

Report

Report to:	Social Work Resources Committee
Date of Meeting:	20 May 2020
Report by:	Director, Health and Social Care Executive Director (Finance and Corporate Resources)

Subject:	Revenue Budget Monitoring 2019/2020 - Social Work Resources
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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 01 April 2019 to 28 February 2020 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 that an overspend of £1.926m on the Social Work Resources' Revenue Budget, as detailed in Appendix A of the report, and the forecast overspend to 31 March 2020 of £2.239m, be noted; and
- (2) that the proposed budget virements be approved.

3. Background

3.1. This is the fifth Revenue Budget Monitoring Report presented to the Social Work Resources Committee for the financial year 2019/2020.

3.2. The Resource has completed its formal probable outturn exercise for the year. This exercise identifies the expected spend to the 31 March 2020. Details are included in section 5.

3.3. 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. There are no employee implications associated with this report.

5. Financial Implications

5.1. Probable Outturn: Following the Council's formal Probable Outturn exercise, the Resource position before any transfers to reserves is estimated to be an overspend of £2.239m by 31 March 2020. There are no proposed transfers to reserves.

- 5.2. The main elements of the projected overspend are the projected overspend in Children and Families due to demand (£1.930m over) and a projected overspend in Adults and Older People due to demand for Community Based Services (£0.446m over). These projected overspends are partially offset by a projected underspend in Justice and Substance Misuse Services (£0.156m under).
- 5.3. Included within the forecast overspend to 31 March 2020 of £2.239m is a combined projected overspend of £0.320m which relates to Adults and Older People Services (£0.446m over) and Substance Misuse Services (£0.126m under). The costs associated with these services are difficult to predict, particularly over the winter months. The Chief Financial Officer of the Health and Social Care Partnership has been asked to consider the option of a non-recurring contribution from the Health and Social Care Partnership to cover the additional costs within Adults and Older People Services. At the board meeting on 18 February 2020, the Integration Joint Board (IJB) approved the request to delegate authority to the Chief Officer to draw down up to £0.350million from the IJB contingency reserves, should it be required by the Council for this.
- 5.4. In addition, as reported to Executive Committee on 26 February 2020, following the outcome of the recent inspection of Home Care Services, work is ongoing to deliver improvements to the Service. Additional costs are expected from this improvement work, which may impact on the outturn position for the Council. Further information will be provided when confirmation on the level of these costs is received.
- 5.5. Position as 28 February 2020: Appendix A shows the position as at 28 February 2020, of a £1.926 million overspend against the phased budget. Detailed variance explanations of the Resource position are included in Appendices B to E.
- 5.6. 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 other issues associated with 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.

Val de Souza
Director, Health and Social Care

Paul Manning
Executive Director (Finance and Corporate Resources)

20 April 2020

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 28 February 2020

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 February 2020 (No.12)

Social Work Resources Summary

	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 28/02/20	Actual 28/02/20	Variance 28/02/20		% Variance 28/02/20	Note
	£000	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>										
Employee Costs	88,959	90,252	(1,293)	(1,293)	79,312	80,338	(1,026)	over	(1.3%)	
Property Costs	2,668	2,463	205	205	2,299	2,273	26	under	1.1%	
Supplies & Services	5,814	6,000	(186)	(186)	4,773	4,925	(152)	over	(3.2%)	
Transport & Plant	4,411	4,561	(150)	(150)	3,863	4,000	(137)	over	(3.5%)	
Administration Costs	1,535	1,605	(70)	(70)	1,371	1,410	(39)	over	(2.8%)	
Payments to Other Bodies	19,682	20,574	(892)	(892)	17,791	18,448	(657)	over	(3.7%)	
Payments to Contractors	100,427	101,026	(599)	(599)	83,361	83,735	(374)	over	(0.4%)	
Transfer Payments	2,349	2,733	(384)	(384)	2,152	2,591	(439)	over	(20.4%)	
Financing Charges	263	304	(41)	(41)	259	328	(69)	over	(26.6%)	
Total Controllable Exp.	226,108	229,518	(3,410)	(3,410)	195,181	198,048	(2,867)	over	(1.5%)	
Total Controllable Inc.	(61,440)	(62,611)	1,171	1,171	(54,073)	(55,014)	941	over recovered	1.7%	
Net Controllable Exp.	164,668	166,907	(2,239)	(2,239)	141,108	143,034	(1,926)	over	(1.4%)	
Transfer to Reserves (as at 03/01/20)	0	0	0	0	0	0	0	-		
Position After Transfers to Reserves (as at 03/01/20)	164,668	166,907	(2,239)	(2,239)	141,108	143,034	(1,926)	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 28 February 2020 (No.12)

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 28/02/20	Actual 28/02/20	Variance 28/02/20		% Variance 28/02/20	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	15,864	15,856	8	8	14,111	14,104	7	Under	0.0%	
Property Costs	337	329	8	8	317	306	11	under	3.5%	
Supplies & Services	577	613	(36)	(36)	514	541	(27)	over	(5.3%)	
Transport & Plant	636	794	(158)	(158)	550	675	(125)	over	(22.7%)	1
Administration Costs	288	321	(33)	(33)	256	273	(17)	over	(6.6%)	
Payments to Other Bodies	8,635	9,247	(612)	(612)	7,873	8,326	(453)	over	(5.8%)	2
Payments to Contractors	5,271	6,343	(1,072)	(1,072)	4,430	5,381	(951)	over	(21.5%)	3
Transfer Payments	2,336	2,708	(372)	(372)	2,141	2,570	(429)	over	(20.0%)	4
Financing Charges	17	33	(16)	(16)	17	38	(21)	over	(123.5%)	
Total Controllable Exp.	33,961	36,244	(2,283)	(2,283)	30,209	32,214	(2,005)	over	(6.6%)	
Total Controllable Inc.	(902)	(1,255)	353	353	(705)	(1,006)	301	over recovered	42.7%	5
Net Controllable Exp.	33,059	34,989	(1,930)	(1,930)	29,504	31,208	(1,704)	over	(5.8%)	
Transfer to Reserves (as at 03/01/20)	0	0	0	0	0	0	0	-		
Position After Transfers to Reserves (as at 03/01/20)	33,059	34,989	(1,930)	(1,930)	29,504	31,308	(1,704)	over	(5.8%)	

Variance Explanations

1. **Transport and Plant**

This reflects the costs of transporting children to and from school or respite.

2. **Payments to Other Bodies**

This overspend is due to the continuing demand for Fostering and Adoption Services.

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 increase in demand for Kinship Care.

5. **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

South Lanarkshire Council

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 28 February 2020 (No.12)

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 28/02/20	Actual 28/02/20	Variance 28/02/20		% Variance 28/02/20	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	60,420	61,751	(1,331)	(1,331)	53,998	55,065	(1,067)	over	(2.0%)	1
Property Costs	1,685	1,552	133	133	1,429	1,480	(51)	over	(3.6%)	2
Supplies & Services	4,660	4,747	(87)	(87)	3,728	3,838	(110)	over	(3.0%)	3
Transport & Plant	3,429	3,506	(77)	(77)	3,007	3,103	(96)	over	(3.2%)	4
Administration Costs	433	493	(60)	(60)	381	449	(68)	over	(17.08%)	5
Payments to Other Bodies	10,531	10,836	(305)	(305)	9,467	9,723	(256)	over	(2.79%)	6
Payments to Contractors	95,137	94,663	474	474	78,931	78,354	577	under	0.7%	8
Transfer Payments	7	14	(7)	(7)	6	13	(7)	over	(116.7%)	
Financing Charges	36	49	(13)	(13)	33	58	(25)	over	(75.8%)	
Total Controllable Exp.	176,338	177,611	(1,273)	(1,273)	150,980	152,083	(1,103)	over	(0.7%)	
Total Controllable Inc.	(53,706)	(54,533)	827	827	(47,295)	(47,958)	663	over recovered	1.4%	8
Net Controllable Exp.	122,632	123,078	(446)	(446)	103,685	104,125	(440)	over	(0.4%)	
Transfer to Reserves (as at 03/01/20)	0	0	0	0	0	0	0	-		
Position After Transfers to Reserves (as at 03/01/20)	122,632	123,078	(446)	(446)	103,685	104,125	(440)	over	(-0.4%)	

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. Property Costs

The overspend reflects temporary security measures to protect non-operational care homes offset in part by savings generated through the installation of energy efficient boilers and a reduction in gas consumption.

3. Supplies and Services

The overspend relates to the licence costs of the new Home Care scheduling system.

4. Transport and Plant

This overspend reflects an increase in costs in for hired vehicles and passenger services provided by Fleet Services.

5. Administration Costs

This overspend is made up of a number of small administration variances.

6. Payments to Other Bodies

This overspend reflects the number of service users choosing a Direct Payment under the Self Directed Support legislation.

7. Payment to Contractors

This underspend reflects the current commitment for care. It also offsets the overspend in Direct Payments at payment to other bodies

8. 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

South Lanarkshire Council

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 28 February 2020 (No.12)

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 28/02/20	Actual 28/02/20	Variance 28/02/20		% Variance 28/02/20	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	6,088	5,979	109	109	5,351	5,317	34	under	0.6%	a
Property Costs	71	70	1	1	60	63	(3)	over	(5.0%)	
Supplies & Services	140	120	20	20	104	57	47	under	45.2%	a
Transport & Plant	119	82	37	37	103	64	39	under	37.94%	
Administration Costs	455	462	(7)	(7)	440	440	0	over	0.00	a
Payments to Other Bodies	481	455	26	26	417	365	52	under	12.5%	a
Payments to Contractors	19	20	(1)	(1)	0	0	0	-	n/a	
Transfer Payments	6	11	(5)	(5)	5	8	(3)	Over	(60.0%)	
Financing Charges	10	22	(12)	(12)	10	26	(16)	over	(160.0%)	
Total Controllable Exp.	7,389	7,221	168	168	6,490	6,340	150	under	2.3%	
Total Controllable Inc.	(6,069)	(6,057)	(12)	(12)	(5,506)	(5,495)	(11)	under recovered	(0.2%)	a
Net Controllable Exp.	1,320	1,164	156	156	984	845	139	under	14.1%	
Transfer to Reserves (as at 03/01/20)	0	0	0	0	0	0	0	-		
Position After Transfers to Reserves (as at 03/01/20)	1,320	1,164	156	156	984	845	139	under	14.1%	

Variance Explanations

Budget Virements

- a. Incorporation of S27 grant for Caledonian Men's Programme Net Effect £0m. Employee Costs £0.123m, Supplies and Services £0.027m, Income (£0.150m)

South Lanarkshire Council

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 28 February 2020 (No.12)

Performance and Support

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 28/02/20	Actual 28/02/20	Variance 28/02/20		% Variance 28/02/20	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	6,587	6,666	(79)	(79)	5,852	5,852	0	over	(0.0%)	
Property Costs	575	512	63	63	493	424	69	under	14.0%	
Supplies & Services	437	520	(83)	(83)	427	489	(62)	over	(14.5%)	1
Transport & Plant	227	179	48	48	203	158	45	under	22.2%	
Administration Costs	359	329	30	30	294	248	46	under	15.6%	
Payments to Other Bodies	35	36	(1)	(1)	34	34	0	under	0.00%	
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	199	206	(7)	under	(3.5%)	
Total Controllable Exp.	8,420	8,442	(22)	(22)	7,502	7,411	91	under	1.2%	
Total Controllable Inc.	(763)	(766)	3	3	(567)	(555)	(12)	under recovered	2.1%	
Net Controllable Exp.	7,657	7,676	(19)	(19)	6,935	6,856	79	-	1.1%	
Transfer to Reserves (as at 03/01/20)	0	0	0	0	0	0	0	-		
Position After Transfers to Reserves (as at 03/01/20)	7,657	7,676	(19)	(19)	6,935	6,856	79	under	1.1%	

Variance Explanations

1. Supplies and Services

This overspend relates to the Social Work contribution to the Electronic Data Record Management System

Budget Virements