

Report

Report to:	Social Work Resources Committee
Date of Meeting:	28 October 2020
Report by:	Executive Director (Finance and Corporate Resources) Director, Health and Social Care

Subject:	Revenue Budget Monitoring 2020/2021 - 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 1 April to 14 August 2020 for Social Work Resources
- ◆ provide a forecast for the year to 31 March 2021.

2. Recommendation(s)

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

- (1) the overspend of £0.332m on the Social Work Resources revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2021 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 2020/2021.

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 F.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. As at 14 August 2020, there is an overspend position of £0.332m against the phased budget. The financial forecast for the revenue budget to 31 March 2021 is breakeven.

5.2. The Council continues to incur expenditure in relation to COVID-19 and in order to separate these costs from the Council's normal activities, a COVID-19 Service has been included within Social Work Resources (Appendix B).

5.3. The COVID-19 spend included in the services devolved to the Integrated Joint Board are being included in the Mobilisation Plan which the Scottish Government are using to allocate funds to the Health and Social Care Partnership. The additional cost includes expenditure on beds to facilitate discharge from hospital, expenditure on

support for carers, PPE equipment and also staff overtime. These additional costs and income from Scottish Government are included in Appendix B and total £7.211m.

- 5.4. In addition to extra costs, Social Work Resources has lost income from services which are not being provided during the emergency and non-achievement of proposed savings. This totals £0.524m at period 5 and is included at Appendix D.
- 5.5. Taking the two figures together gives additional cost to the Council of £7.735m.
- 5.6 The Social Care Mobilisation monies received to date have been fully spent. As at 14 August 2020, the Council has received £2.976m and notification of a further £2.488m, bringing total confirmed funding to £5.464m. A further £2.271m would be required to meet the spend of £7.735m incurred to that point. Councils have been told that all reasonable costs will be reimbursed.
- 5.7 There is a continued assumption that this year's additional costs of COVID-19 faced by services devolved to the IJB will be funded through the Mobilisation plan, therefore will be fully funded and therefore there is no account taken of this pressure in the figures. However, there is the real possibility that through actions taken now, there are legacy costs into future years (such as increased care home placements or use of external Home Care providers). Alongside the Health and Social Care Partnership, the Council will require to consider impact of any legacy overspends within the parameters of the current budget.
- 5.8 Appendix B also includes additional COVID related expenditure for Children and Families Services (£0.223m), which will not be funded by the Scottish Government via the Mobilisation Plan, as these services are not delegated to the IJB. It is hoped that these additional costs will be reimbursed via an alternative Scottish Government funding allocation.
- 5.9 Within the Children and Families Service, despite investment in the Service to cover pressures, we have seen financial pressures relating to Children and Families. The main reason is additional external residential placements made in the early part of the year. The overspend at period 5 is £0.203m and work is ongoing with the Service on actions to reduce this overspend further.
- 5.10 Within the Adults and Older People Service in addition to the pressures being experienced in Children and Families, the Resource are starting to also see pressures in relation to increasing costs within the Home Care service. Work is ongoing to identify actions to manage this pressure, therefore no account has been taken in these figures regarding this pressure. As at 14 August, the pressure faced is estimated at £1.7m, however actions are identified to reduce this going forwards.
- 5.11 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 climate change, sustainability and environmental implications 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 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 implications for sustainability in terms of the information contained in 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.

Paul Manning

Executive Director (Finance and Corporate Resources)

Val de Souza

Director, Health and Social Care

24 September 2020

Link(s) to Council Values/Objectives

♦ Accountable, Effective, Efficient and Transparent

Previous References

♦ None

List of Background Papers

♦ Financial Ledger and budget monitoring results to 14 August 2020

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 14 August (No.5)

Social Work Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 14/8/20	Actual 14/8/20	Variance 14/8/20		% Variance 14/8/20	Note
	£000	£000	£004	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	91,214	91,214	0	31,835	33,445	(1,610)	Over	-5.1%	
Property Costs	2,649	2,649	0	907	997	(90)	Over	-9.9%	
Supplies & Services	5,798	5,798	0	1,388	2,749	(1,361)	Over	-98.1%	
Transport & Plant	4,339	4,339	0	3,070	2,987	83	Under	2.7%	
Administration Costs	1,643	1,643	0	417	416	1	Under	0.2%	
Payments to Other Bodies	20,157	20,157	0	6,697	6,880	(183)	Over	-2.7%	
Payments to Contractors	105,631	105,631	0	27,564	32,400	(4,836)	Over	-17.5%	
Transfer Payments	3,111	3,111	0	1,197	1,107	90	Under	7.5%	
Financing Charges	263	263	0	133	148	(15)	Over	-11.3%	
Total Controllable Exp.	234,805	234,805	0	73,208	81,129	(7,921)	Over	-10.8%	
Total Controllable Inc.	(62,394)	(62,394)	0	(10,752)	(18,341)	7,589	over recovered	-70.6%	
Net Controllable Exp.	172,411	172,411	0	62,456	62,788	(332)	Over	-0.5%	

Variance Explanations

Variance explanations are shown in Appendices B -F.

Budget Virements

Budget virements are shown in Appendices B-F.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 14 August (No.5)

Covid-19

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 14/8/20	Actual 14/8/20	Variance 14/8/20		% Variance 14/8/20	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	0	0	0	0	1,637	(1,637)	Over	n/a	1
Property Costs	0	0	0	0	114	(114)	Over	n/a	2
Supplies & Services	0	0	0	0	1,294	(1,294)	Over	n/a	3
Transport & Plant	0	0	0	0	6	(6)	Over	n/a	
Administration Costs	0	0	0	0	18	(18)	Over	n/a	
Payments to Other Bodies	0	0	0	0	174	(174)	Over	n/a	4
Payments to Contractors	0	0	0	0	4,185	(4,185)	Over	n/a	5
Transfer Payments	0	0	0	0	5	(5)	Over	n/a	
Financing Charges	0	0	0	0	1	(1)	Over	n/a	
Total Controllable Exp.	0	0	0	0	7,434	(7,434)	Over	n/a	6
Total Controllable Inc.	0	0	0	0	(7,211)	7,211	Over recovered	n/a	
Net Controllable Exp.	0	0	0	0	223	(223)	Over	n/a	

Variance Explanations**1 Employee Costs**

These costs relate to the response to COVID-19 to maintain existing service delivery and to support hospital discharge.

2 Property Costs

These costs related to expenditure on hygiene products in response to COVID-19.

3 Supplies & Services

These costs relate to the additional requirement for PPE in responding to COVID-19

4 Payments to Other Bodies

This expenditure relates to payments to Voluntary Action South Lanarkshire to provide additional support to Carers during COVID-19.

5 Payment to Contractors

This expenditure relates to the response to COVID-19 to create capacity in hospitals.

6 Income

This over recovery of income is currently offsetting the expenditure incurred in response to COVID-19.

Budget Virements

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 14 August 2020 (No.5)

Children and Families Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 14/08/20	Actual 14/08/20	Variance 14/08/20		% Variance 14/08/20	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	16,346	16,346	0	5,825	5,778	47	Under	0.8%	
Property Costs	330	330	0	95	96	(1)	Over	-1.1%	
Supplies & Services	675	675	0	206	203	3	Under	1.5%	
Transport & Plant	624	624	0	169	134	35	Under	20.7%	
Administration Costs	288	288	0	107	93	14	under	13.1%	
Payments to Other Bodies	8,785	8,785	0	3,385	3,418	(33)	Over	-1.0%	
Payments to Contractors	5,865	5,865	0	1,826	2,319	(493)	Over	-27.0%	1
Transfer Payments	3,097	3,097	0	1,193	1,096	97	Under	8.1%	2
Financing Charges	17	17	0	8	16	(8)	Over	-100%	
Total Controllable Exp.	36,027	36,027	0	12,814	13,153	(339)	Over	-2.6%	
Total Controllable Inc.	(417)	(417)	0	(106)	(242)	136	over recovered	-128.3%	3
Net Controllable Exp.	35,610	35,610	0	12,708	12,911	(203)	Over	-1.6%	

Variance Explanations**1. Payment to Contractors**

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

2. Transfer Payments

This underspend is based on the current cost of service and it is anticipated that the budget will be required in full by 31 March 21.

3. Income

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

Budget Virements

- a Incorporation of Scottish Attainment Fund Carry Forward Net Effect £0, Employee Costs (£0.102m), Payment to Private Contractors £0102m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 14 August 2020 (No.5)

Adults and Older People Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 14/08/20	Actual 14/08/20	Variance 14/08/20		% Variance 14/08/20	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	61,559	61,559	0	21,363	21,437	(74)	Over	-0.3%	1
Property Costs	1,640	1,640	0	592	568	24	under	4.1%	
Supplies & Services	4,572	4,572	0	996	1069	(73)	over	-7.3%	2
Transport & Plant	3,344	3,344	0	2,664	2,647	17	Under	0.6%	
Administration Costs	412	412	0	152	159	(7)	over	-4.6%	
Payments to Other Bodies	10,793	10,793	0	3,191	3,162	29	Under	0.9%	
Payments to Contractors	99,688	99,688	0	25,714	25,872	(158)	Over	-0.6%	
Transfer Payments	7	7	0	2	2	0	-	0.0%	
Financing Charges	35	35	0	23	23	0	under	0.0%	
Total Controllable Exp.	182,050	182,050	0	54,697	54,939	(242)	over	-0.4%	
Total Controllable Inc.	(54,799)	(54,799)	0	(8,426)	(8,668)	242	over recovered	-2.9%	3
Net Controllable Exp.	127,251	127,251	0	46,271	46,271	0		0.0%	

Variance Explanations**1. Employee Costs**

The overspend is as a result of additional posts to meet the requirements within Home Care and also as a result of Home Care recruitment for future vacancies to maintain staffing levels.

2. Supplies & Services

This overspend relates to the license costs associated with the new home care scheduling system. Additionally, within catering as a result of COVID-19 there has been a delay in implementing 2020-21 savings. The cost of not achieving this savings is offset by COVID-19 funding from the Scottish Government.

3. Income

This over recovery relates to the expected mobilisation funding in relation to non-achievement of savings and loss of income as a result of the response to COVID-19.

Budget Virements

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 14 August 2020 (No.5)

Performance and Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 14/8/20	Actual 14/8/20	Variance 14/8/20		% Variance 14/8/20	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	6,835	6,835	0	2,405	2,396	9	under	0.4%	
Property Costs	602	602	0	188	184	4	Under	2.1%	
Supplies & Services	435	435	0	151	147	4	under	2.6%	
Transport & Plant	251	251	0	199	163	36	under	18.1%	
Administration Costs	426	426	0	122	109	13	Under	10.7%	
Payments to Other Bodies	35	35	0	2	6	(4)	over	(200.0%)	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	4	(4)	over	n/a	
Financing Charges	200	200	0	97	97	0	-	0.0%	
Total Controllable Exp.	8,784	8,784	0	3,164	3,106	58	Under	1.8%	
Total Controllable Inc.	(740)	(740)	0	(95)	(95)	0		0.0%	
Net Controllable Exp.	8,044	8,044	0	3,069	3,011	58	under	1.9%	

Variance Explanations

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 14 August 2020 (No.5)

Justice Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 14/8/20	Actual 14/8/20	Variance 14/8/20		% Variance 14/8/20	Note
	£000	£000	£000	£000	£000	£004			
<u>Budget Category</u>									
Employee Costs	6,474	6,474	0	2,242	2,197	45	Under	2.0%	1
Property Costs	77	77	0	32	35	(3)	Over	-9.4%	
Supplies & Services	116	116	0	35	36	(1)	Over	-2.9%	
Transport & Plant	120	120	0	37	37	1	Under	2.6%	
Administration Costs	517	517	0	36	37	(1)	Over	-2.8%	
Payments to Other Bodies	544	544	0	119	120	(1)	Over	-0.8%	a
Payments to Contractors	78	78	0	24	24	0	-	n/a	
Transfer Payments	7	7	0	2	0	2	Under	100.0%	
Financing Charges	11	11	0	5	11	(6)	Over	-120.0%	
Total Controllable Exp.	7,944	7,944	0	2,533	2,497	36	Under	1.4%	
Total Controllable Inc.	(6,438)	(6,438)	0	(2,125)	(2,125)	0	-	0.0%	a
Net Controllable Exp.	1,506	1,506	0	408	372	36	Under	8.8%	

Variance Explanations

1 The underspend is as a result of vacancies which are actively being recruited.

Budget Virements

a. Correction of incorporation of funding for Caledonian Project Net Effect £0: Payment to Other Bodies £0.149m, Income (£0.149m).