

Report

Report to:	Social Work Resources Committee
Date of Meeting:	2 October 2019
Report by:	Executive Director (Finance and Corporate Resources) Director, Health and Social Care

Subject:	Social Work Resources - Revenue Budget Monitoring 2019/2020
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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 to 16 August 2019 for Social Work Resources
- ◆ provide a forecast for the year to 31 March 2020

2. Recommendation(s)

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

- (1) that an overspend of £0.606m on the Social Work Resources' revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2020 of breakeven, be noted; and
- (2) that the proposed budget virements be approved.

3. Background

3.1. This is the second revenue budget monitoring report presented to the Social Work Resources Committee for the financial year 2019/2020.

3.2. The report details the financial position for Social Work Resources on Appendix A, 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. As reported to Executive Committee on 25 September 2019, the Resource has identified pressures within Children and Families Services due to the number of new residential school/external placements in the first 5 months of the current year, and also in relation to kinship care. This is partially offset by an underspend within Performance and Support in relation to admin support staff vacancies which are being recruited. The net overspend as at period 5 is £0.606 million. The Resource is currently looking at these pressures in conjunction with the other services of the Resource to identify ways to minimise and manage these costs.

5.2. Virements are proposed to realign budgets. These movements have been detailed in the appendices to this report, as appropriate.

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

Executive Director (Health and Social Care)

28 August 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 16 August 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 16 August 2019 (No.5)

Social Work Resources Summary

	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 16/8/19	Actual 16/8/19	Variance 16/8/19		% Variance 16/8/19	Note
	£000	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>										
Employee Costs	87,754	87,754	0	0	31,651	31,885	(234)	over	(0.7%)	
Property Costs	2,716	2,716	0	0	913	922	(9)	over	(1.0%)	
Supplies & Services	6,217	6,217	0	0	1,809	1,825	(16)	over	(0.9%)	
Transport & Plant	4,499	4,499	0	0	1,271	1,246	25	under	2.0%	
Administration Costs	1,553	1,553	0	0	317	361	(44)	over	(13.9%)	
Payments to Other Bodies	19,554	19,554	0	0	7,275	7,587	(312)	over	(4.3%)	
Payments to Contractors	100,343	100,343	0	0	28,741	28,936	(195)	over	(0.7%)	
Transfer Payments	830	830	0	0	403	486	(83)	over	(20.6%)	
Financing Charges	263	263	0	0	118	108	10	under	8.5%	
Total Controllable Exp.	223,729	223,729	0	0	72,498	73,356	(858)	over	(1.2%)	
Total Controllable Inc.	(60,214)	(60,214)	0	0	(10,703)	(10,955)	252	over recovered	2.4%	
Net Controllable Exp.	163,515	163,515	0	0	61,795	62,401	(606)	over	(1.0%)	

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 16 August 2019 (No.5)

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 16/8/19	Actual 16/8/19	Variance 16/8/19		% Variance 16/8/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	15,803	15,803	0	0	5,639	5,756	(117)	over	(2.1%)	1,a
Property Costs	325	325	0	0	83	94	(11)	over	(13.3%)	
Supplies & Services	639	639	0	0	190	194	(4)	over	(2.1%)	
Transport & Plant	636	636	0	0	166	160	6	under	3.6%	
Administration Costs	291	291	0	0	41	76	(35)	over	(85.4%)	
Payments to Other Bodies	9,315	9,315	0	0	3,863	4,169	(306)	over	(7.9%)	2,a
Payments to Contractors	5,269	5,269	0	0	2,004	2,223	(219)	over	(10.9%)	3
Transfer Payments	817	817	0	0	399	476	(77)	over	(19.3%)	4
Financing Charges	17	17	0	0	8	5	3	under	37.5%	
Total Controllable Exp.	33,112	33,112	0	0	12,393	13,153	(760)	over	(6.1%)	
Total Controllable Inc.	(997)	(997)	0	0	(172)	(188)	16	over recovered	9.3%	a
Net Controllable Exp.	32,115	32,115	0	0	12,221	12,965	(744)	over	(6.1%)	

Variance Explanations**1. Employee Costs**

This overspend relates to overtime being incurred in the residential units to ensure staffing ratios are maintained. This should reduce with the recruitment of peripatetic staff.

2. Payments to Other Bodies

This overspend is due to the continuing demand for fostering services and an increase in demand for kinship care.

3. Payment to Contractors

This overspend is due to the demand for children's residential schools and external placements.

4. Transfer Payments

This overspend is due to the continuing demand and increase in allowance rate for kinship payments.

Budget Virements

- a. Incorporation of Scottish Attainment Funding 2019/20 £0m. Employee Costs £0.019m, Payment to Other Bodies £0.105m, Income (£0.124m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 16 August 2019 (No.5)

Adults and Older People Services

	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 16/8/19	Actual 16/8/19	Variance 16/8/19		% Variance 16/8/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Budget Category										
Employee Costs	59,481	59,481	0	0	21,617	21,947	(330)	over	(1.5%)	1,a,b
Property Costs	1,655	1,655	0	0	606	608	(2)	over	(0.3%)	
Supplies & Services	5,015	5,015	0	0	1,455	1,453	2	under	0.1%	
Transport & Plant	3,488	3,488	0	0	1,075	1,056	19	under	1.8%	
Administration Costs	389	389	0	0	146	147	(1)	over	(0.7%)	
Payments to Other Bodies	9,925	9,925	0	0	3,361	3,358	3	under	0.1%	d
Payments to Contractors	95,062	95,062	0	0	26,733	26,713	20	under	0.1%	a,c,d
Transfer Payments	7	7	0	0	2	6	(4)	over	(200.0%)	
Financing Charges	36	36	0	0	17	10	7	under	41.2%	
Total Controllable Exp.	175,058	175,058	0	0	55,012	55,298	(286)	over	(0.5%)	
Total Controllable Inc.	(52,756)	(52,756)	0	0	(8,563)	(8,778)	215	over recovered	2.5%	2,c,d
Net Controllable Exp.	122,302	122,302	0	0	46,449	46,520	(71)	over	(0.2%)	

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.

2. Income

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

Budget Virements

a. Budget realignment from in-house and external home care service Net Effect £0m, Employee Costs (£0.162m), Payment to Contractors £0.162m

b. Transfer from Finance and Corporate Resources for pay structure £122m, Employee Costs £0.122m

c. Budget established for specialist provision in East Kilbride Net Effect £0m. Payments to Contractors £0.373m, Income (£0.373m).

d. Budget realignment of Integration Partnership funding Net Effect £0m, Payment to Other Bodies (0.140m), Payment to Contractors (£0.900m), Income £1.040m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 16 August 2019 (No.5)

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 16/8/19	Actual 16/8/19	Variance 16/8/19		% Variance 16/8/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	5,931	5,931	0	0	2,068	1,997	71	under	3.4%	1,a
Property Costs	71	71	0	0	27	27	0	-	0.0%	a
Supplies & Services	139	139	0	0	18	32	(14)	over	(77.8%)	a
Transport & Plant	124	124	0	0	20	21	(1)	over	(5.0%)	
Administration Costs	426	426	0	0	22	24	(2)	over	(9.1%)	a
Payments to Other Bodies	279	279	0	0	49	59	(10)	over	(20.4%)	a
Payments to Contractors	12	12	0	0	4	0	4	under	100.0%	
Transfer Payments	6	6	0	0	2	4	(2)	over	(100.0%)	
Financing Charges	10	10	0	0	5	5	0	-	0.0%	
Total Controllable Exp.	6,998	6,998	0	0	2,215	2,169	46	under	2.1%	
Total Controllable Inc.	(5,725)	(5,725)	0	0	(1,901)	(1,920)	19	over recovered	(1.0%)	a
Net Controllable Exp.	1,273	1,273	0	0	314	249	65	under	20.7%	

Variance Explanations**1. Employee Costs**

This underspend relates to vacancies, the majority of which are being actively recruited, the rest are being considered in line with service requirements.

Budget Virements

- a Incorporation of Caledonian Project Funding 2019/20 £0m. Employee Costs £0.131m, Property Costs £0.006m, Supplies and Services £0.005m Administration £0.001m, Payment to Other Bodies £0.007, Income (£0.150m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 16 August 2019 (No.5)

Performance and Support

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 16/8/19	Actual 16/8/19	Variance 16/8/19		% Variance 16/8/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	6,539	6,539	0	0	2,327	2,185	142	under	6.1%	1
Property Costs	665	665	0	0	197	193	4	under	2.0%	
Supplies & Services	424	424	0	0	146	146	0	-	0.0%	
Transport & Plant	251	251	0	0	10	9	1	under	10.0%	
Administration Costs	447	447	0	0	108	114	(6)	over	(5.6%)	
Payments to Other Bodies	35	35	0	0	2	1	1	under	50.0%	
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	200	200	0	0	88	88	0	-	0.0%	
Total Controllable Exp.	8,561	8,561	0	0	2,878	2,736	142	under	4.9%	
Total Controllable Inc.	(736)	(736)	0	0	(67)	(69)	2	over recovered	(3.0%)	
Net Controllable Exp.	7,825	7,825	0	0	2,811	2,667	144	under	5.1%	

Variance Explanations

1. Employee Costs

This underspend relates to vacancies which are being actively recruited.