

Report

Report to:	Social Work Resources Committee
Date of Meeting:	20 January 2021
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 2020 to 6 November 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 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 third 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 6 November 2020, there is an overspend position of (£0.359m) 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 (IJB) is being included in the Mobilisation Plan which the Scottish Government is 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 the Scottish Government are included in Appendix B and total £11.952m.
- 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 £0.844m at period 8 and is included at Appendix D.
- 5.5. Taking the two figures together gives additional cost to the Council of £12.796m.
- 5.6. The Social Care Mobilisation monies received to date have been fully spent. As at 6 November 2020, the Council has received £5.464m. A further £7.329m would be required to meet the spend of £12.739m 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 (£0.359m), 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 8 is £0.151m 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 is also seeing pressures in relation to increasing costs within the Home Care service. Work has been ongoing to identify actions to manage this pressure. As at 6 November, the pressure faced is estimated at £0.8m, which has reduced from the £1.7m estimated earlier in the year, however, there may be further demands and pressures experienced over the winter period. Such costs will be included in the mobilisation plan, if they are not funded from the Winter Planning funding provided by the Scottish Government. There have been discussions with the IJB Chief Financial Officer on the recovery plan.
- 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 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 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

4 December 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 6 November 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 6 November (No.8)

Social Work Resources Summary

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 6/11/20	Actual 6/11/20	Variance 6/11/20		% Variance 6/11/20	Note
	£000	£000	£004	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	91,408	91,408	0	52,717	55,044	(2,327)	Over	-4.4%	
Property Costs	2,655	2,655	0	1,654	1,842	(188)	Over	-11.4%	
Supplies & Services	5,796	5,796	0	3,310	4,126	(816)	Over	-24.7%	
Transport & Plant	4,341	4,341	0	3,210	3,149	61	Under	1.9%	
Administration Costs	1,675	1,675	0	764	769	(5)	Over	-0.7%	
Payments to Other Bodies	20,877	20,877	0	11,655	11,886	(231)	Over	-2.0%	
Payments to Contractors	105,621	105,621	0	54,098	63,340	(9,242)	Over	-17.1%	
Transfer Payments	3,105	3,105	0	1,869	1,905	(36)	Over	-1.9%	
Financing Charges	335	335	0	246	259	(13)	Over	-5.3%	
Total Controllable Exp.	235,813	235,813	0	129,523	142,320	(12,797)	Over	-9.9%	
Total Controllable Inc.	(63,402)	(63,402)	0	(20,060)	(32,498)	12,438	over recovered	-62.0%	
Net Controllable Exp.	172,411	172,411	0	109,463	109,822	(359)	Over	-0.3%	

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 6 November (No.8)

Covid-19

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 6/11/20	Actual 6/11/20	Variance 6/11/20		% Variance 6/11/20	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	0	0	0	0	2,444	(2,444)	Over	n/a	1
Property Costs	0	0	0	0	172	(172)	Over	n/a	2
Supplies & Services	0	0	0	0	1,022	(1,022)	Over	n/a	3
Transport & Plant	0	0	0	0	68	(68)	Over	n/a	
Administration Costs	0	0	0	0	29	(29)	Over	n/a	
Payments to Other Bodies	0	0	0	0	306	(306)	Over	n/a	4
Payments to Contractors	0	0	0	0	8,141	(8,141)	Over	n/a	5
Transfer Payments	0	0	0	0	128	(128)	Over	n/a	
Financing Charges	0	0	0	0	1	(1)	Over	n/a	
Total Controllable Exp.	0	0	0	0	12,311	(12,311)	Over	n/a	6
Total Controllable Inc.	0	0	0	0	(11,952)	11,952	Over recovered	n/a	
Net Controllable Exp.	0	0	0	0	359	(359)	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 and cleaning 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 during COVID-19.

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.

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 6 November 2020 (No.8)

Children and Families Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 6/11/20	Actual 6/11/20	Variance 6/11/20		% Variance 6/11/20	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	16,451	16,451	0	9,553	9,565	(12)	Over	-0.1%	a,b
Property Costs	333	333	0	272	280	(8)	Over	-2.9%	
Supplies & Services	731	731	0	398	382	16	Under	4.0%	a,b
Transport & Plant	624	624	0	268	153	115	Under	42.9%	1
Administration Costs	297	297	0	181	143	38	under	21.0%	
Payments to Other Bodies	9,336	9,336	0	5,661	5,561	100	Under	1.8%	2,a,b
Payments to Contractors	5,863	5,863	0	3,176	3,883	(707)	Over	-22.3%	3
Transfer Payments	3,091	3,091	0	1,862	1,767	95	Under	5.1%	4,a
Financing Charges	19	19	0	14	22	(8)	Over	-57.1%	
Total Controllable Exp.	36,745	36,745	0	21,385	21,756	(371)	Over	-1.7%	
Total Controllable Inc.	(1,137)	(1,137)	0	(466)	(686)	220	over recovered	-47.2%	5,a
Net Controllable Exp.	35,608	35,608	0	20,919	21,070	(151)	Over	-0.7%	

Variance Explanations**1. Transport and Plant**

This underspend has arisen as a result of a reduction in service required and level of payment to providers.

2. Payment to Other Bodies

This underspend relates to services not being delivered due to COVID and as a result of the incorporation of new funding for mental health and wellbeing offset in part by an overspend in fostering related services.

3. Payment to Contractors

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

4. 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.

5. 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 Funding 20/21 Net Effect £0, Employee Costs £0.170m, Supplies and services £0.129m, Payment to Other Bodies £0.290m, Transfer Payments £0.003m, Income (£0.592m).
- b Budget realignment to reflect Young Carers Service Net Effect £0, Payment to Other Bodies £0.200m, Employee Costs (£0.119m), Supplies and Services (£0.081m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 6 November 2020 (No.8)

Adults and Older People Services

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 6/11/20	Actual 6/11/20	Variance 6/11/20		% Variance 6/11/20	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	61,592	61,592	0	35,445	35,449	(4)	Over	0.0%	
Property Costs	1,718	1,718	0	1,040	1,059	(19)	Over	-1.8%	
Supplies & Services	4,493	4,493	0	2,622	2,428	194	Under	7.4%	1
Transport & Plant	3,346	3,346	0	2,663	2,709	(46)	Over	-1.7%	
Administration Costs	412	412	0	246	285	(39)	over	-15.9%	
Payments to Other Bodies	11,001	11,001	0	5,578	5,562	16	Under	0.3%	
Payments to Contractors	99,685	99,685	0	50,872	51,266	(394)	Over	-0.8%	2
Transfer Payments	7	7	0	4	3	1	Under	25.0%	
Financing Charges	42	42	0	29	32	(3)	Over	-10.3%	
Total Controllable Exp.	182,296	182,296	0	98,499	98,793	(294)	over	-0.3%	
Total Controllable Inc.	(55,043)	(55,043)	0	(15,751)	(16,013)	262	over recovered	-1.7%	3
Net Controllable Exp.	127,253	127,253	0	82,748	82,780	(32)	Over	0.0%	

Variance Explanations**1. Supplies & Services**

The underspend is attributable to a reduction in adaptations and catering and supplies for day care services, both impacted by COVID. The underspend is offset in part by an overspend on the license costs associated with the new home care scheduling system. Additionally, within catering there has been a delay in implementing the 2020-21 savings and the cost of not achieving this savings is offset by COVID-19 funding from the Scottish Government.

2. Payment to Contractors

The overspend relates to additional home care hours called on to the external market as a result of an increase in demand.

3. Income

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

Budget Virements

- Incorporation of Distress Briefing Intervention funding for 20/21 and response to COVID, Net Effect £0, Payment to Other Bodies £0.242m, Income (£0.242m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 6 November 2020 (No.8)

Performance and Support Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 6/11/20	Actual 6/11/20	Variance 6/11/20		% Variance 6/11/20	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	6,866	6,866	0	3,994	3,923	71	under	1.8%	1.
Property Costs	527	527	0	284	275	9	Under	3.2%	
Supplies & Services	435	435	0	233	234	(1)	Over	-0.4%	
Transport & Plant	251	251	0	212	167	45	under	21.2%	
Administration Costs	426	426	0	278	245	33	Under	11.9%	
Payments to Other Bodies	35	35	0	4	6	(2)	over	-50.0%	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	7	(7)	over	n/a	
Financing Charges	262	262	0	194	187	7	Under	3.6%	
Total Controllable Exp.	8,802	8,802	0	5,199	5,044	155	Under	3.0%	
Total Controllable Inc.	(759)	(759)	0	(180)	(184)	4	Over	-2.2%	
Net Controllable Exp.	8,043	8,043	0	5,019	4,860	159	under	3.2%	

Variance Explanations

1. The underspend in employee costs mainly relates to a reduction in physiotherapy sessions for employees as a result of COVID and a small number of vacancies.

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Social Work Resources Committee: Period Ended 6 November 2020 (No.8)

Justice Services

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 6/11/20	Actual 6/11/20	Variance 6/11/20		% Variance 6/11/20	Note
	£000	£000	£000	£000	£000	£004			
<u>Budget Category</u>									
Employee Costs	6,499	6,499	0	3,725	3,663	62	Under	1.7%	1
Property Costs	77	77	0	58	56	2	Under	3.4%	
Supplies & Services	137	137	0	57	60	(3)	Over	-5.3%	
Transport & Plant	120	120	0	67	52	15	Under	22.4%	
Administration Costs	540	540	0	59	67	(8)	Over	-13.6%	
Payments to Other Bodies	505	505	0	412	451	(39)	Over	-9.5%	
Payments to Contractors	73	73	0	50	50	0	-	0.0%	
Transfer Payments	7	7	0	3	0	3	Under	100.0%	
Financing Charges	12	12	0	9	17	(8)	Over	-88.9%	
Total Controllable Exp.	7,970	7,970	0	4,440	4,416	24	Under	0.5%	
Total Controllable Inc.	(6,463)	(6,463)	0	(3,663)	(3,663)	0	-	0.0%	
Net Controllable Exp.	1,507	1,507	0	777	753	24	Under	3.1%	

Variance Explanations**1. Employee Costs**

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

Budget Virements