

DATA LABEL: PUBLIC



SOCIAL POLICY DEVELOPMENT AND SCRUTINY PANEL

2021/22 FINANCIAL PERFORMANCE – MONTH 6 MONITORING REPORT

REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES

A. PURPOSE OF REPORT

To provide the Panel with an update on the financial performance of the Social Policy portfolio.

B. RECOMMENDATION

It is recommended that the Panel:

1. Notes the financial performance of the Social Policy portfolio as at month 6;
2. Notes that the Social Policy portfolio position at month 6 is part of the overall council budget position which was reported to Council Executive on 16 November 2021;
3. Notes any actions required to be taken by Heads of Service and budget holders to manage spend within available resources.

C. SUMMARY OF IMPLICATIONS

I Council Values	Focusing on customers' needs, being honest, open and accountable, making best use of resources, working in partnership.
II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	Local Government (Scotland) Act 1973, Section 95; Local Government in Scotland Act 2003, section 1-14.
III Implications for Scheme of Delegations to Officers	No implications at this stage.
IV Impact on performance and performance indicators	Effective budget management is an essential element of service performance. Additional financial reporting provides elected members with information to allow for proper scrutiny of performance of services.
V Relevance to Single Outcome Agreement	The revenue budget provides resources necessary to help deliver the Single Outcome Agreement. Effective prioritisation of resources is essential to achieving key outcomes.
VI Resources – (Financial, Staffing and Property)	A projected underspend of £0.230 million is the position for the Social Policy portfolio revenue budget in 2021/22 based on the month 6 monitoring.
VII Consideration at PDSP	A financial performance report is presented to the Panel twice yearly on an ongoing basis.
VIII Other Consultations	Depute Chief Executives, Head of Social Policy,

D. TERMS OF REPORT

D.1 Introduction

This report provides an update on the general fund revenue financial performance in respect of the Social Policy Policy Development and Scrutiny Panel (PDSP) portfolio of services. The council's revenue budget is operationally managed at a Head of Service level, and the financial position included within this report formed part of the overall council position which was reported to Council Executive on 16 November 2021. This report also includes the position on the delivery of approved budget reduction measures relevant to the Social Policy portfolio for 2021/22.

The budget monitoring process is undertaken in line with the council's budgetary control framework and procedures, which place particular focus on a risk based and pro-active approach to budget monitoring.

This report focuses on the financial performance of council services which further enhances the information presented to elected members to allow scrutiny of service and financial performance. The report contains reference to key performance measures for service areas which are contained within Service Management Plans and referenced in the 2019/20 Local Government Benchmarking Framework (LGBF) data-set. LGBF data for 2020/21 will be collated by the Improvement Service and will be made available later in the financial year. The cost information for the LGBF for 2020/21 and 2021/22 will be materially impacted by Covid-19 related changes to expenditure and income.

D.2 Financial Information for 2021/22 Month 6 Position

The table below summarises the position in relation to service expenditure for the portfolio area. As part of the monitoring exercise, a number of key risks and service pressures have been identified and these are noted in the narrative for the relevant service area.

Service	Budget £'000	Month 6 Forecast £'000	Variance £'000
IJB Functions			
Care Homes & HWC	11,478	11,935	457
Occupational Therapy	1,692	1,445	(247)
Mental Health	4,258	4,125	(133)
Older People	29,338	28,813	(525)
Reablement/Crisis Care	3,995	4,213	218
Learning Disabilities	20,665	20,850	185
Physical Disabilities	7,407	7,452	45
Net IJB Variance	78,833	78,833	0
Non-IJB Functions			
Criminal Justice	3,153	2,955	(198)
Child Care & Protection	16,196	16,762	566
Placement Services	8,440	8,439	(1)
Early Years Change Fund	103	20	(83)
Child & Family Support	4,337	3,748	(589)
Support	2,178	2,253	75
Net Non-IJB Variance	34,407	34,177	(230)
Net Social Policy Position	113,240	113,010	(230)

D.3 Summary of Main Issues in Service Expenditure Budgets and Impact on Performance

D.3.1 General Fund Revenue – Social Policy

The forecast position for IJB delegated functions is breakeven, and the forecast position for non-IJB social care functions is an underspend of £230,000.

There remain a number of pressure areas in IJB delegated functions, which are offset by underspends and future savings. Internal care homes for older people continue to be a recurring pressure, where additional agency and locum costs are being incurred to cover for staff absence and vacancies. Internal care at home services also have high agency costs in order to support hospital discharges and reduce the level of unmet need. In both areas there is a focus on recruitment in order to reduce costs.

In external care homes, the opening of a new elderly care home in Livingston is expected to increase costs in this area, and allowance for this has been built into the forecast. There is also high demand for care at home services for elderly and learning disabilities in particular, with higher than expected growth in this area.

Additional costs relating to Covid-19 included in the IJB Mobilisation Plan for social care are currently forecast to be in the region of £5.912 million for 2021/22, which includes sustainability and PPE payments for care providers, lost income and staff costs for sickness cover and remobilisation.

This is being closely monitored with actual additional costs still subject to uncertainty around the ongoing implications of Covid-19 over the remainder of 2021/22.

The forecast reflects the assumption that additional Covid-19 costs will be fully funded through IJB reserves and additional funding from the Scottish Government.

For Non-IJB areas, there is a recurring pressure in external residential schools. This is due to a high number of placements over the last financial year, where there was a lack of alternative options.

There is also a pressure in Continuing Care, where there are young adults who would normally transition from the Child Disability Service to an adult resource, but this has been affected by delays to the opening of the new complex care unit in Livingston. This is being managed in the short term through staffing underspends relating to future savings

D.3.2 General Fund Revenue – Monitoring of approved budget reductions

For the Social Policy portfolio, savings in 2021/22 have been delivered in full and good progress is being made to deliver the remaining reduction measures within the portfolio area in 2022/23.

E. SUMMARISED BUDGET POSITION FOR 2021/22

The net expenditure forecast position at month 6 is £0.230 million less than the budget within the General Fund Revenue budget for the Social Policy portfolio. The position for the Social Policy portfolio is part of the overall council outturn forecast for 2021/22, which is a breakeven position, and this was reported to Council Executive on 16 November 2021.

F. FUTURE BUDGET ISSUES AND RISKS

There remains significant risks and uncertainties associated with the financial assumptions in the council's budget which continue to be monitored, including the continuing impact of Covid-19 and the recovery from it.

Looking ahead, there remains risk and uncertainty around the financial position and it is essential that savings are progressed to implementation and where material pressures remain, mitigating actions are taken to ensure existing pressures are managed on a recurring basis. Future pay awards will also be a key risk going forward.

Specifically for the Social Policy portfolio, the key risks and uncertainties include the impact of Covid-19 on the market for external suppliers and a potential increase in the requirement for Social Care. Sickness absence levels and above inflationary contractual price changes are risks that can affect services across the portfolio area and are monitored closely.

The council's risk based approach to budget monitoring will ensure that effective action is taken to manage risks during the course of the financial year. Officers will continue to provide updates on risks as part of the quarterly budget monitoring reporting to Council Executive at period 4, 6 and 9.

G. CONCLUSION

The forecast position for the Social Policy portfolio is an underspend of £0.230 million. As noted, the position for the Social Policy portfolio is part of the overall breakeven outturn forecast for 2021/22 which was reported to Council Executive on 16 November 2021.

H. BACKGROUND REFERENCES

1. Council Executive 2021/22 General Fund Revenue Budget – Month 6 Monitoring Report – 16 November 2021
2. Local Government Benchmarking Framework

Contact Person: Karen Stevenson, Group Accountant
karen.stevenson@westlothian.gov.uk - Tel No. 01506 281316

Donald Forrest

Head of Finance and Property Services

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