

Report

Report to:	Social Work Resources Committee
Date of Meeting:	7 September 2022
Report by:	Executive Director (Finance and Corporate Resources) Director, Health and Social Care

Subject:	Social Work Resources - Revenue Budget Monitoring 2021/2022
----------	--

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 2021 to 31 March 2022 for Social Work Resources

2. Recommendation(s)

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

- (1) that the Social Work Resources final outturn position as at 31 March 2022 of an overspend of £2.967m, after transfer to reserves, 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 fourth revenue budget monitoring report presented to the Social Work Resources Committee for the financial year 2021/2022.

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 F.

4. Employee Implications

4.1. There are no employee implications as a result of this report.

5. Financial Implications

5.1. As at 31 March 2022, there was an overspend position against the budget, being £0.916m. This was the position before transfers to reserves. The position reported in the paper includes agreed transfers to reserves (as detailed in Appendices B to F) approved by the Executive Committee on 29th June 2022. The Resource position as at 31 March 2022, after the transfers to reserves were approved, is an overspend of £2.967m.

- 5.2. The Adult and Older People position at Appendix D shows an underspend of £2.082m before transfer to reserves. Included within this position is a commitment in relation to the Integrated Joint Board (IJB). The budget delegated to the IJB has underspent by £8.827m and the Council agreed to the IJB retaining £6.746m of this non-recurring underspend within their reserves earmarked for future care costs in line with the approach to integrating health and social care budgets. Of the underspend remaining, £2.051m was transferred to a Council reserve to be used in 2022/23 towards projected pressures within Children and Family Services.
- 5.3. The £2.967m overspend relates to additional Covid related expenditure of £2.573m for Children and Families Services which was not funded by the Scottish Government via the Mobilisation Plan as these services are not delegated to the Integrated Joint Board (IJB) and £0.395m non Covid related. Further details on the variances for the individual services are detailed in Appendices B to F.
- 5.4. The additional costs of Covid-19 faced by services devolved to the IJB have been fully funded by the Scottish Government through the Mobilisation Plan. The additional cost includes expenditure on beds to facilitate discharge from hospital, expenditure on support for carers, PPE equipment, staff overtime and sustainability and additional cost being incurred by Social Care providers. These additional costs and income from Scottish Government are included in Appendix B and total £15.702m.
- 5.5. In addition to extra costs, Social Work Resources had lost income from services which were not being provided during the emergency and non-achievement of proposed savings. This totals £2.069m and is included at Appendix D.
- 5.6. Taking the two figures together gives additional cost to the Council of £17.771m.
- 5.7. Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report, as appropriate.

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. 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.
- 7.2. There are no implications for sustainability in terms of the information contained in this report.

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)

Soumen Sengupta
Director, Health and Social Care

9 August 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Social Work Resources Committee – 9 February 2022
- ◆ Executive Committee – 29 June 2022

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 31 March 2022

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)

Email: Hazel.goodwin@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Social Work Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance	Budget Proportion 31/03/22	Actual 31/03/22	Variance 31/03/22		% Variance 31/03/22	Note
	£000	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>										
Employee Costs	100,519	104,283	(3,764)	(3,764)	100,518	104,367	(3,849)	over	-3.8%	
Property Costs	2,567	2,891	(324)	(324)	2,569	2,923	(354)	over	-13.8%	
Supplies & Services	5,310	7,004	(1,694)	(1,694)	5,311	6,718	(1,407)	over	-26.5%	
Transport & Plant	4,541	4,600	(59)	(59)	4,541	4,512	29	under	0.6%	
Administration Costs	1,719	1,693	26	26	1,717	1,640	77	under	4.4%	
Payments to Other Bodies	23,584	25,213	(1,629)	(1,629)	23,583	25,307	(1,724)	over	-7.3%	
Payments to Contractors	112,461	126,775	(14,314)	(14,314)	112,461	122,929	(10,468)	over	-9.3%	
Transfer Payments	3,125	3,690	(565)	(565)	3,126	3,698	(572)	over	-18.3%	
Financing Charges	337	409	(72)	(72)	337	421	(84)	over	-24.9%	
Total Controllable Exp.	254,163	276,558	(22,395)	(22,395)	254,163	274,515	(18,352)	Over	-7.2%	
Total Controllable Inc.	(67,791)	(87,134)	19,248	19,248	(67,791)	(85,227)	17,436	over recovered	-25.7%	
Net Controllable Exp.	186,372	189,424	(3,147)	(3,147)	186,372	187,288	(916)	Over	-0.5%	
Transfer to reserves as at (31/03/22)	0	0	0	0	0	2,051	(2,051)			
Position after Transfer to Reserves as at 31/03/22	186,372	189,424	(3,147)	(3,147)	186,372	189,339	(2,967)			

Variance Explanations

Variance explanations are shown in Appendices B -F.

Budget Virements

Budget virements are shown in Appendices B-F.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Covid-19

	Annual Budget	Forecast for Year	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance	Budget Proportion 31/03/22	Actual 31/03/22	Variance 31/03/22	% Variance 31/03/22	Note
	£000	£000	£000	£000	£000	£000	£000		
<u>Budget Category</u>									
Employee Costs	0	5,624	(5,624)	(5,624)	0	5,621	(5,621)	over	1
Property Costs	0	534	(534)	(534)	0	594	(594)	over	2
Supplies & Services	0	1,656	(1,656)	(1,656)	0	1,490	(1,490)	over	3
Transport & Plant	0	180	(180)	(180)	0	167	(167)	over	4
Administration Costs	0	83	(83)	(83)	0	13	(13)	over	
Payments to Other Bodies	0	1,476	(1,476)	(1,476)	0	2,191	(2,191)	over	5
Payments to Contractors	0	12,915	(12,915)	(12,915)	0	10,164	(10,164)	over	6
Transfer Payments	0	52	(52)	(52)	0	55	(55)	over	7
Financing Charges	0	0	0	0	0	0	(0)	-	n/a
Total Controllable Exp.	0	22,520	(22,520)	(22,520)	0	20,295	(20,295)	Over	n/a
Total Controllable Inc.	0	(19,978)	19,978	19,978	0	(17,722)	17,722	Over recovered	8
Net Controllable Exp.	0	2,542	(2,542)	(2,542)	0	2,573	(2,573)	Over	n/a
Transfer to reserves as at (31/03/22)	0	0	0	0	0	0	0		
Position after Transfer to Reserves as at 31/03/22	0	2,542	(2,542)	(2,542)	0	2,573	(2,573)		

Variance Explanations**1 Employee Costs**

These costs relate to the additional hours in response to COVID-19 to maintain existing service delivery and to support hospital discharge and includes the £500 payment to Social Care staff.

2 Property Costs

These costs related to expenditure on hygiene products in response to COVID-19 and the operation of the PPE hub for supplies to all Social Care providers.

3 Supplies & Services

These costs mainly relate to an increase in demand for equipment and adaptations as services are remobilised.

4 Transport & Plant

This cost relates to staff travelling separately due to covid 19 in accordance with social distancing.

5 Payment to other bodies

This expenditure relates to costs incurred by South Lanarkshire Leisure in respect of providing COVID-19 vaccination venues (offset by Government funding), additional supports required for fostering, adoption, and services where the service user has chosen a direct payment.

6 Payment to Contractors

This expenditure relates to the response to COVID-19 to provide capacity in the system, payments to external providers in respect of sustainability, the Social Care Support Fund and additional costs incurred on PPE and infection and prevention control measures. It also includes the expenditure in relation to residential schools and external placements for young people as a result of the pandemic.

7 Transfer Payments

This expenditure is in relation to payments made to provide financial assistance to those people who may face financial hardship over winter periods, due to Covid 19.

8 Income

This over recovery of income is currently offsetting the expenditure incurred in response to COVID-19 and the cost of the £500 payment to Social Care staff.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Children and Families Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfer	Budget Proportion 31/03/22	Actual 31/03/22	Variance 31/03/22		% Variance 31/03/22	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	17,247	16,747	499	499	17,246	16,703	543	under	3.1%	1
Property Costs	328	325	5	5	330	325	5	over	1.5%	
Supplies & Services	509	519	(10)	(10)	509	577	(68)	Over	-13.4%	2
Transport & Plant	628	619	9	9	628	566	62	Under	9.9%	3
Administration Costs	299	296	2	2	298	369	(71)	over	-23.8%	4
Payments to Other Bodies	9,717	9,635	81	81	9,716	9,324	392	under	4.0%	5
Payments to Contractors	5,595	6,913	(1,318)	(1,318)	5,595	6,958	(1,363)	over	-24.4%	6, a
Transfer Payments	3,112	3,609	(496)	(496)	3,113	3,622	(509)	over	-16.4%	7
Financing Charges	19	28	(9)	(9)	19	29	(10)	over	-52.6%	
Total Controllable Exp.	37,454	38,691	(1,237)	(1,237)	37,454	38,473	(1,019)	over	-2.7%	
Total Controllable Inc.	(2,226)	(2,549)	228	228	(2,226)	(2,328)	102	over recovered	-4.6%	8
Net Controllable Exp.	35,228	36,142	(1,009)	(1,009)	35,228	36,145	(917)	over	-2.6%	
Transfer to reserves as at (31/03/22)	0	0	0	0	0	0	0			
Position after Transfer to Reserves (31/03/22)	35,228	36,142	(1,009)	(1,009)	35,228	36,145	(917)	Over	-2.6%	

Variance Explanations

- Employee costs**
The underspend is a result of vacancies which are actively being recruited.
- Supplies & services**
Overspend in relation to the increase cost of provisions and purchases of IT equipment to aid mobile and working from home requirements.
- Transport & Plant**
The underspend has arisen from the reduction in expenditure in respect of transporting children to and from service due to Covid 19.
- Administration costs**
This overspend relates in part to the allocation of mobile phones to staff for agile working.
- Payment to other bodies**
The underspend is in respect of non-recurring underspends in relation to funding to develop both supported accommodation and young carers services and demand for supported carers and short break services. This is offset in part by an overspend as a result of continuing use of external foster placements arising from permanent fostering placements.
- Payment to Contractors**
This overspend is a result of the increased requirement for children's residential school and external placements.
- Transfer Payments**
This overspend relates to additional demand for kinship care.
- Income**
This is in relation to the recovery of costs from the Home Office for services provided to unaccompanied asylum-seeking children in South Lanarkshire children's care facilities.

Budget Virements

- Drawdown from reserves to Finance and Corporate Net effect £0.762m, Payment to contractor £0.762m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Adults and Older People Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 31/03/22	Actual 31/03/22	Variance 31/03/22		% Variance 31/03/22	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	68,710	67,856	854	854	68,710	68,261	449	under	0.7%	1, b, c, d
Property Costs	1,613	1,421	192	192	1,613	1,430	183	under	11.3%	2
Supplies & Services	4,149	4,086	63	63	4,149	3,890	259	under	6.2%	3
Transport & Plant	3,571	3,521	50	50	3,571	3,504	67	Under	1.9%	4
Administration Costs	454	449	5	5	454	461	(7)	over	-1.5%	
Payments to Other Bodies	13,209	13,309	(100)	(100)	13,209	12,930	279	Under	2.1%	5, e
Payments to Contractors	106,781	106,861	(80)	(80)	106,781	105,800	981	Under	0.9%	6
Transfer Payments	7	27	(20)	(20)	7	18	(11)	over	-157.1%	
Financing Charges	42	43	(1)	(1)	42	45	(4)	over	-7.1%	
Total Controllable Exp.	198,536	197,573	963	963	198,536	196,339	2,197	under	1.1%	
Total Controllable Inc.	(57,167)	(56,234)	(933)	(933)	(57,167)	(57,052)	(115)	under recovered	0.2%	7, a, b, c, d, e
Net Controllable Exp.	141,369	141,339	30	30	141,369	139,287	2,082	under	1.5%	
Transfer to reserves as at (31/03/22)	0	0	0	0	0	2,051	(2,051)			
Position after Transfer to Reserves (31/03/22)	141,369	141,339	(30)	(30)	141,369	141,338	31	under	0%	

Variance Explanations**1. Employee Costs**

The underspend is a result of vacancies for Social Workers, instructors and care staff which are actively being recruited, offset in part by turnover being less than budgeted for within other staff sectors.

2. Property Costs

This underspend is in respect of utilities across a range of day care building which are not fully operational in line with Covid guidance, alongside facilities being used as test centres and being funded by Scottish Government.

3. Supplies & Services

The underspend is a result of reductions in day services impacted by Covid 19, offset in part by an overspend on the license costs associated with the new home care scheduling system.

4. Transport & Plant

The underspend as a consequence of building based day services currently not fully operational during Covid 19. This is offset in part with an overspend associated with additional costs incurred for staff travel in accordance with social distancing guideline,

5. Payments to other bodies

Only part year funding was required from the Carers Act, resulting in a non-recurring underspend.

6. Payments to contractors

The majority of underspend has arisen as a result of the availability of external providers to deliver services, care homes ability to accept admissions during covid and a reduction in the requirement for free personal care. Overspends in daycare and the implementation of 21/22 savings have offset these underspends slightly.

7. Income

The under recovery is in respect of the Service Level Agreement with the State Hospital and is offset by an underspend in employee costs.

Budget Virements

- a. Transfer of MA funding to Finance and corporate Net effect (£0.105m), Income (£0.105m)
- b. Incorporation of IJB reserve for Quality Assurance and Commissioning team Net Effect: £0, Income (£0.115m), Employee costs £0.115m.
- c. Incorporation of IJB reserve for Project management team Net Effect: £0, Income (£0.158m), Employee costs £0.158m,
- d. Incorporation of IJB reserve for Scheduling team Net Effect £0, Income (£0.115m), employee costs £0.115m
- e. ICF Prepayment 20/21 carried forward net effect £0, Payment to other bodies £0.740m, income (£0.740m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

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

Performance and Support Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance	Budget Proportion 31/03/22	Actual 3/03/22	Variance 31/03/22		% Variance 31/03/22	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	7,129	6,745	384	384	7,129	6,686	443	Under	6.2%	1, a
Property Costs	489	455	34	34	489	455	34	Under	7.0%	
Supplies & Services	545	599	(54)	(54)	546	623	(77)	Over	-14.1%	2
Transport & Plant	251	191	60	60	251	184	67	Under	26.7%	3
Administration Costs	432	322	110	110	431	331	100	Under	23.2%	4
Payments to Other Bodies	35	28	7	7	35	14	21	under	60.0%	
Payments to Contractors	0	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	0	-	n/a	
Financing Charges	262	318	(56)	(56)	262	328	(66)	over	-25.2%	5
Total Controllable Exp.	9,143	8,658	485	485	9,143	8,621	522	over	5.7%	
Total Controllable Inc.	(1,030)	(949)	(81)	(81)	(1,030)	(985)	(45)	under recovered-	4.4%	
Net Controllable Exp.	8,113	7,709	404	404	8,113	7,636	477	under	5.9%	
Transfer to Reserves as at (31/03/22)	0	0	0	0	0	0	0			
Position after Transfer to Reserves (31/03/22)	8,113	7,709	404	404	8,113	7,636	477			

Variance Explanations**1. Employee Costs**

The underspend is a result of vacancies which are actively being recruited.

2. Supplies and Services

The overspend reflects the share of costs associated with Council's computerised EDRMs filing system as well as increase demand for IT equipment due to working from home.

3. Administration Costs

Due to staff working agile and home working there has been less demand for printing and stationery.

4. Financing Charging

This overspend is due to increased demand for IT equipment due to agile and home working.

Budget Virements

- a. Payaward from Finance and Corporate Resources Net Effect £0.118m, employee costs £0.118m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 March 2022 (No14)

Justice Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance	Budget Proportion 31/03/22	Actual 31/03/22	Variance 3/03/22		% Variance 31/03/22	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	7,433	7,310	123	123	7,433	7,096	337	under	4.5%	1
Property Costs	137	158	(21)	(21)	137	119	18	Under	13.1%	
Supplies & Services	107	144	(37)	(37)	107	138	(31)	Over	-29.0%	
Transport & Plant	91	89	2	2	91	91	0	Under	1.1%	
Administration Costs	534	542	(8)	(8)	534	466	68	Under	12.7%	2
Payments to Other Bodies	623	764	(1410)	(141)	623	848	(225)	Over	-36.1%	3
Payments to Contractors	85	86	(1)	(1)	85	7	78	under	-91.8%	4
Transfer Payments	6	3	3	3	6	3	3	under	50.0%	
Financing Charges	14	20	(6)	(6)	14	19	(5)	over	-35.7%	
Total Controllable Exp.	9,030	9,116	(86)	(86)	9,030	8,787	243	under	2.7%	
Total Controllable Inc.	(7,368)	(7,424)	56	56	(7,368)	(7,140)	(228)	under recovered	3.1%	5
Net Controllable Exp.	1,662	1,692	(30)	(30)	1,662	1,647	15	under	0.9%	
Transfer to Reserves as at (31/03/22)	0	0	0	0	0	0	0			
Position after Transfer to Reserves (31/03/22)	1,662	1,692	(30)	(30)	1,662	1,647	15			

Variance Explanations1. **Employee costs**

The underspend is a result of vacancies which are actively being recruited and non-recurring funding received to support the pandemic recovery. This underspend offsets the overspend in PTOB.

2. **Payment to other bodies**

The overspend relates to the services purchased from 3rd party sector from non-recurring funding and is offset with the underspend in Employee costs. There have also been costs relating to the delivery of the Whole System Approach, which have contributed towards this overspend.

3. **Payment to contractors**

This underspend occurred as a result of timing whereby a planned payment for the Big Lottery project moved between financial years and is offset by an under recovery of income.

4. **Income**

Under recovery has arisen from carrying forward Big Lottery funding received that was not spent in the financial year. There is also an under recovery in the fees and charges from other local authorities due to reductions in the funding available.

Budget Virements