

Report

Report to:	Social Work Resources Committee
Date of Meeting:	20 February 2019
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 4 January 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 £0.815m as at 4 January 2019, as detailed in Appendix A of the report, 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 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 below.
- 3.3. The report details the financial position for Social Work Resources in Appendix A, including the probable outturn position, and the position to 4 January 2019, 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. **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 overtime and staff costs), partially offset by underspends in Performance and Support and Justice due to vacancies.
- 5.3. **Position as at 4 January 2019:** Appendix A shows the position as at 4 January 2019, being an overspend of £0.815m against the phased budget.
- 5.4 Virements are proposed to realign budgets across budget categories. These movements are detailed in Appendices B to E of 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

23 January 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Social Work Resources Committee – 28 November 2018

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 4 January 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 4 January 2019 (No.11)

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 4/1/19	Actual 4/1/19	Variance 4/1/19		% Variance 4/1/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	84,035	84,559	(524)	(524)	60.670	60,767	(97)	over	(0.2%)	
Property Costs	2,661	2,324	337	337	2.156	1,890	266	under	12.3%	
Supplies & Services	6,093	6,144	(51)	(51)	4,049	4,107	(58)	over	(1.4%)	
Transport & Plant	4,592	4,419	173	173	3,322	3,163	159	under	4.8%	
Administration Costs	1,519	1,661	(142)	(142)	887	931	(44)	over	(5.0%)	
Payments to Other Bodies	18,715	19,363	(648)	(648)	13,070	13,614	(544)	over	(4.2%)	
Payments to Contractors	94,229	94,246	(17)	(17)	67,458	67,635	(177)	over	(0.3%)	
Transfer Payments	755	947	(192)	(192)	603	772	(169)	over	(28.0%)	
Financing Charges	267	292	(25)	(25)	187	213	(26)	over	(13.9%)	
Total Controllable Exp.	212,866	213,955	(1,089)	(1,089)	152,402	153,092	(690)	over	(0.5%)	
Total Controllable Inc.	(60,660)	(60,640)	(20)	(20)	(28,004)	(27,879)	(125)	under recovered	(0.4%)	
Net Controllable Exp.	152,206	153,315	(1,109)	(1,109)	124,398	125,213	(815)	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 4 January 2019 (No.11)

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 4/1/19	Actual 4/1/19	Variance 4/1/19		% Variance 4/1/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	14,974	15,338	(364)	(364)	10,876	11,069	(193)	over	(1.8%)	1
Property Costs	323	309	14	14	291	277	14	under	4.8%	
Supplies & Services	525	485	40	40	432	419	13	under	3.0%	
Transport & Plant	624	600	24	24	478	433	45	under	9.4%	
Administration Costs	275	326	(51)	(51)	221	254	(33)	over	(14.9%)	
Payments to Other Bodies	8,374	9,114	(740)	(740)	6,928	7,578	(650)	over	(9.4%)	2
Payments to Contractors	4,203	4,914	(711)	(711)	3,214	3,790	(576)	over	(17.9%)	3
Transfer Payments	741	929	(188)	(188)	592	757	(165)	over	(27.9%)	4
Financing Charges	17	22	(5)	(5)	16	18	(2)	Over	(12.5%)	
Total Controllable Exp.	30,056	32,037	(1,981)	(1,981)	23,048	24,595	(1,547)	over	(6.7%)	
Total Controllable Inc.	(371)	(571)	200	200	(280)	(404)	124	over recovered	44.3%	5
Net Controllable Exp.	29,685	31,466	(1,781)	(1,781)	22,768	24,191	(1,423)	over	(6.3%)	

Variance Explanations**1. Employee Costs**

This overspend is a result of 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 4 January 2019 (No.11)

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 4/1/19	Actual 4/1/19	Variance 4/1/19		% Variance 4/1/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	56,857	57,643	(786)	(786)	40,975	41,381	(406)	over	(1.0%)	1
Property Costs	1,643	1,442	201	201	1,301	1,166	135	under	10.4%	2
Supplies & Services	5,006	5,096	(90)	(90)	3,172	3,249	(77)	over	(2.4%)	3
Transport & Plant	3,595	3,467	128	128	2,704	2,612	92	under	3.4%	4
Administration Costs	373	481	(108)	(108)	274	325	(51)	over	(18.6%)	
Payments to Other Bodies	9,969	9,851	118	118	5,817	5,705	112	under	1.9%	5, a b
Payments to Contractors	90,014	89,332	682	682	64,235	63,845	390	under	0.6%	6, b
Transfer Payments	7	7	0	0	5	7	(2)	over	(40.0%)	
Financing Charges	36	43	(7)	(7)	33	32	1	under	3.0%	
Total Controllable Exp.	167,500	167,362	138	138	118,516	118,322	194	under	(0.2%)	
Total Controllable Inc.	(53,920)	(53,587)	(333)	(333)	(22,938)	(22,661)	(277)	under recovered	(1.2%)	7
Net Controllable Exp.	113,580	113,775	(195)	(195)	95,578	95,661	(83)	over	(0.1%)	

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 vacancies which are in the process of being filled.

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 proposals for 2019/20.

5. 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 proposals for 2019/20. It also reflects the current cost to implement the Carers Act.

6. 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.

7. 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.

Budget Virements

- Transfer from reserves of funding carried forward from previous years. Payment to Other Bodies £0.800m.
- Budget realignment in relation to service delivery. Payments to Other Bodies £0.153m, Payments to Contractors (£0.153m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 4 January 2019 (No.11)

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 4/1/19	Actual 4/1/19	Variance 4/1/19		% Variance 4/1/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	5,566	5,430	136	136	3,998	3,815	183	under	4.6%	1
Property Costs	65	68	(3)	(3)	57	52	5	under	8.8%	
Supplies & Services	96	129	(33)	(33)	67	83	(16)	over	(23.9%)	
Transport & Plant	120	98	22	22	92	73	19	under	20.7%	
Administration Costs	430	434	(4)	(4)	61	58	3	under	4.9%	
Payments to Other Bodies	267	358	(91)	(91)	236	291	(55)	over	(23.3%)	
Payments to Contractors	12	0	12	12	9	0	9	under	100.0%	
Transfer Payments	6	10	(4)	(4)	5	8	(3)	over	(60.0%)	
Financing Charges	10	21	(11)	(11)	10	18	(8)	over	(80.0%)	
Total Controllable Exp.	6,572	6,548	24	24	4,535	4,398	137	under	3.0%	
Total Controllable Inc.	(5,477)	(5,595)	118	118	(4,428)	(4,428)	0	-	0.0%	
Net Controllable Exp.	1,095	953	142	142	107	(30)	137	under	128.0%	

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 4 January 2019 (No.11)

Performance and Support

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 4/1/19	Actual 4/1/19	Variance 4/1/19		% Variance 4/1/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	6,638	6,148	490	490	4,821	4,502	319	under	6.6%	1
Property Costs	630	505	125	125	507	395	112	under	22.1%	2
Supplies & Services	466	434	32	32	378	356	22	under	5.8%	
Transport & Plant	253	254	(1)	(1)	48	45	3	under	6.3%	
Administration Costs	441	420	21	21	331	294	37	under	11.2%	
Payments to Other Bodies	105	40	65	65	89	40	49	under	55.1%	
Payments to Contractors	0	0	0	0	0	0	0	-	n/a	
Transfer Payments	1	1	0	0	1	0	1	under	100.0%	
Financing Charges	204	206	(2)	(2)	128	145	(17)	over	(13.3%)	
Total Controllable Exp.	8,738	8,008	730	730	6,303	5,777	526	under	8.3%	
Total Controllable Inc.	(892)	(887)	(5)	(5)	(358)	(386)	28	over recovered	7.8%	
Net Controllable Exp.	7,846	7,121	725	725	5,945	5,391	554	under	9.3%	

Variance Explanations**1. Employee costs**

This underspend is a result of the early implementation of 2019/20 savings and vacancies which are in the process of being filled.

2. Property costs

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