

Report

Report to:	Social Work Resources Committee
Date of Meeting:	11 December 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 11 October 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 £1.271m 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 third 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 4 December 2019, the Resource has identified pressures within the Children and Families' Service, due to the number of new residential school/external placements in the first 7 months of the current year, and also in relation to kinship care. In addition, pressures are being experienced in Adult and Older People in relation to Homecare. Discussions are taking place with the Health and Social Care Partnership regarding the management of these costs. The net overspend on Social Work Resources, as at period 7 is £1.271 million. The estimated position for the full year will continue to be worked on and will be reported later in the year.

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

6. Other Implications (Including Environmental and Risk Issues)

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

30 October 2019

Link(s) to Council Values/Objectives/Ambitions

♦ Accountable, Effective, Efficient and Transparent

Previous References

♦ None

List of Background Papers

♦ Financial Ledger and budget monitoring results to 11 October 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

Appendix A

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 11 October 2019 (No.7)

Social Work Resources Summary

	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 11/10/19	Actual 11/10/19	Variance 11/10/19		% Variance 11/10/19	Note
	£000	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>										
Employee Costs	87,407	87,407	0	0	44,945	45,837	(892)	over	(2.0%)	
Property Costs	2,696	2,696	0	0	1,435	1,385	50	under	3.5%	
Supplies & Services	5,767	5,767	0	0	2,672	2,666	6	under	0.2%	
Transport & Plant	4,444	4,444	0	0	2,175	2,131	44	under	2.0%	
Administration Costs	1,524	1,524	0	0	525	526	(1)	over	(0.2%)	
Payments to Other Bodies	19,697	19,697	0	0	10,487	10,923	(436)	over	(4.2%)	
Payments to Contractors	100,380	100,380	0	0	44,820	45,193	(373)	over	(0.8%)	
Transfer Payments	809	809	0	0	505	657	(152)	over	(30.1%)	
Financing Charges	263	263	0	0	135	150	(15)	over	(11.1%)	
Total Controllable Exp.	222,987	222,987	0	0	107,699	109,468	(1,769)	over	(1.6%)	
Total Controllable Inc.	(59,972)	(59,972)	0	0	(17,900)	(18,398)	498	over recovered	2.8%	
Net Controllable Exp.	163,015	163,015	0	0	86,799	91,070	(1,271)	over	(1.4%)	

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 11 October 2019 (No.7)

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 11/10/19	Actual 11/10/19	Variance 11/10/19		% Variance 11/10/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	15,751	15,751	0	0	8,041	8,277	(236)	over	(2.9%)	1,a
Property Costs	331	331	0	0	267	266	1	under	0.4%	
Supplies & Services	616	616	0	0	345	334	11	under	3.2%	a
Transport & Plant	636	636	0	0	380	368	12	under	3.2%	a
Administration Costs	271	271	0	0	142	152	(10)	over	(7.0%)	
Payments to Other Bodies	9,336	9,336	0	0	5,391	5,837	(446)	over	(8.3%)	2,a
Payments to Contractors	5,269	5,269	0	0	2,552	2,939	(387)	over	(15.2%)	3
Transfer Payments	796	796	0	0	499	644	(145)	over	(29.1%)	4,a
Financing Charges	17	17	0	0	9	14	(5)	over	(55.6%)	
Total Controllable Exp.	33,023	33,023	0	0	17,626	18,831	(1,205)	over	(6.8%)	
Total Controllable Inc.	(901)	(901)	0	0	(249)	(325)	76	over recovered	30.5%	5,a
Net Controllable Exp.	32,122	32,122	0	0	17,377	18,506	(1,129)	over	(6.5%)	

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 and adoption 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.

4. Income

This is a recovery of costs from the Home Office for services provided to unaccompanied asylum seeking children in South Lanarkshire's children's care facilities.

Budget Virements

- a Decrease in Scottish Attainment Fund 2019/20 Net Effect £0m. Employee Costs (£0.052m), Supplies and Services (£0.011m), Administration (£0.010m), Payment to Other Bodies (£0.108m), Transfer Payments (£0.009m), Income £0.190m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 11 October 2019 (No.7)

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 11/10/19	Actual 11/10/19	Variance 11/10/19		% Variance 11/10/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	59,177	59,177	0	0	30,589	31,231	(642)	over	(1.5%)	1,a,b
Property Costs	1,681	1,681	0	0	875	869	6	under	(0.3%)	
Supplies & Services	4,588	4,588	0	0	2,096	2,100	(4)	over	0.1%	c
Transport & Plant	3,433	3,433	0	0	1,714	1,711	3	under	1.8%	
Administration Costs	389	389	0	0	212	212	0	-	(0.7%)	
Payments to Other Bodies	10,047	10,047	0	0	4,862	4,863	(1)	over	0.1%	d
Payments to Contractors	95,099	95,099	0	0	42,263	42,249	14	under	0.1%	
Transfer Payments	7	7	0	0	3	8	(5)	over	(200.0%)	
Financing Charges	36	36	0	0	17	20	(3)	over	41.2%	
Total Controllable Exp.	174,457	174,457	0	0	82,631	83,263	(632)	over	(0.5%)	
Total Controllable Inc.	(52,610)	(52,610)	0	0	(15,060)	(15,481)	421	over recovered	2.5%	2,a,b,d
Net Controllable Exp.	121,847	121,847	0	0	67,571	67,782	(211)	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. Incorporation of funding for Team Leader Home Care posts from Health and Social Care Partnership Net Effect £0m, Employee Costs £0.151m, Income (£0.151)
- b. Budget realignment Older People residential care Net Effect £0m. Employee Costs (£0.469m), Income £0.469m.
- c. Transfer of adaptations budget to Housing and Technical Resources, Supplies and Services (£0.500m)
- d. Incorporation of Distress Brief Intervention Funding 2019/20 Net Effect £0m. Payment to Other Bodies £0.170, Income (£0.170m)

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 11 October 2019 (No.7)

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 11/10/19	Actual 11/10/19	Variance 11/10/19		% Variance 11/10/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	5,931	5,931	0	0	2,963	2,911	52	under	1.8%	1
Property Costs	71	71	0	0	51	53	(2)	over	(3.9%)	
Supplies & Services	139	139	0	0	51	49	2	under	3.9%	
Transport & Plant	124	124	0	0	61	37	24	under	39.3%	
Administration Costs	426	426	0	0	36	44	(8)	over	(22.2%)	
Payments to Other Bodies	279	279	0	0	231	222	9	under	3.9%	
Payments to Contractors	12	12	0	0	5	5	0	-	0.0%	
Transfer Payments	6	6	0	0	3	5	(2)	over	(66.7%)	
Financing Charges	10	10	0	0	5	11	(6)	over	(120.0%)	
Total Controllable Exp.	6,998	6,998	0	0	3,406	3,337	69	under	2.0%	
Total Controllable Inc.	(5,725)	(5,725)	0	0	(2,500)	(2,500)	0	-	0.0%	
Net Controllable Exp.	1,273	1,273	0	0	906	837	69	under	7.6%	

Variance Explanations**1. Employee Costs**

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Ended 11 October 2019 (No.7)

Performance and Support

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 11/10/19	Actual 11/10/19	Variance 11/10/19		% Variance 11/10/19	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	6,548	6,548	0	0	3,352	3,418	(66)	over	(2.0%)	1
Property Costs	613	613	0	0	242	197	45	under	18.6%	
Supplies & Services	424	424	0	0	180	183	(3)	over	(1.7%)	
Transport & Plant	251	251	0	0	20	15	5	under	25.0%	
Administration Costs	438	438	0	0	135	118	17	under	12.6%	
Payments to Other Bodies	35	35	0	0	3	1	2	under	66.7%	
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	104	105	(1)	over	(1.0%)	
Total Controllable Exp.	8,509	8,509	0	0	4,036	4,037	(1)	over	0.0%	
Total Controllable Inc.	(736)	(736)	0	0	(91)	(92)	1	over recovered	(1.1%)	
Net Controllable Exp.	7,773	7,773	0	0	3,945	3,945	0	-	0.0%	

Variance Explanations**1. Employee Costs**

This overspend relates to the backdated regrading of staff within the Money Matters Service, offset by a number of vacancies which are being actively recruited.