

Report

Report to:	Social Work Resources Committee
Date of Meeting:	04 March 2020
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 2019 to 3 January 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 an overspend of £1.541m 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 fourth 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 31 March 2020. 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. None

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.
- 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 of the level of these costs is received.
- 5.5 **Position as 3 January 2020:** Appendix A shows the position as at 3 January 2020, of a £1.541 million overspend against the phased budget. Detailed variance explanations of the Resource position is 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.
- 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)

Val de Souza
Director, Health and Social Care

24 January 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 3 January 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 3 January 2020 (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 03/01/20	Actual 03/01/20	Variance 03/01/20		% Variance 03/01/20	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	88,884	90,177	(1,293)	(1,293)	65,388	66,223	(835)	over	(1.3%)	
Property Costs	2,668	2,463	205	205	2,065	1,928	137	under	6.6%	
Supplies & Services	5,783	5,969	(186)	(186)	3,706	3,821	(115)	over	(3.1%)	
Transport & Plant	4,411	4,561	(150)	(150)	3,214	3,315	(101)	over	(3.1%)	
Administration Costs	1,510	1,580	(70)	(70)	738	808	(70)	over	(9.5%)	
Payments to Other Bodies	19,630	20,522	(892)	(892)	14,138	14,685	(547)	over	(3.9%)	
Payments to Contractors	100,474	101,073	(599)	(599)	68,062	68,636	(574)	over	(0.8%)	
Transfer Payments	2,349	2,733	(384)	(384)	1,806	2,009	(203)	over	(11.2%)	
Financing Charges	263	304	(41)	(41)	186	207	(21)	over	(11.3%)	
Total Controllable Exp.	225,972	229,382	(3,410)	(3,410)	159,303	161,632	(2,329)	over	(1.5%)	
Total Controllable Inc.	(61,304)	(62,475)	1,171	1,171	(26,988)	(27,776)	788	over recovered	2.9%	
Net Controllable Exp.	164,668	166,907	(2,239)	(2,239)	132,315	133,856	(1,541)	over	(1.2%)	
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)	132,315	133,856	(1,541)	over	(1.2%)	

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 3 January 2020 (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 03/01/20	Actual 03/01/20	Variance 03/01/20		% Variance 03/01/20	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	15,864	15,856	8	8	11,681	11,727	(46)	over	(0.4%)	b
Property Costs	337	329	8	8	296	284	12	under	4.1%	
Supplies & Services	577	613	(36)	(36)	444	474	(30)	over	(6.8%)	
Transport & Plant	636	794	(158)	(158)	452	546	(94)	over	(20.8%)	1
Administration Costs	288	321	(33)	(33)	213	233	(20)	over	(9.4%)	
Payments to Other Bodies	8,635	9,247	(612)	(612)	6,819	7,284	(465)	over	(6.8%)	2,a,c
Payments to Contractors	5,271	6,343	(1,072)	(1,072)	3,634	4,420	(786)	over	(21.6%)	3
Transfer Payments	2,336	2,708	(372)	(372)	1,797	1,991	(194)	over	(10.8%)	4,a,d
Financing Charges	17	33	(16)	(16)	13	22	(9)	over	(69.2%)	
Total Controllable Exp.	33,961	36,244	(2,283)	(2,283)	25,349	26,981	(1,632)	over	(6.4%)	
Total Controllable Inc.	(902)	(1,255)	353	353	(552)	(817)	265	over recovered	48.0%	5
Net Controllable Exp.	33,059	34,989	(1,930)	(1,930)	24,797	26,164	(1,367)	over	(5.5%)	
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)	24,797	26,164	(1,367)	over	(5.5%)	

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

- Realignment of Kinship Care budget Net Effect £0m, Payment to Other Bodies (£0.840m), Transfer Payments £0.840m
- Additional budget in respect of auto enrolment Net Effect £0.114m, Employee Costs £0.114m
- Temporary budget realignment from Performance and Support £0.118m, Payment to Other Bodies £0.118m
- Additional budget to reflect age related Kinship Care allowances £0.700m, Transfer Payments £0.700m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 3 January 2020 (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 03/01/20	Actual 03/01/20	Variance 03/01/20		% Variance 03/01/20	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	60,419	61,750	(1,331)	(1,331)	44,479	45,285	(806)	over	(1.8%)	1,a,c,d,e
Property Costs	1,685	1,552	133	133	1,301	1,236	65	under	5.0%	2
Supplies & Services	4,660	4,747	(87)	(87)	2,843	2,891	(48)	over	(1.7%)	
Transport & Plant	3,429	3,506	(77)	(77)	2,505	2,584	(79)	over	(3.2%)	3
Administration Costs	433	493	(60)	(60)	294	350	(56)	over	(19.0%)	4
Payments to Other Bodies	10,485	10,790	(305)	(305)	6,890	7,019	(129)	over	(1.9%)	5,a
Payments to Contractors	95,184	94,710	474	474	64,428	64,216	212	under	0.3%	6,a,b,c
Transfer Payments	7	14	(7)	(7)	5	11	(6)	over	(120.0%)	
Financing Charges	36	49	(13)	(13)	24	30	(6)	over	(25.0%)	
Total Controllable Exp.	176,338	177,611	(1,273)	(1,273)	122,769	123,622	(853)	over	(0.7%)	
Total Controllable Inc.	(53,706)	(54,533)	827	827	(22,037)	(22,572)	535	over recovered	2.4%	7,a
Net Controllable Exp.	122,632	123,078	(446)	(446)	100,732	101,050	(318)	over	(0.3%)	
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)	100,732	101,050	(318)	over	(0.3%)	

Variance Explanations

- Employee Costs**
This overspend is a result of Home Care recruitment for future vacancies to maintain staffing levels and overtime to meet service delivery.
- Property Costs**
The underspend reflects both savings generated through the installation of energy efficient boilers and a reduction in gas consumption.
- Transport and Plant**
This overspend reflects an increase in costs in for hired vehicles and passenger services provided by Fleet Services.
- Administration Costs**
This overspend is made up of a number of small administration variances
- Payments to Other Bodies**
This overspend reflects the number of Service Users choosing a Direct Payment under the Self Directed Support legislation.
- Payment to Contractors**
This underspend reflects the current commitment for care. It also offsets the overspend in Direct Payments at Payment to Other Bodies.
- 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

- Incorporation of Resource Transfer and Social Care Fund Inflation Net Effect £0m, Employee Costs £0.302m, Payment to other Bodies £0.537m, Payment to Contractors £0.158m, Income (£0.997)
- Funds from Reserves £0.150m, Payment to Contractors £0.150m
- Realignment of Living Wage Net Effect £0m, Employee Costs £0.105m, Payment to Contractors (£0.105m)
- Incorporation of Modern Apprenticeship budget 2019/20 Net Effect £0.210m, Employee Costs £0.210m
- Additional budget in respect of auto enrolment £0.412m, Employee Costs £0.412m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 3 January 2020 (No.10)

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 03/01/20	Actual 03/01/20	Variance 03/01/20		% Variance 03/01/20	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	6,014	5,905	109	109	4,355	4,314	41	under	0.9%	b
Property Costs	71	70	1	1	56	60	(4)	over	(7.1%)	
Supplies & Services	109	89	20	20	65	32	33	under	50.8%	
Transport & Plant	119	82	37	37	86	53	33	under	38.4%	
Administration Costs	430	437	(7)	(7)	54	55	(1)	over	(1.9%)	a
Payments to Other Bodies	475	449	26	26	396	355	41	under	10.4%	a
Payments to Contractors	19	20	(1)	(1)	0	0	0	-	n/a	a
Transfer Payments	6	11	(5)	(5)	4	7	(3)	over	(75.0%)	
Financing Charges	10	22	(12)	(12)	8	17	(9)	over	(112.5%)	
Total Controllable Exp.	7,253	7,085	168	168	5,024	4,893	131	under	2.6%	
Total Controllable Inc.	(5,958)	(5,946)	(12)	(12)	(4,243)	(4,234)	(9)	under recovered	(0.2%)	a
Net Controllable Exp.	1,295	1,139	156	156	781	659	122	under	15.6%	
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)	1,295	1,139	156	156	781	659	122	under	15.6%	

Variance Explanations**Budget Virements**

- a. Increase in Big Lottery Fund 2019/20 Net Effect £0m. Administration £0.008m, Payment to Other Bodies £0.088m, Payment to Contractors £0.019m, Income (£0.115m)
- b. Additional budget in respect of auto enrolment Net Effect £0.022m, Employee Costs £0.022m

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 3 January 2020 (No.10)

Performance and Support

Budget Category	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 03/01/20	Actual 03/01/20	Variance 03/01/20		% Variance 03/01/20	Note
	£000	£000	£000	£000	£000	£000	£000			
Employee Costs	6,587	6,666	(79)	(79)	4,873	4,897	(24)	over	(0.5%)	a
Property Costs	575	512	63	63	412	348	64	under	15.5%	b
Supplies & Services	437	520	(83)	(83)	354	424	(70)	over	(19.8%)	1
Transport & Plant	227	179	48	48	171	132	39	under	22.8%	b
Administration Costs	359	329	30	30	177	170	7	under	4.0%	b
Payments to Other Bodies	35	36	(1)	(1)	33	27	6	under	18.2%	
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	141	138	3	under	2.1%	
Total Controllable Exp.	8,420	8,442	(22)	(22)	6,161	6,136	25	under	0.4%	
Total Controllable Inc.	(738)	(741)	3	3	(156)	(153)	(3)	under recovered	1.9%	
Net Controllable Exp.	7,682	7,701	(19)	(19)	6,005	5,983	22	-	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)	7,682	7,701	(19)	(19)	6,005	5,983	22	under	0.4%	

Variance Explanations**1. Supplies and Services**

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

Budget Virements

- a.** Additional budget in respect of auto enrolment Net Effect £0.037m, Employee Costs £0.037m
- b.** Temporary budget realignment to Children and Family (£0.118m), Property Costs (£0.024m), Transport and Plant (£0.024m), Administration Costs (£0.070m).