments to Contractors	90,246	90,246	0	44,431	44,466	(35)	over	(0.1%)	a
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	36	36	0	24	17	7	under	29.2%	
Total Controllable Exp.	166,841	166,841	0	81,967	82,224	(257)	over	(0.3%)	
Total Controllable Inc.	(54,068)	(54,068)	0	(15,444)	(15,645)	201	over recovered	1.3%	4
Net Controllable Exp.	112,773	112,773	0	66,523	66,579	(56)	over	0.1%	

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. 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. 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

- a. Budget realignment in relation to Carers Act funding. Performance and Support (£0.880m). Payments to Other Bodies £0.758m, Payments to Contractors £0.122m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 12 October 2018 (No.8)

Justice and Substance Misuse

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/10/18	Actual 12/10/18	Variance 12/10/18		% Variance 12/10/18	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	5,511	5,511	0	2,738	2,583	155	under	5.7%	1
1Property Costs	66	66	0	51	49	2	-	3.9%	
Supplies & Services	94	94	0	46	58	(12)	over	(26.1%)	
Transport & Plant	119	119	0	65	68	(3)	over	(4.6%)	
Administration Costs	424	424	0	35	45	(10)	over	(28.6%)	
Payments to Other Bodies	237	237	0	139	182	(43)	over	(30.9%)	
Payments to Contractors	12	12	0	6	0	6	under	100.0%	
Transfer Payments	6	6	0	3	5	(2)	over	(66.7%)	
Financing Charges	10	10	0	8	8	0	-	0.0%	
Total Controllable Exp.	6,479	6,479	0	3,091	2,998	93	under	3.0%	
Total Controllable Inc.	(5,384)	(5,384)	0	(3,066)	(3,066)	0	-	0.0%	
Net Controllable Exp.	1,095	1,095	0	25	(68)	93	under	372.0%	

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 12 October 2018 (No.8)

Performance and Support

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 12/10/18	Actual 12/10/18	Variance 12/10/18		% Variance 12/10/18	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	6,648	6,648	0	3,199	3,066	133	under	4.2%	1,a
Property Costs	647	647	0	342	317	25	under	7.3%	
Supplies & Services	466	466	0	104	93	11	under	10.6%	
Transport & Plant	255	255	0	127	127	0	-	0.0%	
Administration Costs	441	441	0	169	163	6	under	3.6%	
Payments to Other Bodies	105	105	0	43	12	31	under	72.1%	a
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	7	7	0	4	5	(1)	over	(25.0%)	
Financing Charges	204	204	0	9	3	6	under	66.7%	
Total Controllable Exp.	8,773	8,773	0	3,997	3,786	211	under	5.3%	
Total Controllable Inc.	(918)	(918)	0	(168)	(166)	(2)	over recovered	1.2%	a
Net Controllable Exp.	7,855	7,855	0	3,829	3,620	209	under	5.5%	

Variance Explanations**1. Employee costs**

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

Budget Virements

- a. Budget realignment in relation to Carers Act funding. Adults and Older People £0.880m. Employee Costs (£0.040m), Payments to Other Bodies (£0.400m), Income (£0.440m).