

Report

Report to:	Social Work Resources Committee
Date of Meeting:	7 August 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 31 March 2019 for Social Work Resources

2. Recommendation(s)

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

- (1) that an overspend of £1.131m as at 31 March 2019, as detailed in Appendix A of the report, be noted; and
- (2) that the proposed budget virements be approved.

3. Background

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

3.3. The report details the financial position for Social Work Resources on Appendix A, and then details the individual services in Appendices B to E.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. The final Resource outturn position is an overspend of £1.131m. There are no proposed transfers to reserves.

5.2. This overspend is slightly higher than the £1.109 million that has been reported to Committee during the year. The net overspend relates to an overspend in Children and Families (external residential places, foster places, as well as the level of kinship care payments) and Adults and Older People (employee costs). In addition, Adult and Older People have experienced additional expenditure on equipment, adaptations and technology to assist users to remain at home, as well as demand for respite and direct payment.

5.3. These overspends are partially offset by underspends in Performance and Support and Justice due to employee turnover.

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

7 July 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 31 March 2019

Contact for Further Information

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

Hazel Goodwin, Finance Manager

Ext: 2699 (Tel: 01698 452699)

E-mail: Hazel.Goodwin@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 March 2019 (No.14)

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 31/3/19	Actual 31/3/19	Variance 31/3/19		% Variance 31/3/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	85,112	85,636	(524)	(524)	85,112	85,217	(105)	over	(0.1%)	
Property Costs	2,681	2,344	337	337	2,681	2,440	241	under	9.0%	
Supplies & Services	6,162	6,213	(51)	(51)	6,162	6,495	(333)	over	(5.4%)	
Transport & Plant	4,597	4,424	173	173	4,597	4,455	142	under	3.1%	
Administration Costs	1,525	1,667	(142)	(142)	1,525	1,651	(126)	over	(8.3%)	
Payments to Other Bodies	19,027	19,675	(648)	(648)	19,027	19,694	(667)	over	(3.5%)	
Payments to Contractors	93,586	93,603	(17)	(17)	93,586	93,333	253	under	0.3%	
Transfer Payments	771	963	(192)	(192)	771	1,059	(288)	over	(37.4%)	
Financing Charges	268	293	(25)	(25)	268	292	(24)	over	(9.0%)	
Total Controllable Exp.	213,729	214,818	(1,089)	(1,089)	213,729	214,636	(907)	over	(0.4%)	
Total Controllable Inc.	(60,870)	(60,850)	(20)	(20)	(60,870)	(60,646)	(224)	under recovered	(0.4%)	
Net Controllable Exp.	152,859	153,968	(1,109)	(1,109)	152,859	153,990	(1,131)	over	(0.7%)	
Transfer to Reserves (as at 31/03/19)					0	0	0			
Position After Transfers to Reserves (as at 31/03/19)					152,859	153,990	(1,131)	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 31 March 2019 (No.14)

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 31/3/19	Actual 31/3/19	Variance 31/3/19		% Variance 31/3/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	15,174	15,538	(364)	(364)	15,174	15,351	(177)	over	(1.2%)	1a,b,c
Property Costs	323	309	14	14	323	316	7	under	2.2%	
Supplies & Services	554	514	40	40	554	516	38	under	6.9%	c
Transport & Plant	624	600	24	24	624	580	44	under	7.1%	
Administration Costs	275	326	(51)	(51)	275	326	(51)	over	(18.5%)	
Payments to Other Bodies	8,578	9,318	(740)	(740)	8,578	9,295	(717)	over	(8.4%)	2c
Payments to Contractors	4,203	4,914	(711)	(711)	4,203	5,040	(837)	over	(19.9%)	3
Transfer Payments	757	945	(188)	(188)	757	1,041	(284)	over	(37.5%)	4c
Financing Charges	17	22	(5)	(5)	17	26	(9)	over	(52.9%)	
Total Controllable Exp.	30,505	32,486	(1,981)	(1,981)	30,505	32,491	(1,986)	over	(6.5%)	
Total Controllable Inc.	(689)	(889)	200	200	(689)	(789)	100	over recovered	14.5%	5c
Net Controllable Exp.	29,816	31,597	(1,781)	(1,781)	29,816	31,702	(1,886)	over	(6.3%)	
Transfer to Reserves (as at 31/03/19)					0	0	0			
Position After Transfers to Reserves (as at 31/03/19)					29,816	31,702	(1,886)	over	(6.3%)	

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.

Budget Virements

- Realignment of budget to reflect additional 0.5% payaward £0.071m, Employee Costs £0.071m
- Realignment of budget to reflect Apprenticeship Levy £0.059m, Employee Costs £0.059m
- Incorporation of Scottish Attainment Funding 2018/19 £0m, Employee Costs £0.069m, Supplies and Services £0.029m, Payment to other bodies £0.204m, Transfer Payments £0.016m, Income (£0.318m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 March 2019 (No.14)

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 31/3/19	Actual 31/3/19	Variance 31/3/19		% Variance 31/3/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	57,437	58,223	(786)	(786)	57,437	58,040	(603)	over	(1.0%)	1a,b,e
Property Costs	1,660	1,459	201	201	1,660	1,572	88	under	5.3%	2a,
Supplies & Services	5,008	5,098	(90)	(90)	5,008	5,325	(317)	over	(6.3%)	3a
Transport & Plant	3,600	3,472	128	128	3,600	3,551	49	under	1.4%	a
Administration Costs	373	481	(108)	(108)	373	470	(97)	over	(26.0%)	4
Payments to Other Bodies	10,077	9,959	118	118	10,077	9,997	80	under	0.8%	5c
Payments to Contractors	89,371	88,689	682	682	89,371	88,269	1,102	under	1.2%	6c,d,e
Transfer Payments	7	7	0	0	7	8	(1)	over	(14.3%)	
Financing Charges	36	43	(7)	(7)	36	46	(10)	over	(27.8%)	
Total Controllable Exp.	167,569	167,431	138	138	167,569	167,278	291	under	0.2%	
Total Controllable Inc.	(53,546)	(53,213)	(333)	(333)	(53,546)	(53,157)	(389)	under recovered	(0.7%)	7d
Net Controllable Exp.	114,023	114,218	(195)	(195)	114,023	114,121	(98)	over	(0.1%)	
Transfer to Reserves (as at 31/03/19)					0	0	0			
Position After Transfer to Reserves (as at 31/03/19)					114,023	114,121	(98)	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 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 demand for equipment and adaptations and the requirement to purchase new and to replace existing assistive technology equipment, all of which are used to support service users to remain at home.

4. Administration Costs

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

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

6. Payments to Contractors

The net underspend is a result of a reduction in the funding required for care homes (including named care home placements and is offset by an under recovery in income) and home care. This was offset in part by additional demand for respite services and direct payment.

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

- a. Realignment of budget to reflect additional 0.5% payaward £0.280m, Employee Costs £0.272m, Other Property Costs £0.001m, Supplies and Services £0.002m, Transport and Plant £0.005m
- b. Realignment of budget to reflect Apprenticeship Levy £0.228m, Employee Costs £0.228m
- c. Realignment of Direct Payments £0.m, Payment to other bodies £0.108m, Payment to Contractors (£0.108m)
- d. Reversal of previous temporary budget virement not required £0.m, Payment to Contractors (£0.373m), Income £0.373m
- e. Realignment of additional in-house homecare hours £0m, Employee Costs £0.163m, Payment to Contractors (£0.163m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 March 2019 (No.14)

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 31/3/19	Actual 31/3/19	Variance 31/3/19		% Variance 31/3/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	5,810	5,674	136	136	5,810	5,516	294	under	5.1%	1a,b
Property Costs	66	69	(3)	(3)	66	75	(9)	Over	(13.6%)	
Supplies & Services	133	166	(33)	(33)	133	163	(30)	over	(22.6%)	
Transport & Plant	120	98	22	22	120	90	30	under	25.0%	
Administration Costs	430	434	(4)	(4)	430	444	(14)	over	(3.3%)	
Payments to Other Bodies	267	358	(91)	(91)	267	361	(94)	over	(35.2%)	2
Payments to Contractors	12	0	12	12	12	24	(12)	over	(100.0%)	
Transfer Payments	6	10	(4)	(4)	6	10	(4)	over	(66.7%)	
Financing Charges	10	21	(11)	(11)	10	22	(12)	over	(120.0%)	
Total Controllable Exp.	6,854	6,830	24	24	6,854	6,705	149	under	2.2%	
Total Controllable Inc.	(5,735)	(5,853)	118	118	(5,735)	(5,765)	30	Over recovered	0.5%	
Net Controllable Exp.	1,119	977	142	142	1,119	940	179	under	16.0%	
Transfer to Reserves (as at 31/03/19)					0	0	0			
Position After Transfers to Reserves (as at 31/03/19)					1,119	940	179	under	16.0%	

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

- Realignment of budget to reflect additional 0.5% payaward £0.005m, Employee Costs £0.005m
- Realignment of budget to reflect Apprenticeship Levy £0.019m, Employee Costs £0.019m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 March 2019 (No.14)

Performance and Support

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 31/3/19	Actual 31/3/19	Variance 31/3/19		% Variance 31/3/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	6,691	6,201	490	490	6,691	6,310	381	under	5.7%	1a,b
Property Costs	632	507	125	125	632	477	155	under	24.5%	2
Supplies & Services	467	435	32	32	467	491	(24)	over	(5.1%)	
Transport & Plant	253	254	(1)	(1)	253	234	19	under	7.5%	
Administration Costs	447	426	21	21	447	411	36	under	8.1%	
Payments to Other Bodies	105	40	65	65	105	41	64	under	61.0%	3
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	205	207	(2)	(2)	205	198	7	under	3.4%	
Total Controllable Exp.	8,801	8,071	730	730	8,801	8,162	639	under	7.3%	
Total Controllable Inc.	(900)	(895)	(5)	(5)	(900)	(935)	35	over recovered	3.9%	
Net Controllable Exp.	7,901	7,176	725	725	7,901	7,227	674	under	8.5%	
Transfer to Reserves (as at 31/03/19)					0	0	0			
Position After Transfers to Reserves (as at 31/03/19)					7,901	7,227	674	under	8.5%	

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 of the Chief Officer salary now accounted for via the IJB 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. Payments to Other Bodies

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

Budget Virements

- Realignment of budget to reflect additional 0.5% payaward £0.030m, Employee Costs £0.030m
- Realignment of budget to reflect Apprenticeship Levy £0.023m, Employee Costs £0.023m