
Report To:	Health & Social Care Committee	Date:	24 August 2017
Report By:	Louise Long Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership	Report No:	FIN/62/17/AP/FMCL
	Alan Puckrin Chief Financial Officer		
Contact Officer:	Fiona McLaren	Contact No:	01475 712652
Subject:	Revenue & Capital Budget Report – Outturn 2016/17 and 2017/18 Probable Outturn as at 30 June 2017		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Health and Social Care Committee on the outturn of the 2016/17 revenue budget and of the probable outturn on revenue and capital for 2017/18 as at 30 June 2017. The 2016/17 outturn is provisional subject to the audit of the year end accounts.

2.0 SUMMARY

- 2.1 In 2016/17 the Social Work revised budget was £48.408 million with an underspend of £279,000, which is an increase in the underspend of £2,000 since the probable outturn report. The main elements of the underspend, which have been previously reported, are:

- Vacancies in internal homecare of £233,000,
- Vacancies and turnover in other services of £242,000,
- Additional one off income received within Residential & Nursing of £157,000,
- Underspend on Homecare of £62,000,
- Underspends within Children & Families on kinship (£40,000) and Children & Young People Act (£46,000).

Offset in part by:

- Residential & Nursing overspend of £387,000 reflecting the increased numbers of beds in use earlier in the year. Additional funding had been identified during the year to offset this overspend but that has been removed at the year end in view of the overall underspend. This is partially offset by the additional one off income of £157,000,
- An overspend of £214,000 in Learning Disabilities on client care packages. This is partially linked to the move to Redholm.

- 2.2 For 2017/18 the Council budget for Social Work was delegated to the Integration Joint Board (IJB). A budget of £51,554,000 has been delegated (with £47,420,000 contributed by the Council and £4,134,000 from the Social Care Fund operated by the IJB) to the Council and directed the Council to deliver services within the allocated budget and in line with the IJB's Strategic Plan. An additional £1,836,000 of Social Care funding has been allocated to the budget at period 3. As at period 3 there is a projected overspend of £123,000.

- 2.3 It should be noted that the 2017/18 budget includes agreed savings for the year of £526,000.

- 2.4 The Social Work 2017/18 capital budget is £1,657,000, with spend to date of £355,000. Expenditure equates to 21.4% of the revised budget.

- 2.5 At the Policy & Resources Committee on 20 September 2016, it was agreed that the Social Work Earmarked Reserves for 2016/17 be transferred to the IJB. The balance on the reserves at 31 March 2017 was £3,972,000. The reserves reported in this report are those delegated to the Council for spend in 2017/18. The opening balance on these is £1,352,000 with an additional £1,140,000 received for 2017/18, totalling £2,492,000 at period 3.
- 2.6 It should be noted that the reserves reported exclude those earmarked reserves that relate to budget smoothing, namely:
- Children's Residential Care, Adoption & Fostering,
 - Residential & Nursing Accommodation,
 - Deferred Income.
- 2.7 It should be noted that any underspend will be retained by the IJB in line with the approved Funding Agreement and any overspends will be met by the IJB.

3.0 RECOMMENDATIONS

- 3.1 That the Committee notes the 2016/17 revenue budget outturn underspend of £279,000.
- 3.2 That the Committee notes that the underspend at the 2016/17 year end will be retained by the IJB.
- 3.3 That the Committee notes the projected overspend of £123,000 on the current year revenue budget outturn at 30 June 2017.
- 3.4 That the Committee approves the virements listed in Appendix 1.
- 3.5 That the Committee notes the current projected capital position.
- 3.6 That the Committee notes the current Earmarked Reserves position.

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Corporate Director (Chief Officer)
Inverclyde Health & Social Care
Partnership

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The purpose of the report is to advise the Committee of the 2016/17 revenue outturn position, the current position of the 2017/18 Social Work revenue and capital budgets and to highlight the main issues contributing to the 2017/18 projected £123,000 overspend. The 2016/17 outturn is provisional subject to the audit of the year end accounts.

5.0 2016/17 REVENUE OUTTURN: £279,000 (0.57 %) underspend

5.1 The table below sets out the 2016/17 outturn to budget for Social Work and the movement in projected spend since last reported to the Health & Social Care Committee at probable outturn to 31 March 2017.

5.2

	Revised Budget 2016/17	Outturn 2016/17	Variance to Budget		Movement since probable outturn
	£000	£000	£000	%	£000
Children & Families	10,318	10,156	(163)	(1.58)	(2)
Criminal Justice	0	0	0	0	0
Older People	23,492	23,465	(27)	(0.11)	0
Learning Disabilities	6,590	6,677	87	1.32	0
Physical & Sensory	2,139	2,202	63	2.93	0
Assessment & Care Management	1,585	1,520	(65)	(4.11)	0
Mental Health	1,270	1,122	(148)	(11.63)	0
Addictions/ Substance Abuse	1,073	1,010	(63)	(5.83)	0
Homelessness	803	859	55	6.90	0
Planning, Health Improvement & Commissioning	1,707	1,698	(10)	(0.57)	0
Business Support	2,026	2,016	(10)	(0.51)	0
	51,004	50,725	(279)	(0.55)	(2)
Social Care Fund	(2,596)	(2,596)	0	0	0
Net expenditure	48,408	48,129	(279)	(0.55)	(2)

5.3 The material variances are identified per service below:

a. Children & Families: £163,000 (1.58%) underspend

The projected underspend is £2,000 more than reported previously and comprises:

- An overspend on employee costs of £93,000 mainly relating to residential accommodation where there is a requirement for certain staffing levels.
- An underspend of £46,000 on Children and Young People Act funding due to delays in projects starting this year.
- An underspend in kinship of £40,000 due to additional funding received for parity with foster carers.
- An underspend of £33,000 on respite.
- An underspend of £45,000 on care leavers.
- An underspend on payments to other bodies of £32,000 due to changes in costs.
- Additional income has been received from other local authorities for the placement of children, which has resulted in income of £42,000.

Any over/ underspends on adoption, fostering and children's external residential accommodation are transferred from/ to the Earmarked Reserve at the end of the year. These costs are not included in the above underspend. The reserve had a balance of £682,000 carried forward from 2015/16 and £133,000 of that was set aside to contribute to the additional costs for the replacement of the Neil Street Children's Home. At the year end there was a net underspend on fostering, adoption and children's external residential accommodation of £376,000 which has

been added to the Earmarked Reserve.

b. Older People: £26,000 (0.11%) underspend

The underspend comprises:

- An underspend on employee costs of £199,000, an increase of £99,000 since last reported to committee. £233,000 relates to vacancies in Homecare.
- An underspend of £62,000 on external homecare costs and domiciliary respite,
- An overspend in Residential & Nursing on care home beds of £387,000 which is partially offset by one off income below. The overspend reflects the increased numbers of beds in use earlier in the year.
- Residential & Nursing also has additional one off income received for charges of £187,000.

c. Learning Disabilities: £87,000 (1.32%) overspend

The overspend comprises:

- An underspend on employee costs of £106,000 due to vacancies,
- An overspend on transport costs due to additional vehicle maintenance costs,
- An overspend on client packages of £226,000 which is partially offset by £73,000 additional income.

d. Physical & Sensory: £63,000 (2.93%) overspend

The projected overspend relates to changes in client packages.

e. Assessment & Care Management: £65,000 (4.11%) underspend

This mainly relates to a projected underspend on employee costs.

f. Mental Health: £148,000 (11.63%) underspend

This relates to a projected underspend of £37,000 on employee costs due to additional turnover savings being achieved and a projected underspend within client package costs of £85,000. There is additional spend relating to the Neil Street project which is fully funded by Health.

g. Addictions: £63,000 (5.83%) underspend

The underspend consists of an underspend on employee costs due to vacancies of £28,000, an overspend on property costs of £6,000 and an underspend on client package costs due to changes in packages of £29,000.

h. Homelessness: £55,000 (6.90%) overspend

There is an overspend on bad debt provision of £94,000 which has been calculated taking account of changes in the number of properties and the impact of Universal Credit. Every effort will be made to recover outstanding debt and no debt has been written off by this allocation. This overspend is partially offset by underspends on employee costs of £14,000 and underspends on rents of £10,000.

6 2017/18 CURRENT REVENUE POSITION : Projected £123,000 (0.26%) overspend

Appendix 1 provides details of the movement in the budget and Appendix 2 contains details of the outturn position. The material variances are identified per service below and detailed in Appendix 3:

a. Children & Families: Projected £82,000 (0.80%) overspend

The projected overspend on employee costs mainly relates to residential accommodation where there is a requirement for certain staffing levels. This is a continuing pressure area.

Any over/ underspends on adoption, fostering and children's external residential accommodation are transferred from/ to the Earmarked Reserve at the end of the year. These costs are not included in the above overspend. The balance on the reserve is £925,000. At period 3 there is a projected net underspend of £290,000 on children's external residential accommodation, adoption and fostering which would be added to the Earmarked Reserves at the end of the year if it continues.

b. Older People: Projected £100,000 (0.41%) overspend

The projected overspend comprises:

- A projected underspend on homecare staff of £228,000.
- A projected overspend on external homecare of £257,000.
- A projected shortfall of £27,000 in other staffing due to turnover targets not yet met
- A projected shortfall in homecare income of £33,000.

A new Earmarked Reserve has been set up for residential & nursing accommodation. The balance on the reserve is £250,000. At period 3 there is a projected overspend of £98,000 on residential & nursing accommodation which would be funded from the Ear Marked Reserve at the end of the year if it continues.

c. Learning Disabilities: Projected £162,000 (2.37%) overspend

The projected overspend comprises:

- A projected underspend on staff of £132,000 due to posts being held as part of the service review.
- A projected overspend of £297,000 on client commitment costs. Some of this relates to Redholm client and all costs are currently being reviewed.

d. Physical & Sensory: Projected £84,000 (3.78%) overspend

The overspend relates to client commitment costs which are currently being reviewed.

e. Mental Health: Projected £76,000 (5.27%) underspend

Most of the projected underspend relates to costs of client packages. There is additional spend relating to the Neil Street project which is fully funded by Health.

f. Addictions: Projected £105,000 (9.66%) underspend

The projected underspend consists of a projected underspend on employee costs due to vacancies of £23,000 and a projected underspend on client packages of £82,000.

g. Homelessness: Projected £17,000 (2.12%) overspend

The projected underspend consists of a projected underspend on employee costs due to vacancies of £24,000 offset by a projected overspend of £41,000 on client packages.

h. Planning, Health Improvement & Commissioning; Projected £25,000 (1.38%) overspend

The projected overspend is due to the turnover target not yet being met.

i. Business Support: Projected £165,000 (5.70%) underspend

This comprises:

- A projected overspend of £22,000 on telephones due to an increase in agile working,
- A projected underspend of £200,000 in the early achievement of 2018/20 savings.

7.0 2017/18 CURRENT CAPITAL POSITION – (£0) Variance

7.1 The Social Work capital budget is £3,898,000 over the life of the projects with £1,657,000 projected to be spent in 2017/18, comprising:

- £841,000 for the replacement of Neil Street Children's Home,
- £760,000 for the replacement of Crosshill Children's Home,
- £56,000 for the conversion costs associated with John Street, Gourrock.

7.2 There is no projected slippage at period 3. Expenditure on all capital projects to 30 June is £355,000 (21.4% of the approved budget). Appendix 4 details capital budgets.

7.3 Progress on the Neil Street Children's Home replacement is as follows:

- Building external fabric complete.
- Road infrastructure and water supply works in progress. Delay in connecting the water supply due to Scottish Water issues regarding previous meter connection to the now demolished school. This issue is being vigorously pursued by the design team to avoid impact to the critical path of the programme.

- External works in progress with road formation underway and soft landscaping to follow (progress impacted by poor ground conditions).
- Contractor has intimated slippage to programme and has formally submitted an extension of time which is currently being evaluated.
- The Committee is requested to note that additional funding may be required in connection with the extended contract period however this will be subject to resolution of the current extension of time claim and agreement of the final account.
- Original programme completion date 31 March 2017. Anticipated completion end of September 2017.
- Technical Services continue to liaise with the Client Service regarding the final programme for transfer / decant.

7.4 Progress on the Crosshill Children's Home is as follows:

- Strategy involves the demolition of Crosshill upon vacant possession and construction of new Crosshill facility.
- Planning application has been submitted.
- Design has been progressed to Technical Design Stage (RIBA Stage 4) with building warrant application anticipated within next few weeks.
- Stage 2 cost report indicated estimated project cost of £2.034m which exceeds the current budget allocation of £1.682m. There is a separate report on the agenda in relation to this.
- The previously reported programme anticipated construction October 2017 to June 2018. It should be noted that the projected delay in completion of the Neil Street replacement and the current design review process and requirement to address a budget gap on the Crosshill project will result in a delay to the programme with a construction phase now anticipated to be late 4th Quarter 2017.

7.5 Progress on the John Street project is as follows:

- Works are now complete. Hand-over to Turning Point 31 July 2017 with residents moving in from 14 August 2017.

8.0 EARMARKED RESERVES

8.1 At the Policy & Resources Committee on 20 September 2016, it was agreed that the Social Work Earmarked Reserves for 2016/17 be transferred to the IJB. The balance on the reserves at 31 March 2017 was £3,972,000. The reserves reported in this report are those delegated to the Council for spend in 2017/18. The opening balance on these is £1,352,000 with an additional £1,140,000 received for 2017/18, totalling £2,492,000 at period 3.

8.2 It should be noted that the reserves reported exclude those earmarked reserves that relate to budget smoothing, namely:

- Children's Residential Care, Adoption & Fostering,
- Residential & Nursing Accommodation,
- Deferred Income.

9.0 VIREMENT

9.1 Appendix 6 details the virements that the Committee is requested to approve. The virements have been reflected in the report.

10.0 OTHER FINANCIAL MATTERS

10.1 The Criminal Justice Service funding changed from 1 April 2017. The methodology used to allocate the grant has also been changed and the allocation shows a grant reduction of 25% for Inverclyde over the next five years. There is a separate report on the agenda in relation to the work undertaken on this issue.

11.0 IMPLICATIONS

11.1 Finance

All financial implications are discussed in detail within the report above.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

11.2 Legal

There are no specific legal implications arising from this report.

11.3 Human Resources

There are no specific human resources implications arising from this report

11.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

11.5 Repopulation

There are no repopulation issues within this report.

12.0 CONSULTATIONS

12.1 This report has been jointly prepared by the Corporate Director (Chief Officer), Inverclyde Community Health & Care Partnership and the Chief Financial Officer.

13.0 LIST OF BACKGROUND PAPERS

13.1 There are no background papers for this report.

Social Work Budget Movement - 2017/18

Period 3 1 April 2017 - 30 June 2017

Service	Approved Budget 2016/17 £000	Movements					Transfers to/ (from) Earmarked Reserves £000	Amended Budget 2016/17 £000	IJB Funding Income £000	Revised Budget 2016/17 £000
		Inflation £000	Virement £000	Supplementary Budgets £000	IJB Funding £000					
Children & Families	10,271	0	(2)	0	50	0	10,319	0	10,319	
Criminal Justice	0	0	0	0	0	0	0	0	0	
Older Persons	23,356	0	5	0	910	0	24,271	0	24,271	
Learning Disabilities	6,416	0	(13)	0	422	0	6,825	0	6,825	
Physical & Sensory	2,042	0	(5)	0	187	0	2,224	0	2,224	
Assessment & Care Management	1,572	0	13	0	111	0	1,696	0	1,696	
Mental Health	1,288	0	0	0	162	0	1,450	0	1,450	
Addiction / Substance Misuse	1,062	0	0	0	27	0	1,089	0	1,089	
Homelessness	787	0	0	0	2	0	789	0	789	
Planning, HI & Commissioning	1,870	0	0	0	(35)	0	1,835	0	1,835	
Business Support	(1,243)	0	2	0	0	0	(1,241)	(1,836)	(3,077)	
Totals	47,420	0	0	0	1,836	0	49,256	(1,836)	47,420	

Supplementary Budget Detail

£000

External ResourcesInternal ResourcesSavings/Reductions

0

Social Work**Revenue Budget Projected Outturn**

Period 3 1 April 2017 - 30 June 2017

2016/17 Actual	Subjective Analysis	Approved Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Outturn 2017/18 £000	Projected Over/ (Under) Spend £000	Percentage Variance
£000						
	25,594 Employee costs	25,917	26,128	25,935	(194)	(0.74%)
	1,195 Property costs	1,168	1,172	1,171	(1)	(0.10%)
	931 Supplies & services	736	853	853	0	0.00%
	446 Transport & plant	380	380	378	(2)	(0.60%)
	868 Administration costs	757	768	791	24	3.06%
	36,821 Payments to other bodies	36,446	38,114	38,885	771	2.02%
	(15,128) Income	(13,850)	(14,025)	(14,499)	(474)	3.38%
	50,727	51,554	53,390	53,513	123	
	(2,596) Contribution from IJB	(4,134)	(5,970)	(5,970)	0	0.00%
	48,131 Social Work Net Expenditure	47,420	47,420	47,543	123	0.26%

2016/17 Actual	Objective Analysis	Approved Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Outturn 2017/18 £000	Projected Over/ (Under) Spend £000	Percentage Variance
£000						
	10,158 Children & Families	10,271	10,319	10,402	82	0.80%
	0 Criminal Justice	0	0	0	0	0.00%
	23,465 Older Persons	23,356	24,271	24,371	100	0.41%
	6,677 Learning Disabilities	6,416	6,825	6,987	162	2.37%
	2,202 Physical & Sensory	2,042	2,224	2,308	84	3.78%
	1,520 Assessment & Care Management	1,572	1,696	1,695	(1)	(0.06%)
	1,122 Mental Health	1,288	1,450	1,373	(76)	(5.27%)
	1,010 Addiction / Substance Misuse	1,062	1,089	984	(105)	(9.66%)
	859 Homelessness	787	789	806	17	2.12%
	1,698 Planning, HI & Commissioning	1,870	1,835	1,860	25	1.38%
	2,016 Business Support	2,891	2,893	2,728	(165)	(5.70%)
	50,727	51,554	53,390	53,513	123	
	(2,596) Contribution from IJB	(4,134)	(5,970)	(5,970)	0	0.00%
	48,131 Social Work Net Expenditure	47,420	47,420	47,543	123	0.26%

Notes:

- 1 £1.6M Criminal Justice and £0.3M Greenock Prison fully funded from external income hence nil bottom line position.
- 2 £9M Resource Transfer/ Delayed Discharge expenditure & income included above.

APPENDIX 3

Social Work

Material Variances

Period 3 1 April 2017 - 30 June 2017

2016/17 Actual	Budget Heading	Revised Budget 2017/18	Proportion of budget	Actual to 30/06/17	Projected Outturn 2017/18	Projected Over/(Under) Spend	Percentage Variance
£000		£000	£000	£000	£000	£000	
	Employee Costs						
5,471	Children & Families	5,445	1,190	1,324	5,535	90	1.65%
7,705	Homecare	7,976	1,967	1,703	7,833	(143)	(1.79%)
2,508	Learning Disabilities	2,579	640	588	2,447	(132)	(5.12%)
1,212	Addictions	1,229	303	283	1,205	(24)	(1.95%)
785	Homelessness	783	196	185	759	(24)	(3.07%)
1,514	Planning, Health Improvement & Commissioning	1,431	353	393	1,457	26	1.82%
19,195		19,443	4,649	4,476	19,236	(207)	(1.37%)
	Other Variances						
3,139	Older People - Homecare external providers & domicilliary respite	3,531	883	667	3,759	228	6.46%
(151)	Older People - Homecare income	(183)	(46)	(54)	(151)	32	(17.49%)
7,309	Learning Disabilities - client commitments on support packages	7,419	1,855	1,134	7,716	297	4.00%
1,449	Physical Disabilities - client commitments on support packages	1,455	364	320	1,555	100	6.87%
1,160	Mental Health - client commitments on support packages	1,320	330	251	1,269	(51)	(3.86%)
519	Addictions - client commitments on support packages	577	144	82	473	(104)	(18.02%)
165	Homelessness - client commitments on support packages	190	48	32	231	41	21.58%
75	Business Support - telephone	84	21	14	106	22	26.19%
0	Business Support - early achievement of savings	969	0	0	769	(200)	(20.64%)
13,665		15,362	3,598	2,446	15,727	365	2.38%
32,860	Total Material Variances	34,805	8,247	6,922	34,963	158	0.45%

Social WorkCapital Budget 2016/17

Period 3 1 April 2017 - 30 June 2017

Project Name	Est Total Cost	Actual to 31/3/16	Approved Budget 2017/18	Revised Est 2017/18	Actual to 30/06/17	Est 2018/19	Est 2019/20	Future Years
	£000	£000	£000	£000	£000	£000	£000	£000
SOCIAL WORK								
Neil Street Childrens Home Replacement	1,991	1,069	841	841	323	81	0	0
Crosshill Childrens Home Replacement	1,682	47	760	760	15	750	125	0
John Street, Gourock	225	169	56	56	17	0	0	0
Social Work Total	3,898	1,285	1,657	1,657	355	831	125	0

Social WorkEar Marked Reserves

Period 3 1 April 2017 - 30 June 2017

Project	Lead Officer/ Responsible Manager	c/f	New	Total	Phased Budget	Actual	Projected	Amount to be	Lead Officer Update
		Funding	Funding	Funding	to Period 3	to Period 3	Spend	Earmarked for	
		2016/17	Other 2017/18	2017/18	2017/18	2017/18	2017/18	2018/19 & Beyond	
		£000	£000	£000	£000	£000	£000	£000	
Self Directed Support	Alan Brown	43		43	0	0	43	0	This supports the continuing promotion of SDS.
Growth Fund - Loan Default Write Off	Helen Watson	26		26	0	0	1	25	Loans administered on behalf of DWP by the credit union and the Council has responsibility for paying any unpaid debt. This requires to be kept until all loans are repaid and no debts exist.
Deferred Income	Louise Long	27		27	13	13	27	0	Funding for the remaining six months of a transitions post.
Integrated Care Fund	Louise Long	262	912	1,174	357	358	1,174	0	The Integrated Care Fund funding has been allocated to a number of projects, including reablement, housing and third sector & community capacity projects. The total funding will change as projects move between health & council.
Delayed Discharge	Louise Long	494	228	722	106	106	722	0	Delayed Discharge funding has been allocated to specific projects in the Council and Health, including overnight home support and out of hours support.
Veterans Officer Funding	Helen Watson	27		27	0	0	12	15	Council's contribution to a three year post hosted by East Renfrewshire Council on behalf of Inverclyde, Renfrewshire and East Renfrewshire Councils.
CJA Preparatory Work	Sharon McAlees	65		65	13	13	65	0	This reserve is for two years to cover the preparatory work required for the changes due in Criminal Justice.
Welfare Reform - CHCP	Andrina Hunter	43		43	0	0	43	0	Balance of funding to be used for case management system.
Transport Development Officer	Yvonne Campbell	70		70	0	0	35	35	Two year post to be hosted by voluntary sector to progress social transport review.
Swift Upgrade	Helen Watson	118		118	0	0	48	70	One year post to progress replacement client information system £41k).
LD - Integrated Team Leader	Joyce Allan	121		121	0	0	60	61	Two year post to develop the learning disability services integration agenda.
John Street	Joyce Allan	56		56	0	17	56	0	Balance of costs for John St works
Total Category A		1,352	1,140	2,492	489	507	2,286	206	

APPENDIX 6

Social Work

Virement Requests

Period 3 1 April 2017 - 30 June 2017

Budget Head	Increase Budget £000	Decrease budget £000
1 Learning Disabilities - employee		(13)
1 Assessment & Care Management - employee	13	
	13	(13)

Notes

1 Transfer of 0.5 FTE post between services