

Report

Report to:	Social Work Resources Committee
Date of Meeting:	28 June 2023
Report by:	Executive Director (Finance and Corporate Resources) Director, Health and Social Care

Subject:	Social Work Resources - Revenue Budget Monitoring 2023/2024
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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 2023 to 19 May 2023 for Social Work Resources
- ◆ provide a forecast for the year to 31 March 2024.

2. Recommendation(s)

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

- (1) the breakeven position on the Social Work Resources revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2024 of breakeven, 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 2023/2024.
- 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. There are no employee implications as a result of this report.

5. Financial Implications

- 5.1. As at 19 May 2023, there is a breakeven position against the phased budget.
- 5.2. Within Children and Families, budget pressures are ongoing into 2023/2024 in relation to residential placements, fostering and kinship care, some of which is a legacy from the pandemic.
- 5.3. £5.635 million was planned to be available this financial year following the approval at probable outturn of the Adults and Older People unplanned underspend from 2022/2023 to be transferred to reserves and used to support Children and Families' pressures in 2023/2024. As detailed in the period 14 report to this committee, the outcome of the review of Home Carers Job Evaluation changes this funding source.

- 5.4. In addition, a further £3.600m is available from a balance of central funding to contribute towards the residual pressures in 2023/2024. The period 2 overspend position on Children and Families (£0.084m) assumes this funding being available (to be drawn down later in the financial year) and is currently being managed by an underspend on Performance and Support.
- 5.5. Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report, as appropriate.

Home Carers Job Evaluation:

- 5.6. As detailed in the Period 14 report presented to this committee the outcome of the Job Evaluation exercise for Home Carers will result in significant recurring costs for the Care at Home service that is delegated to the IJB in 2023/2024 and beyond. The costs of grade changes will be approximately £7m. The IJB have set a budget for 2023/2024 however these costs are not included in that budget. The IJB's Financial Regulations and Integration Scheme set out the process for such an eventuality.
- 5.7. The Financial Regulations state that if the Integration Joint Boards Chief Financial Officer is advised that a significant change is likely to the Integration Joint Board's overall financial position and the deviation involves a change of policy of the Integration Joint Board or results in revenue implications for future years, a report will be provided for the Integration Joint Board in good time detailing the financial consequences to enable appropriate action to be taken timeously.
- 5.8. The regulations state that if an overspend is forecast on either Parties in scope budget, the Chief Officer and the Integration Joint Board's Chief Financial Officer will aim to agree a recovery plan with the relevant Party to balance the overspending budget and to determine the actions required to be taken by the IJB to deliver the recovery plan.
- 5.9. Ordinarily, any such event would require to be met within the envelope of funding provided to the IJB. The intense budget and service pressures on local government, the Health Board and our Health and Social Care partners has been noted previously and is ongoing, both nationally and locally. It should be noted that the financial position for both the IJB and the Council partner both indicate significant budget gaps moving forwards, and therefore it is likely that any recovery plan identified will require changes to be made to the services currently commissioned by the IJB.

Back Dated Pay:

- 5.10. **Back Dated Pay:** In addition to the recurring costs, at a meeting of South Lanarkshire Council on 24 May 2023 it was asked that a review took place in relation to the implementation date of the outcome. Whilst the outcome of the Job Evaluation stated that grades were to change from 1 April 2023, there was the possibility that this review would change that outcome and back dated pay would require to be paid out. These costs would be in relation to Home Carers and therefore the costs are part of the services delegated to the IJB.
- 5.11. As of the 12 June the outcome of the review is now known. A basis has been established for back-dating to October 2020. The value of the back pay will take some time to calculate, however these costs will require to be included in the financial position for 2022/2023. The Executive Committee (1 February 2023) had agreed that it would clawback a non-recurring underspend from the IJB of £5.6 million and use this to help with Children and Families pressures into 2023/2024. As Home Carer back pay now requires to be paid, the IJB will now not underspend and therefore that funding will not be available.

The Council will therefore need to identify other funding to help with Children and Families costs into 2023/2024 and a proposal has been made to the Executive Committee on this.

- 5.12. As the outcome of the review was only known as this report was being finalised it has not been possible to update the figures in this report to reflect the outcome highlighted above. We will now require to quantify the full costs and the funding package and report back in August to Executive Committee

6. Climate Change, Sustainability and Environmental Implications

- 6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

7. Other Implications

- 7.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. There are inflationary and budget pressures including utilities (as well as general inflation pressures) this year which increase the risk of overspend however these have mitigated through the IJB financial plan for 2023/24. 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.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. 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.
- 8.2. 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)

Professor Soumen Sengupta

Director, Health and Social Care

12 June 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 19 May 2023

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 19 May 2023 (No.2)

Social Work Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/05/23	Actual 19/05/23	Variance 19/05/23		% Variance 19/05/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	108,170	108,170	0	11,402	11,259	143	Under	1.3%	
Property Costs	4,219	4,219	0	474	470	4	Under	0.8%	
Supplies & Services	6,034	6,034	0	328	340	(12)	Over	-3.7%	
Transport & Plant	4,666	4,666	0	340	372	(32)	Over	-9.4%	
Administration Costs	2,062	2,062	0	65	68	(3)	Over	-4.6%	
Payments to Other Bodies	24,961	24,961	0	3,422	3,324	98	Under	2.9%	
Payments to Contractors	135,990	135,990	0	10,626	10,780	(154)	Over	-1.4%	
Transfer Payments	3,060	3,060	0	601	603	(2)	Over	-0.3%	
Financing Charges	403	403	0	8	12	(4)	Over	-50.0%	
Total Controllable Exp.	289,565	289,565	0	27,266	27,228	38	Under	0.1%	
Total Controllable Inc.	(74,867)	(74,867)	0	(2,546)	(2,508)	(38)	Over recovered	1.5%	
Net Controllable Exp.	214,698	214,698	0	24,720	24,720	0	-	0.0%	

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 19 May 2023 (No.2)

Children and Families Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/05/23	Actual 19/05/23	Variance 19/05/23		% Variance 19/05/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	18,815	18,815	0	2,059	1,998	61	Under	3.0%	1, b
Property Costs	460	460	0	63	47	16	Under	25.4%	
Supplies & Services	599	599	0	73	98	(25)	Over	-34.2%	
Transport & Plant	625	625	0	33	23	10	Under	30.3%	
Administration Costs	332	332	0	6	6	0	-	0.0%	
Payments to Other Bodies	10,287	10,287	0	1,177	1,178	(1)	Over	-0.1%	a, b
Payments to Contractors	5,067	5,067	0	561	705	(144)	Over	-25.7%	2
Transfer Payments	3,047	3,047	0	600	601	(1)	Over	-0.2%	
Financing Charges	20	20	0	1	2	(1)	Over	-100.0%	
Total Controllable Exp.	39,252	39,252	0	4,573	4,658	(85)	Over	-1.9%	
Total Controllable Inc.	(2,038)	(2,038)	0	(527)	(528)	1	Over recovered	-0.2%	
Net Controllable Exp.	37,214	37,214	0	4,046	4,130	(84)	Over	-2.1%	

Variance Explanations**1. Employee costs**

This is an underspend due to vacancies which are being actively recruited.

2. Payment to Contractors

This overspend is a result of the continuing increased requirement for children's residential school and external placements.

Budget Virements

a. Transfer of Whole Family Wellbeing Funding to Education Resources, Payment to Other Bodies (£0.413m).

b. Transfer of Parenting Support Workers Net Effect: £0, Employee costs £0.340m, Payment to Other Bodies (£0.340m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 19 May 2023 (No.2)

Adults and Older People Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/05/23	Actual 19/05/23	Variance 19/05/23		% Variance 19/05/23	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	77,546	77,746	0	8,028	8,028	0	-	0.0%	b, c
Property Costs	3,148	3,148	0	283	312	(29)	Over	-10.2%	b
Supplies & Services	4,872	4,872	0	249	227	22	Under	8.8%	b
Transport & Plant	3,706	3,706	0	267	304	(37)	Over	-13.9%	
Administration Costs	776	776	0	27	33	(6)	Over	-22.2%	
Payments to Other Bodies	14,077	14,077	0	2,140	2,043	97	Under	4.5%	1
Payments to Contractors	130,854	130,854	0	10,026	10,036	(10)	Over	-0.1%	a, b, c
Transfer Payments	7	7	0	1	1	0	-	0.0%	
Financing Charges	55	55	0	2	4	(2)	Over	-100.0%	
Total Controllable Exp.	235,041	235,041	0	21,023	20,988	35	Under	0.2%	
Total Controllable Inc.	(65,001)	(65,001)	0	(1,405)	(1,370)	(35)	Under recovered	2.5%	b
Net Controllable Exp.	170,040	170,040	0	19,618	19,618	0	-	0.0%	

Variance Explanations

1. **Payments to Other Bodies**
The underspend is due to unallocated funding to date.

Budget Virements

- a. Transfer of 2023/24 Living Wage funding to Housing and Technical Resources, Payment to Contractors (£0.091m).
- b. Incorporation of IJB financial plan 2023/24 Net Effect: £0, Employee costs (£0.182m), Property costs £0.868m, Supplies & Services £0.324m, Payment to Contractors £6.443m, Income (£7.453m).
- c. Transfer of internal Home Care hours to external Net Effect: £0, Employee costs (£0.910m), Payment to Contractors £0.910m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 19 May 2023 (No.2)

Performance and Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/05/23	Actual 19/05/23	Variance 19/05/23		% Variance 19/05/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	5,051	5,051	0	584	515	69	Under	11.8%	1
Property Costs	544	544	0	106	90	16	Under	15.1%	
Supplies & Services	454	454	0	1	8	(7)	Over	-700.0%	
Transport & Plant	250	250	0	2	1	1	Under	50.0%	
Administration Costs	324	324	0	21	18	3	Under	14.3%	
Payments to Other Bodies	26	26	0	2	0	2	Under	100.0%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	319	319	0	5	5	0	-	0.0%	
Total Controllable Exp.	6,968	6,968	0	721	637	84	Under	11.7%	
Total Controllable Inc.	(611)	(611)	0	(3)	1	(4)	Under recovered	133.3%	
Net Controllable Exp.	6,357	6,357	0	718	638	80	Under	11.1%	

Variance Explanations**1. Employee costs**

This is an underspend due to vacancies which are being actively recruited, mainly within Admin and Clerical staff.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 19 May 2023 (No2)

Justice Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/05/23	Actual 19/05/23	Variance 19/05/23		% Variance 19/05/23	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	6,758	6,758	0	731	718	13	Under	1.8%	
Property Costs	67	67	0	22	21	1	Under	4.5%	
Supplies & Services	109	109	0	5	7	(2)	Over	-40.0%	
Transport & Plant	85	85	0	38	44	(6)	Over	-15.8%	
Administration Costs	630	630	0	11	11	0	-	0.0%	a
Payments to Other Bodies	571	571	0	103	103	0	-	0.0%	a
Payments to Contractors	69	69	0	39	39	0	-	0.0%	a
Transfer Payments	6	6	0	0	1	(1)	Over	n/a	
Financing Charges	9	9	0	0	1	(1)	Over	n/a	
Total Controllable Exp.	8,304	8,304	0	949	945	4	Under	0.4%	
Total Controllable Inc.	(7,217)	(7,217)	0	(611)	(611)	0	-	0.0%	a
Net Controllable Exp.	1,087	1,087	0	338	334	4	Under	1.2%	

Variance Explanations**Budget Virements**

- a. Big Lottery funding Net effect £0, Administration £0.065m, Payment to other Bodies £0.092m, Payment to contractors £0.039m, Income (£0.196m).