

Report

Report to:	Social Work Resources Committee
Date of Meeting:	19 August 2020
Report by:	Executive Director (Finance and Corporate Resources) Director, Health and Social Care

Subject:	Social Work Resources - Revenue Budget Monitoring 2020/2021
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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 19 June 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) that the breakeven position 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 first 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 in 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 19 June 2020, there is a breakeven position 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 related expenditure incurred by Social Work Resources for Adults and Older People Social Care, is expected to be funded by the Scottish Government Mobilisation Plan, via Health. 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 £2.714 million.

- 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 £0.313m at Period 3 and is included at Appendix D.
- 5.5. Taking the two figures together gives additional cost to the Council of £3.027m. The Scottish Government has given the Council £2.9m to date.
- 5.6. Although the Scottish Government has allocated funding to assist in managing these additional costs, the funding may not be sufficient to cover all of the costs being incurred by councils across financial years 2019/2020 and 2020/2021. If spend continues at current levels, and full additional funding is not forthcoming from Central Governments, this will put pressure on the Council's budget in 2020/2021.
- 5.7. In addition, there is the real possibility that through actions taken now, there will be legacy costs into future years, e.g. additional home care costs. Alongside the Health and Care Partnership, the Council will require to consider the 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 (£0.122m), 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. Again, this year within the Children and Families Service we are starting to see financial pressures relating to this service, despite investment in the service to cover pressures. The main reason is additional external residential placements made in the early part of the year. Work is ongoing with the Service on actions to reduce this overspend, including the review of each external placement. Other budget lines are also being reviewed, as well as longer term actions around service development. Currently there is no overspend reported in these figures as the Social Work Resources' Management Team looks at options to manage these pressures.
- 5.10. 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

14 July 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 19 June 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 19 June (No.3)

Social Work Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/6/20	Actual 19/6/20	Variance 19/6/20		% Variance 19/6/20	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	91,213	91,213	0	17,938	18,819	(881)	Over	-4.9%	
Property Costs	2,649	2,649	0	547	633	(86)	Over	-15.7%	
Supplies & Services	5,798	5,798	0	820	2,251	(1,431)	Over	-174.5%	
Transport & Plant	4,338	4,338	0	836	844	(8)	Over	-1.0%	
Administration Costs	1,643	1,643	0	232	259	(27)	Over	(11.6%)	
Payments to Other Bodies	19,935	19,935	0	4,220	4,369	(149)	Over	(3.5%)	
Payments to Contractors	105,703	105,703	0	11,894	12,466	(572)	Over	(4.8%)	
Transfer Payments	3,112	3,112	0	623	561	62	Under	10.0%	
Financing Charges	263	263	0	60	47	13	Under	21.7%	
Total Controllable Exp.	234,654	234,654	0	37,170	40,249	(3,079)	Over	(8.3%)	
Total Controllable Inc.	(62,243)	(62,243)	0	(2,769)	(5,726)	2,957	over recovered	106.8%	
Net Controllable Exp.	172,411	172,411	0	34,401	34,523	(122)	Over	(0.4%)	

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 19 June (No.3)

Covid-19

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/6/20	Actual 19/6/20	Variance 19/6/20		% Variance 19/6/20	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	0	0	0	0	817	(817)	Over	n/a	1
Property Costs	0	0	0	0	83	(83)	Over	n/a	2
Supplies & Services	0	0	0	0	1,281	(1,281)	Over	n/a	3
Transport & Plant	0	0	0	0	2	(2)	Over	n/a	
Administration Costs	0	0	0	0	10	(10)	Over	n/a	
Payments to Other Bodies	0	0	0	0	126	(126)	Over	n/a	4
Payments to Contractors	0	0	0	0	513	(513)	Over	n/a	5
Transfer Payments	0	0	0	0	4	(4)	Over	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	0	0	0	0	2,836	(2,836)	Over	n/a	6
Total Controllable Inc.	0	0	0	0	(2,714)	2,714	Over recovered	n/a	
Net Controllable Exp.	0	0	0	0	122	(122)	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 the 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 19 June 2020 (No.3)

Children and Families Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/06/20	Actual 18/06/20	Variance 19/06/20		% Variance 19/06/20	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	16,345	16,345	0	3,280	3,400	(120)	over	(3.7%)	1a
Property Costs	330	330	0	60	69	(9)	over	(15.0)%	
Supplies & Services	675	675	0	121	120	1	under	0.8%	
Transport & Plant	624	624	0	90	83	7	under	7.8%	
Administration Costs	288	288	0	68	69	(1)	over	1.50%	
Payments to Other Bodies	8,714	8,714	0	2,133	2,106	27	under	1.3%	a
Payments to Contractors	5,936	5,936	0	1,026	1,105	(79)	over	(7.7%)	2.
Transfer Payments	3,098	3,098	0	621	554	67	under	10.8%	3
Financing Charges	17	17	0	4	0	4	under	100.0%	
Total Controllable Exp.	36,027	36,027	0	7,403	7,506	(103)	over	(1.4%)	
Total Controllable Inc.	(417)	(417)	0	(84)	(155)	71	over recovered	84.5%	4
Net Controllable Exp.	35,610	35,610	0	7,319	7,351	(32)	over	(0.4%)	

Variance Explanations**1. Employee Costs**

The overspend is a result of turnover being less than anticipated to date and back dated payments of superannuation.

2. Payment to Contractors

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

3. 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.

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

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

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 19 June 2020 (No.3)

Adults and Older People Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/06/20	Actual 19/06/20	Variance 19/06/20		% Variance 19/06/20	Note
	£000	£000	£000	£000	£000	£000			
Budget Category									
Employee Costs	61,559	61,559	0	12,028	12,001	27	under	0.2%	
Property Costs	1,640	1,640	0	355	343	12	under	3.4%	
Supplies & Services	4,572	4,572	0	621	777	(156)	over	(25.1%)	1
Transport & Plant	3,344	3,344	0	675	702	(27)	over	(4.0%)	c
Administration Costs	412	412	0	88	91	(3)	over	(3.4%)	
Payments to Other Bodies	10,790	10,790	0	2,034	2,081	(47)	over	(2.3%)	a,b
Payments to Contractors	99,689	99,689	0	10,849	10,829	20	under	0.2%	a,b,c
Transfer Payments	7	7	0	1	1	0	-	0.0%	
Financing Charges	35	35	0	6	0	6	under	100.0%	
Total Controllable Exp.	182,048	182,048	0	26,657	26,825	(168)	over	(0.6%)	
Total Controllable Inc.	(54,797)	(54,797)	0	(1,417)	(1,586)	169	over recovered	11.9%	2 b,c
Net Controllable Exp.	127,251	127,251	0	25,240	25,239	1	under	0.0%	

Variance Explanations**1. 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.

2. Income

This over recovery is offsetting the non-achievement of savings and loss of income as a result of the response to COVID-19.

Budget Virements

- a. Budget realignment of Carer Act Funding, Payment to Other Bodies (£0.230m), Payment to Contractors £0.230m.
- b. Incorporation of Social Care Fund and Resource Transfer Inflation Net Effect £0: Employee Costs £0.265m, Payment to Other Bodies £0.686m, Payment to Contractors £0.287m, Income (£1.238m).
- c. Incorporation of budget for additional income from service users. Net Effect £0: Payment to Contractors £0.480m, Transport & Plant £0.020m, Income £0.500m.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 19 June 2020 (No.3)

Performance and Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/6/20	Actual 19/6/20	Variance 19/6/20		% Variance 19/6/20	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	6,835	6,835	0	1,366	1,365	1	under	0.1%	
Property Costs	602	602	0	108	113	(5)	over	(4.6%)	
Supplies & Services	435	435	0	63	56	7	under	11.1%	
Transport & Plant	251	251	0	49	38	11	under	22.4%	
Administration Costs	426	426	0	56	68	(12)	over	(21.4%)	
Payments to Other Bodies	35	35	0	1	3	(2)	over	(200.0%)	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	2	(2)	over	n/a	
Financing Charges	200	200	0	47	47	0	-	0.0%	
Total Controllable Exp.	8,784	8,784	0	1,690	1,692	(2)	over	(0.1%)	
Total Controllable Inc.	(740)	(740)	0	(41)	(44)	3	over recovered-	7.3%	
Net Controllable Exp.	8,044	8,044	0	1,649	1,648	1	under	0.1%	

Variance Explanations

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 19 June 2020 (No.3)

Justice Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/6/20	Actual 19/6/20	Variance 19/6/20		% Variance 19/6/20	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	6,474	6,474	0	1,264	1,236	28	Under	2.2%	a,b
Property Costs	77	77	0	24	25	1)	Over	(4.2%)	b
Supplies & Services	116	116	0	15	17	(2)	Over	(13.3%)	b
Transport & Plant	119	119	0	22	19	3	Under	13.6%	a,b
Administration Costs	517	517	0	20	21	(1)	Over	(5.0%)	a,b
Payments to Other Bodies	396	396	0	52	53	(1)	Over	(1.9%)	a,c
Payments to Contractors	78	78	0	19	19	0	-	n/a	a,c
Transfer Payments	7	7	0	1	0	1	Under	100.0%	
Financing Charges	11	11	0	3	0	3	Under	100.0%	b
Total Controllable Exp.	7,795	7,795	0	1,420	1,390	30	Under	2.1%	
Total Controllable Inc.	(6,289)	(6,289)	0	(1,227)	(1,227)	0	-	0.0%	a,b,c
Net Controllable Exp.	1,506	1,506	0	193	163	30	Under	15.5%	

Variance ExplanationsBudget Virements

- Incorporation of increase in Section 27 funding Net Effect £0: Employee Costs £0.308m, Admin Costs £0.055m, Transport & Plant £0.001m, Payment to Other Bodies £0.028m, Payment to Contractors £0.006m. Income (£0.398m).
- Incorporation of funding for Caledonian Men's Project Net Effect £0: Employee Costs £0.131m, Property Costs £0.006m, Supplies and Services £0.004m, Admin Costs £0.003m, Transport £0.005m, Financing Charges £0.001m, Income (£0.150m).
- Incorporation of Big Lottery Funding carry forward funding Net Effect £0: Payment to Other Bodies £0.065m, Payment to Private Contractor £0.045m, Income (£0.110m).