

Report

Report to: **Social Work Resources Committee**
Date of Meeting: **6 March 2024**
Report by: **Head of Finance (Strategy)**
Director, Health and Social Care

Subject: **Social Work Resources - Revenue Budget Monitoring
2023/2024**

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 28 December 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) that the forecast to 31 March 2024 of a breakeven position after proposed transfers to reserves, as detailed in Appendix A of the report, be noted;
- (2) that a breakeven position as at 28 December 2023, as detailed in Appendix A, after proposed transfers to reserves be noted; and
- (3) 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 2023/2024.

3.2. The Resource has completed its formal probable outturn exercise for the year. This exercise identifies the expected spend to 31 March 2024. Details are included in Section 5.

3.3. 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. **Probable Outturn:** Following the Council's probable outturn exercise, the Resource is reporting a breakeven position. The Resource position is outlined in Appendix A.

- 5.2. **Children and Families:** As reported previously, one-off funding totalling £9.2 million is being used in 2023/2024 to contribute towards the residual pressures of residential placements and fostering and kinship care, some of which is a legacy from the pandemic.
- 5.3. Ongoing actions to manage the budget pressures have been implemented for the remainder of 2023/2024. In addition, the Resource is working towards managing the overall budget pressure in Children and Families into 2024/2025. This is covered further in the Sustaining Social Work Children and Families Services: Budget Recovery Actions report to this Committee.
- 5.4. **Adults and Older People:** The Adult and Older People position at Appendix C shows a breakeven position. Included within this position is a commitment in relation to the Integration Joint Board (IJB) in relation to specific funding which is not anticipated to spend this financial year (£1.272m). As this is an underspend on the Council's contribution to the IJB, this could have been retained by the Council, however this assumed commitment allows the IJB to retain this non-recurring underspend within their reserves. These monies will be retained in the Council's Balance Sheet and will be available for use by the IJB.
- 5.5. The Executive Committee, on 24 January 2024, approved that the IJB retains this non-recurring underspend within their reserves, earmarked for future care costs.
- 5.6. **Period 10:** As at 28 December 2023, there is a breakeven position against the phased budget. Detailed variance explanations, and proposed budget virements, are outlined in Appendices B to E, 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. 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.

Jackie Taylor
Head of Finance (Strategy)

Professor Soumen Sengupta
Director, Health and Social Care

31 January 2024

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 24 January 2024

List of Background Papers

- ◆ Financial Ledger and budget monitoring results to 28 December 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 28 December 2023 (No.10)

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 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	120,304	119,298	1,006	1,006	87,001	86,116	885	Under	1.0%	
Property Costs	4,534	4,274	260	260	3,080	2,898	182	Under	5.9%	
Supplies & Services	5,935	6,434	(499)	(499)	3,779	4,021	(242)	Over	-6.4%	
Transport & Plant	4,700	4,963	(263)	(263)	3,852	4,017	(165)	Over	-4.3%	
Administration Costs	1,930	1,989	(59)	(59)	789	915	(126)	Over	-16.0%	
Payments to Other Bodies	25,832	25,983	(151)	(151)	17,842	17,843	(1)	Over	0.0%	
Payments to Contractors	139,611	140,386	(775)	(775)	94,456	95,391	(935)	Over	-1.0%	
Transfer Payments	4,576	4,712	(136)	(136)	3,735	3,837	(102)	Over	-2.7%	
Financing Charges	402	432	(30)	(30)	28	31	(3)	Over	-10.7%	
Total Controllable Exp.	307,824	308,471	(647)	(647)	214,562	215,069	(507)	Over	-0.2%	
Total Controllable Inc.	(68,502)	(69,149)	647	647	(56,389)	(56,896)	507	Under recovered	-0.9%	
Net Controllable Exp.	239,322	239,322	0	0	158,173	158,173	0	-	n/a	
Transfer to reserves as at (31/03/24)	0	0	0	0	0	0	0			
Position after Transfer to Reserves (31/03/24)	239,322	239,322	0	0	158,173	158,173	0	-	n/a	

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 28 December 2023 (No.10)

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 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	19,976	19,154	822	822	14,718	14,125	593	Under	4.0%	1, a
Property Costs	522	525	(3)	(3)	370	375	(5)	Over	-1.4%	
Supplies & Services	583	711	(128)	(128)	291	387	(96)	Over	-33.0%	2
Transport & Plant	636	760	(124)	(124)	440	539	(99)	Over	-22.5%	3
Administration Costs	328	404	(76)	(76)	211	285	(74)	Over	-35.1%	4
Payments to Other Bodies	11,025	10,972	53	53	8,054	7,985	69	Under	0.9%	5 b, c
Payments to Contractors	12,727	13,794	(1,067)	(1,067)	8,974	9,917	(943)	Over	-10.5%	6, b
Transfer Payments	4,563	4,680	(117)	(117)	3,726	3,804	(78)	Over	-2.1%	7 b, c
Financing Charges	19	42	(23)	(23)	2	5	(3)	Over	-150.0%	
Total Controllable Exp.	50,379	51,042	(663)	(663)	36,786	37,422	(636)	Over	-1.7%	
Total Controllable Inc.	(1,436)	(1,809)	373	373	(812)	(1,082)	270	Over recovered	33.3%	8
Net Controllable Exp.	48,943	49,233	(290)	(290)	35,974	36,340	(366)	Over	-1.0%	
Transfer to reserves as at (31/03/24)	0	0	0	0	0	0	0			
Position after Transfer to Reserves (31/03/24)	48,943	49,233	(290)	(290)	35,974	36,340	(366)	Over	-1.0%	

Variance Explanations**1. Employee costs**

This is an underspend due to vacancies, mainly with Social Workers, which are being actively recruited.

2. Supplies & Services

This overspend is a result of an increase in the costs for provisions, mainly for the children's homes.

3. Transport & Plant

The overspend has arisen from the requirement for transport for both children in the community and looked after children.

4. Administration costs

This overspend is attributable to legal expenses in relation to guardianship and contested adoptions.

5. Payment to Other Bodies

The non-recurring underspends are in relation to funding to develop a supported accommodation service.

6. Payment to Contractors

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

7. Transfer Payments

This overspend is a result of increasing demand for Kinship Care.

8. Income

The over recovery of income mainly relates to funding received from the Home Office due to an increase in the number of unaccompanied asylum-seeking young people being supported.

Budget Virements

- Incorporation of 2023/24 pay award £1.182m: Employee Costs £1.182m.
- Incorporation of one-off funding for ongoing pressures £9.235m: Payment to Other Bodies £0.975m, Payment to Contractors £7.370m, Transfer Payments £0.890m.
- Incorporation of Scottish Recommended Allowance funding for Fostering and Kinship care £0.952m: Payment to Other Bodies £0.385m, Transfer Payments £0.567m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 28 December 2023 (No.10)

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 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	87,733	88,006	(273)	(273)	63,134	63,324	(190)	Over	-0.3%	1, a, b, c, d
Property Costs	3,330	3,024	306	306	2,203	1,993	210	Under	9.5%	2
Supplies & Services	4,822	5,154	(332)	(332)	3,424	3,532	(108)	Over	-3.2%	3, a, b
Transport & Plant	3,705	3,897	(192)	(192)	3,089	3,209	(120)	Over	-3.9%	4, a, b
Administration Costs	756	737	19	19	308	370	(62)	Over	-20.1%	
Payments to Other Bodies	14,141	14,290	(149)	(149)	9,405	9,426	(21)	Over	-0.2%	a, b
Payments to Contractors	126,845	126,553	292	292	85,443	85,435	8	Under	0.0%	a
Transfer Payments	7	20	(13)	(13)	5	23	(18)	Over	-360.0%	
Financing Charges	55	57	(2)	(2)	14	12	2	Under	14.3%	
Total Controllable Exp.	241,394	241,738	(344)	(344)	167,025	167,324	(299)	Over	-0.2%	
Total Controllable Inc.	(59,142)	(59,486)	344	344	(51,064)	(51,363)	299	Over recovered	0.6%	5, a, e
Net Controllable Exp.	182,252	182,252	0	0	115,961	115,961	0	-	n/a	
Transfer to Reserves as at (31/03/24)	0	0	0	0	0	0	0			
Position after Transfer to Reserves (31/03/24)	182,252	182,252	0	0	115,961	115,961	0	-	n/a	

Variance Explanations**1. Employee costs**

The overspend has arisen from additional costs being incurred within the Home Care scheduling service to ensure vacant shifts are covered. The vacancies are due to recruitment and retention challenges. This is offset in part by an underspend due to vacancies across Social Workers, day care staff and Home Carers.

2. Property Costs

This underspend is a result of utility increases being less than expected and some building-based day services being non-operational.

3. Supplies & Services

The overspend is due to the provision of equipment which is demand led.

4. Transport & Plant

The overspend relates to an increase in taxi provision for day services and additional vehicles within Home Care services, some of which have now been off hired.

5. Income

The over recovery of income relates to non-recurring income received from service users in respect of prior year care costs being higher than budgeted.

Budget Virements

a. IJB Budget Recovery Plan 23/24 Net Effect: £0, Employee Costs £4.859m, Supplies & Services (£0.060m), Transport (£0.120m), Payments to Other Bodies (£0.483), Payment to Contractors (£3.724m), Income (£0.472m).

b. Realignment of Home First Budget Net Effect: £0, Employee Costs (£0.216m), Supplies & Services £0.089m, Transport £0.125m, Payments to Other Bodies £0.002m.

c. Incorporation of 23/24 pay award £2.790m: Employee Costs £2.790m.

d. Incorporation of 22/23 pay award £2.160m: Employee Costs £2.160m.

e. Replacement funding for IJB Reserves £7.200m: Income £7.200m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 28 December 2023 (No.10)

Performance and Support Services

Budget Category	Annual Budget	Forecast for Year BEFORE Transfer	Annual Forecast Variance BEFORE Transfer	Annual Forecast Variance AFTER Transfer	Budget Proportion 28/12/23	Actual 28/12/23	Variance 28/12/23		% Variance 28/12/23	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	5,399	5,199	200	200	3,948	3,684	264	Under	6.7%	1, a
Property Costs	595	607	(12)	(12)	427	428	(1)	Over	-0.2%	
Supplies & Services	453	468	(15)	(15)	18	39	(21)	Over	-116.7%	
Transport & Plant	251	184	67	67	238	182	56	Under	23.5%	
Administration Costs	278	280	(2)	(2)	198	192	6	Under	3.0%	
Payments to Other Bodies	26	50	(24)	(24)	4	30	(26)	Over	-650.0%	
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	319	319	0	0	12	12	0	-	0.0%	
Total Controllable Exp.	7,321	7,107	214	214	4,845	4,567	278	Under	5.7%	
Total Controllable Inc.	(635)	(606)	(29)	(29)	(141)	(112)	(29)	Under recovered	-20.6%	
Net Controllable Exp.	6,686	6,501	185	185	4,704	4,455	249	Under	5.3%	
Transfer to Reserves as at (31/03/24)	0	0	0	0	0	0	0			
Position after Transfer to Reserves (31/03/24)	6,686	6,501	185	185	4,704	4,455	249	Under	5.3%	

Variance Explanations**1. Employee costs**

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

Budget Virements

- a. Incorporation of 23/24 pay award £0.348m: Employee Costs £0.348m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 28 December 2023 (No.10)

Justice Services

Budget Category	Annual Budget £000	Forecast for Year BEFORE Transfers £000	Annual Forecast Variance BEFORE Transfers £000	Annual Forecast Variance AFTER Transfers £000	Budget Proportion 28/12/23 £000	Actual 28/12/23 £000	Variance 28/12/23 £000		% Variance 28/12/23	Note
Employee Costs	7,196	6,939	257	257	5,201	4,983	218	Under	4.2%	1, a, b
Property Costs	87	118	(31)	(31)	80	102	(22)	Over	-27.5%	
Supplies & Services	77	101	(24)	(24)	46	63	(17)	Over	-37.0%	
Transport & Plant	108	122	(14)	(14)	85	87	(2)	Over	-2.4%	
Administration Costs	568	568	0	0	72	68	4	Under	5.6%	
Payments to Other Bodies	640	671	(31)	(31)	379	402	(23)	Over	-6.1%	
Payments to Contractors	39	39	0	0	39	39	0	-	0.0%	
Transfer Payments	6	12	(6)	(6)	4	10	(6)	Over	-150.0%	
Financing Charges	9	14	(5)	(5)	0	2	(2)	Over	n/a	
Total Controllable Exp.	8,730	8,584	146	146	5,906	5,756	150	Under	2.5%	
Total Controllable Inc.	(7,289)	(7,248)	(41)	(41)	(4,372)	(4,339)	(33)	Under recovered	-0.8%	b
Net Controllable Exp.	1,441	1,336	105	105	1,534	1,417	117	Under	7.6%	
Transfer to Reserves as at (31/03/24)	0	0	0	0	0	0	0			
Position after Transfer to Reserves (31/03/24)	1,441	1,336	105	105	1,534	1,417	117	Under	7.6%	

Variance Explanations**1. Employee Costs**

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

Budget Virements

a. Incorporation of 23/24 pay award £0.402m: Employee Costs £0.402m

b. Rephasing of Problem-Solving Drug Court over financial years, Net Effect £0: Employee Costs (£0.189m), Income £0.189m.