

# Report

Report to:	<b>Social Work Resources Committee</b>
Date of Meeting:	<b>9 February 2022</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Social Work Resources)</b>

Subject:	<b>Social Work Resources - Revenue Budget Monitoring 2021/2022</b>
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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 2021 to 31 December 2021 for Social Work Resources
- ◆ provide a forecast for the year to 31 March 2022

## 2. Recommendation(s)

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

- (1) that the overspend of £2.219 million on the Social Work Resources revenue budget, as detailed in Appendix A of the report, be noted;
- (2) that the forecast to 31 March 2022 of £3.147m overspend position, be noted; and
- (3) 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 2021/2022.

3.2. 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 F.

## 4. Employee Implications

4.1. There are no employee implications as a result of this report.

## 5. Financial Implications

5.1. **Probable Outturn:** As at 31 March 2022, there is a forecast overspend of £3.147m against the annual budget (see appendix A), of which £2.542m relates to an additional COVID related expenditure for Children and Families Services (appendix B), £1.009m in respect of Children and Family Services core budget (appendix C), offset in part by an underspend of £0.404m in Performance and Support Services (appendix E). It is anticipated that the pressures being experienced in 2021/2022 within the Children and Families Services revenue budget will continue into 2022/2023.

- 5.2. The Adult and Older People position at Appendix D shows an underspend of £0.030m offset by an overspend of £0.030m for Substance Misuse within Justice Services, resulting in an overall breakeven on delegated services. Included within this position is a commitment in relation to the Integrated Joint Board (IJB). The budget delegated to the IJB has underspent by £0.495m and the Executive Committee is being asked to approve, at its meeting on 2 February 2022, that the IJB retains this non-recurring underspend within their reserves, earmarked for future care costs in line with the approach to integrating health and social care.
- 5.3. In November 2021 the Scottish Government announced recurring investment funding nationally of £300m, and the Council/Health and Social Care Partnership have now been notified of its share of these funds. It is unlikely that the funding for 2021/2022 will be spent in full by 31 March 22 and any underspend will be carried forward in the same way as the underspend of £0.495m at 5.2 above. The value of the underspend will be confirmed at year end and is estimated to be approximately £4m.
- 5.4. An update on the IJB financial strategy for 2022/2023 was presented to the IJB Board meeting on 25 January 2022. This included an update on recurring funding; an estimate of remaining financial pressures for 2022/2023 and the requirement to bridge any remaining budget gap.
- 5.5. There is a continued assumption that this year's additional costs of COVID-19 faced by services devolved to the IJB will be fully funded by Covid reserves and the Scottish Government Mobilisation Plan funding, via Health. The additional cost includes expenditure on beds to facilitate discharge from hospital, PPE equipment, staff overtime and sustainability and additional cost being incurred by Social Care providers and other costs associated with the remobilisation of service and the forecast outturn for 2021/2022 at Appendix B, includes a breakeven position for these costs.
- 5.6. Appendix B also includes additional Covid related expenditure for Children and Families Services (£2.350m), which will not be funded by the Scottish Government via the Mobilisation Plan, as these services are not delegated to the IJB. These additional costs mainly related to residential and external placements for young people arising from the pandemic and will be met from the Councils Covid funding that forms part of a separate report to the Executive Committee. The balance of £0.192m is made up of items being funded from Financial Insecurity, the Flexible fund and Winter funding held centrally.
- 5.7. **Period 10:** as at 31 December 2021, there is an overspend of £2.219m against the phased budget, of which £1.923m is Covid related and £0.296m non Covid related.
- 5.8. 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).
- 5.9. The Covid related expenditure incurred by Social Work Resources for Adults and Older People Social Care included at Appendix B is £12.729m. In addition to extra costs, Social Work Resources has lost income from services which are not being provided during the emergency and this totals £0.776m at period 10 and is included at Appendix D. Taking the two figures together gives additional cost to the Council of £13.505m.

- 5.10. Appendix B also includes additional Covid related expenditure for Children and Families Services (£1.923m), mainly in relation to residential and external placement. These placements are unlikely to be temporary and there is an estimated cost in excess of £2.7m into 2022/2023 for these placements, including the Education element of these placements.
- 5.11. An overspend of £0.690m is reported in respect of Children and Family Services and is offset in part by an underspend in Performance and Support Services.
- 5.12. 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 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)**

**Soumen Sengupta**  
**Director, Health and Social Care**

17 January 2022

**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 30 December 2021

**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 31 December (No.10)

## Social Work Resources Summary

	Annual Budget	Forecast for Year BEFORE Transfers	Annual Forecast Variance BEFORE Transfers	Annual Forecast Variance AFTER Transfers	Budget Proportion 31/12/21	Actual 31/12/21	Variance 31/12/21		% Variance 31/12/21	Note
	£000	£000	£000	£000	£000	£000	£000			
<b><u>Budget Category</u></b>										
Employee Costs	100,890	104,654	(3,764)	(3,764)	67,617	70,469	(2,852)	over	-4.2%	
Property Costs	2,609	2,933	(324)	(324)	1,902	2,189	(287)	over	-15.1%	
Supplies & Services	5,269	6,963	(1,694)	(1,694)	3,581	4,524	(943)	over	-26.3%	
Transport & Plant	4,542	4,601	(59)	(59)	4,058	4,100	(42)	over	-1.0%	
Administration Costs	1,718	1,692	26	26	950	878	72	under	7.6%	
Payments to Other Bodies	22,769	24,398	(1,629)	(1,629)	16,584	18,007	(1,423)	over	-8.6%	
Payments to Contractors	111,876	126,190	(14,314)	(14,314)	74,099	84,117	(10,018)	over	-13.5%	
Transfer Payments	3,125	3,690	(565)	(565)	2,604	3,062	(458)	over	-17.6%	
Financing Charges	337	409	(72)	(72)	251	311	(60)	over	-23.9%	
<b>Total Controllable Exp.</b>	253,135	275,530	(22,395)	(22,395)	171,646	187,657	(16,011)	Over	-9.3%	
<b>Total Controllable Inc.</b>	(66,790)	(86,038)	19,248	19,248	(55,975)	(69,767)	13,792	over recovered	-24.6%	
<b>Net Controllable Exp.</b>	186,345	189,492	(3,147)	(3,147)	115,671	117,890	(2,219)	Over	-1.9%	

**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 31 December (No.10)

## Covid-19

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year BEFORE Transfers</b>	<b>Annual Forecast Variance BEFORE Transfers</b>	<b>Annual Forecast Variance AFTER Transfers</b>	<b>Budget Proportion 31/12/21</b>	<b>Actual 31/12/21</b>	<b>Variance 31/12/21</b>	<b>% Variance 31/12/21</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>		
Employee Costs	0	5,624	(5,624)	(5,624)	0	4,270	(4,270)	over	1
Property Costs	0	534	(534)	(534)	0	465	(465)	over	2
Supplies & Services	0	1,656	(1,656)	(1,656)	0	961	(961)	over	3
Transport & Plant	0	180	(180)	(180)	0	127	(127)	over	
Administration Costs	0	83	(83)	(83)	0	13	(13)	over	
Payments to Other Bodies	0	1,476	(1,476)	(1,476)	0	1,379	(1,379)	over	4
Payments to Contractors	0	12,915	(12,915)	(12,915)	0	9,035	(9,035)	over	5
Transfer Payments	0	52	(52)	(52)	0	39	(39)	over	
Financing Charges	0	0	0	0	0	1	(1)	-	
<b>Total Controllable Exp.</b>	0	22,520	(22,520)	(22,520)	0	16,290	(16,290)	Over	
<b>Total Controllable Inc.</b>	0	(19,978)	19,978	19,978	0	(14,367)	14,367	Over recovered	6
<b>Net Controllable Exp.</b>	0	2,542	(2,542)	(2,542)	0	1,923	(1,923)	Over	

**Variance Explanations****1 Employee Costs**

These costs relate to the response to COVID-19 to maintain existing service delivery and to support hospital discharge and includes the £500 payment to Social Care staff.

**2 Property Costs**

These costs related to expenditure on hygiene products in response to COVID-19 and the operation of the PPE hub for supplies to all Social Care providers.

**3 Supplies & Services**

These costs mainly relate to an increase in demand for equipment and adaptations as services are remobilised.

**4 Payments To Other Bodies**

This expenditure relates to costs incurred by South Lanarkshire Leisure in respect of providing COVID-19 vaccination venues, additional supports required for fostering, adoption and services where the service user has chosen a direct payment.

**5 Payment to Contractors**

This expenditure relates to the response to COVID-19 to provide capacity in the system, payments to external providers in respect of sustainability, the Social Care Support Fund and additional costs incurred on PPE and infection and prevention control measures. It also includes the expenditure in relation to residential schools and external placements for young people as a result of the pandemic.

**6 Income**

This over recovery of income is currently offsetting the expenditure incurred in response to COVID-19 and the cost of the £500 payment to Social Care staff.

**Budget Virements**

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Social Work Resources Committee: Period Ended 31 December (No.10)

## Children and Families Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year BEFORE Transfers</b>	<b>Annual Forecast Variance BEFORE Transfers</b>	<b>Annual Forecast Variance AFTER Transfers</b>	<b>Budget Proportion 31/12/21</b>	<b>Actual 31/12/21</b>	<b>Variance 31/12/21</b>		<b>% Variance 31/12/21</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	17,125	16,626	499	499	12,332	11,912	420	under	3.4%	1
Property Costs	328	323	5	5	269	287	(18)	over	-6.7%	
Supplies & Services	509	519	(10)	(10)	385	385	0	-	0.0%	
Transport & Plant	628	619	9	9	452	452	0	-	0.0%	
Administration Costs	299	297	2	2	212	212	0	-	0.0%	
Payments to Other Bodies	9,812	9,731	81	81	7,603	7,528	75	under	1.0%	
Payments to Contractors	4,832	6,150	(1,318)	(1,318)	3,344	4,265	(921)	over	-27.5%	2
Transfer Payments	3,112	3,608	(496)	(496)	2,595	3,000	(405)	over	-15.6%	3
Financing Charges	19	28	(9)	(9)	14	21	(7)	over	-50.0%	
<b>Total Controllable Exp.</b>	36,664	37,901	(1,237)	(1,237)	27,206	28,062	(856)	over	-3.1%	
<b>Total Controllable Inc.</b>	(2,321)	(2,549)	228	228	(1,888)	(2,054)	166	over recovered	-8.4%	4
<b>Net Controllable Exp.</b>	34,343	35,352	(1,009)	(1,009)	14,235	14,486	(690)	over	-2.7%	

**Variance Explanations****1. Employee costs**

The underspend relates to vacancies and the receipt of a credit for statutory maternity pay.

**2. Payment to Contractors**

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

**3. Transfer Payments**

This overspend relates to additional demand for kinship care.

**4. 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**

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## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Social Work Resources Committee: Period Ended 31 December (No.10)

## Adults and Older People Services

Budget Category	Annual Budget £000	Forecast for Year BEFORE Transfers £000	Annual Forecast Variance BEFORE Transfers £000	Annual Forecast Variance AFTER Transfers £000	Budget Proportion 31/12/21 £000	Actual 31/12/21 £000	Variance 31/12/21 £000		% Variance 31/12/21	Note
Employee Costs	69,410	68,556	854	854	45,129	44,567	562	under	1.2%	1a,c,d,e,f
Property Costs	1,613	1,421	192	192	1,071	890	181	under	16.9%	2
Supplies & Services	4,149	4,086	63	63	2,831	2,761	70	under	2.5%	
Transport & Plant	3,571	3,521	50	50	3,299	3,272	27	under	0.8%	
Administration Costs	453	448	5	5	324	318	6	under	1.9%	d,f
Payments to Other Bodies	12,299	12,399	(100)	(100)	8,362	8,412	(50)	over	-0.6%	b,c,f
Payments to Contractors	106,960	107,040	(80)	(80)	70,736	70,797	(61)	over	-0.1%	
Transfer Payments	7	27	(20)	(20)	5	21	(16)	over	-320.0%	
Financing Charges	42	43	(1)	(1)	32	33	(1)	over	-3.1%	
<b>Total Controllable Exp.</b>	<b>198,504</b>	<b>197,541</b>	<b>963</b>	<b>963</b>	<b>131,789</b>	<b>131,071</b>	<b>718</b>	<b>under</b>	<b>0.5%</b>	
<b>Total Controllable Inc.</b>	<b>(56,055)</b>	<b>(55,122)</b>	<b>(933)</b>	<b>(933)</b>	<b>(48,187)</b>	<b>(47,509)</b>	<b>(678)</b>	<b>under recovered</b>	<b>1.4%</b>	<b>3</b>
<b>Net Controllable Exp.</b>	<b>142,449</b>	<b>142,419</b>	<b>30</b>	<b>30</b>	<b>83,602</b>	<b>83,562</b>	<b>40</b>	<b>under</b>	<b>0.0%</b>	

Variance Explanations**1. Employee Costs**

The underspend is a result of vacancies for Social Workers, residential staff and home carers offset in part by turnover being less than budgeted for within other staff categories.

**2. Property Costs**

This underspend is in respect of utilities across a range of day care building which are not fully operational in line with Covid guidance.

**3. Income**

The under recovery has arisen mainly from the recognition of debt from previous years, where there is little prospect of recovery.

Budget Virements

- Incorporation of Mental Health Recovery and Renewal Funding £0.160m: Employee Costs £0.160m.
- Incorporation of additional funding Adult Social Care pay uplift £3.902m: Payment to Contractors £3.902m.
- Incorporation of Care at home and interim care funding £6.023m, Employee Costs £3.661m, Payment to Contractors £2.362m.
- Realignment of Carers Act funding, Net Effect £0: Employee Costs £0.629m, Payment to other Bodies (£0.629m)
- Transfer of Employability Budget to Finance and Corporate (£0.664m): Employee Costs (£0.664m)
- Realignment for home care services Net Effect £0: Payment to Contractors £0.907m, Employee Costs (£0.5m), Payment to Other Bodies £0.407m



## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

## Social Work Resources Committee: Period Ended 31 December (No.10)

## Performance and Support Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year BEFORE Transfers</b>	<b>Annual Forecast Variance BEFORE Transfers</b>	<b>Annual Forecast Variance AFTER Transfers</b>	<b>Budget Proportion 31/12/21</b>	<b>Actual 3/12/21</b>	<b>Variance 31/12/21</b>		<b>% Variance 31/12/21</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	6,998	6,614	384	384	5,055	4,708	347	under	6.9%	1
Property Costs	531	497	34	34	438	400	38	under	8.7%	
Supplies & Services	504	558	(54)	(54)	289	316	(27)	under	-9.3%	
Transport & Plant	251	191	60	60	239	183	56	under	23.4%	
Administration Costs	432	322	110	110	322	242	80	under	24.8%	
Payments to Other Bodies	35	28	7	7	19	14	5	-	26.3%	
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	262	318	(56)	(56)	194	242	(48)	over	-24.7%	
<b>Total Controllable Exp.</b>	<b>9,013</b>	<b>8,528</b>	<b>485</b>	<b>485</b>	<b>6,556</b>	<b>6,105</b>	<b>451</b>	<b>Under</b>	<b>6.9%</b>	
<b>Total Controllable Inc.</b>	<b>(1,045)</b>	<b>(964)</b>	<b>(81)</b>	<b>(81)</b>	<b>(428)</b>	<b>(361)</b>	<b>(67)</b>	<b>under recovered-</b>	<b>15.7%</b>	
<b>Net Controllable Exp.</b>	<b>7,968</b>	<b>7,564</b>	<b>404</b>	<b>404</b>	<b>6,128</b>	<b>5,744</b>	<b>384</b>	<b>under</b>	<b>6.3%</b>	

Variance Explanations

## 1. Employee Costs

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

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 31 December 2021 (No10)

## Justice Services

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year BEFORE Transfers</b>	<b>Annual Forecast Variance BEFORE Transfers</b>	<b>Annual Forecast Variance AFTER Transfers</b>	<b>Budget Proportion 31/12/21</b>	<b>Actual 31/12/21</b>	<b>Variance 3/12/21</b>		<b>% Variance 31/12/21</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	7,357	7,234	7,234	123	5,101	5,012	89	under	1.7%	
Property Costs	137	158	158	(21)	124	147	(23)	over	-18.5%	
Supplies & Services	107	144	144	(37)	76	101	(25)	over	-32.9%	
Transport & Plant	92	90	90	2	68	66	2	under	2.9%	
Administration Costs	534	542	542	(8)	92	93	(1)	over	-1.1%	
Payments to Other Bodies	623	764	764	(141)	600	674	(74)	over	-12.3%	
Payments to Contractors	84	85	85	(1)	19	20	(1)	over	-5.3%	
Transfer Payments	6	3	3	3	4	2	2	under	50.0%	
Financing Charges	14	20	20	(6)	11	14	(3)	over	-27.3%	
<b>Total Controllable Exp.</b>	8,954	9,040	9,040	(86)	6,095	6,129	(34)	over	-0.6%	
<b>Total Controllable Inc.</b>	(7,369)	(7,425)	(7,425)	56	(5,472)	(5,476)	4	over recovered	-0.1%	
<b>Net Controllable Exp.</b>	1,585	1,615	1,615	(30)	623	653	(30)	over	-4.8%	

Variance ExplanationsBudget Virements