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<b>Report To:</b>	<b>Health &amp; Social Care Committee</b>	<b>Date:</b>	<b>19 October 2017</b>
<b>Report By:</b>	<b>Louise Long Corporate Director (Chief Officer) Inverclyde Health &amp; Social Care Partnership</b>	<b>Report No:</b>	<b>FIN/83/17/AP/FMcL</b>
	<b>Alan Puckrin Chief Financial Officer</b>		
<b>Contact Officer:</b>	<b>Fiona McLaren</b>	<b>Contact No:</b>	<b>01475 712652</b>
<b>Subject:</b>	<b>Revenue &amp; Capital Budget 2017/18 Projection as at 31 August 2017</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Health and Social Care Committee on the position of the revenue and capital budgets for the current year as at period 5 to 31 August 2017.

## 2.0 SUMMARY

- 2.1 The Social Work revised budget is £47.358 million with a projected underspend of £15,000, which is a decrease of £138,000 since the last report. The main elements of the underspend are:
- Vacancies in internal homecare of £259,000, which are partially offsetting the increased costs of external homecare below,
  - Vacancies and turnover in other services of £198,000,
  - Projected underspends on client care packages in Mental Health & Addictions of £44,000 and £74,000 respectively,
  - An early achievement of 2018/20 savings of £200,000.

Offset by:

- A projected overspend in external homecare of £281,000 due to increased hours as more people are cared for in their own homes,
  - Projected overspends on client care packages in Learning Disabilities and Physical Disabilities of £232,000 and £167,000 respectively. Work is underway to review all costs to reduce the projected overspends in coming months,
  - A projected overspend on Kinship costs of £59,000 due to increased client numbers.
- 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 5. £62,000 of Welfare Reform funding has been returned to the Policy & Resources Committee as an extension of grant funding means that it is no longer required.
- 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 £519,000. Expenditure equates to 31.3% of the revised budget. There is projected slippage of £610,000 on the Crosshill children's home replacement due to delays in the Neil Street children's home replacement project.

- 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 5. To date £795,000 has been spent which is 33.5% of the projected 2017/18 spend. Spend is ahead of the phased budget by 2.8%.
- 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 projected underspend of £15,000 on the current year revenue budget as at 31 August 2017.
- 3.2 That the Committee approves the virements listed in Appendix 6.
- 3.3 That the Committee notes the current projected capital position.
- 3.4 That the Committee notes the current Earmarked Reserves position.

**Louise Long**  
**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 current position of the 2017/18 Social Work revenue and capital budgets and to highlight the main issues contributing to the 2017/18 projected £15,000 underspend.

### 5 2017/18 CURRENT REVENUE POSITION : Projected £15,000 (0.03%) underspend

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 £110,000 (1.07%) overspend

The projected overspend is £28,000 more than previously reported and comprises:

- A net projected overspend of £26,000 on employee costs. There is a projected overspend in residential accommodation where there is a requirement for certain staffing levels, but this is currently offset by vacancies within other areas of Children & Families. The staffing in residential accommodation is a continuing pressure area,
- A projected overspend of £59,000 on kinship costs due to increased numbers of clients,
- A projected overspend of £26,000 on respite due to increased costs.

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, however at the last Committee it was agreed that £232,000 of this balance would be used to meet the potential additional costs of the Crosshill replacement project. At period 5 there is a projected net underspend of £413,000 on children's external residential accommodation, adoption and fostering which would be added to the Ear Marked Reserves at the end of the year if it continues. The underspend has increased by £123,000 since previously reported due to a child leaving residential accommodation.

#### b. Older People: Projected £66,000 (0.27%) overspend

The projected overspend is £35,000 less than previously reported and comprises::

- A projected underspend on homecare staff of £258,000, an increase of £18,000 due to further vacancies and a reduction in overtime,
- A projected overspend on external homecare of £281,000, which is an increase of £18,000 since the last committee. This is due to an increased number of clients and hours of service provided as people have care provided in their own homes rather than in a care home,
- A projected shortfall of £31,000 in other staffing due to turnover targets not yet met.

A new Earmarked Reserve has been set up for residential & nursing accommodation. The balance on the reserve is £250,000. At period 5 there is a net projected overspend of £6,000 on residential & nursing accommodation which would be funded from the Ear Marked Reserve at the end of the year if it continues. The overspend has reduced by £92,000 since the previous report due to a reduction in bed numbers and reversal of budget adjustments.

#### c. Learning Disabilities: Projected £50,000 (0.73%) overspend

The projected overspend is £112,000 less than previously reported and comprises:

- A projected underspend on staff of £179,000 due to posts being held as part of the service review. There is an increase in the projected underspend of £47,000 due to a post now being funded from an Earmarked Reserve ,
- A projected overspend of £232,000 on client commitment costs, a reduction of £65,000 since the last report. A Review Team is now in place within the service and they have begun work to review all high cost packages within the service.

#### d. Physical & Sensory: Projected £106,000 (4.77%) overspend

The projected overspend is £22,000 more than previously reported and comprises:

- A projected underspend on staffing of £29,000 which is £35,000 more than previously reported due to two posts now funded by the Integrated Care Fund,

- A projected overspend of £167,000 on client packages which is £67,000 more than previously reported. This is currently under review by the service,
- Projected additional income of £20,000 to cover some of the costs of client packages.

e. **Mental Health: Projected £62,000 (4.63%) underspend**

The projected underspend is £15,000 less than previously reported and comprises:

- A projected underspend on the costs of client packages of £44,000 which is the same as previously reported,
- A projected underspend on payments to other bodies of £15,000 which is £10,000 less than previously projected.

There is additional spend relating to the Neil Street project which is fully funded by Health.

f. **Addictions: Projected £124,000 (11.24%) underspend**

The projected underspend is £19,000 more than previously reported and comprises:

- A projected underspend of £53,000 on employee costs due to vacancies. This has increased by £32,000 since the last report due to slippage in filling posts,
- A projected underspend on client costs of £94,000 which is £46,000 more than previously reported. This is due to reviews of packages in anticipation of service changes in future years.

g. **Homelessness: Projected £17,000 (2.17%) overspend**

The projected underspend has not changed since previously reported and comprises:

- A projected underspend of £15,000 on employee costs, which is £9,000 less than previously reported due to a post being filled sooner than anticipated,
- A projected overspend of £42,000 on security costs at the Inverclyde Centre which was not projected in the last report.
- A projected underspend of £6,000 on client commitment costs which is £46,000 less than previously reported. This is due to changes in the forecasting methodology as most of the packages are only on a short term basis.

h. **Business Support: Projected £179,000 (6.1%) underspend**

The projected underspend is £14,000 more than previously reported and comprises:

- Staff costs were previously projected as a projected overspend of £14,000 but due to an additional vacancy, the costs are now projected on budget,
- A projected overspend of £22,000 on telephones due to an increase in agile working, which is the same position as previously reported,
- A projected underspend of £200,000 in the early achievement of 2018/20 savings, as previously reported.

## 6.0 2017/18 CURRENT CAPITAL POSITION – (£610,000) Variance

6.1 The Social Work capital budget is £3,729,000 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 completion costs associated with John Street, Gourock.

6.2 There is projected slippage of £610,000 on the Crosshill replacement project due to delays in the Neil Street replacement project. Expenditure on all capital projects to 31 August is £519,000 (49.6% of the revised budget). Appendix 4 details capital budgets.

6.3 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 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 October 2017.
- Technical Service continue to liaise with the Client Service regarding the final programme for transfer / decant.

6.4 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 £1,914,000 which exceeds the current budget allocation of £1,682,000. At the Health & Social Care Committee on 24 August 2017 it was agreed that the difference of £232,000 would be funded from the Adoption, Fostering and Residential Accommodation Earmarked Reserve.
- 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 1st quarter 2018.

6.5 Progress on the John Street project is as follows:

- Works are now complete. Hand-over to Turning Point was 31 July 2017 and residents moved in on 14 August 2017.

## **7.0 EARMARKED RESERVES**

7.1 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 5. To date £795,000 has been spent which is 33.5% of the projected 2017/18 spend. Spend is ahead of the phased budget by 2.8%.

7.2 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.

## **8.0 VIREMENT**

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

## **9.0 IMPLICATIONS**

### **9.1 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					

## 9.2 Legal

There are no specific legal implications arising from this report.

## 9.3 Human Resources

There are no specific human resources implications arising from this report

## 9.4 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.

## 9.5 Repopulation

There are no repopulation issues within this report.

## 10.0 CONSULTATIONS

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

## 11.0 LIST OF BACKGROUND PAPERS

11.1 There are no background papers for this report.

**Social Work Budget Movement - 2017/18**

Period 5 1 April 2017 - 31 August 2017

Service	Approved Budget 2017/18 £000	Movements					Amended Budget 2017/18 £000	IJB Funding Income £000	Revised Budget 2017/18 £000
		Inflation £000	Virement £000	Supplementary Budgets £000	IJB Funding £000	Transfers to/ (from) Earmarked Reserves £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	89	0	910	0	24,355	0	24,355
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	(3)	0	111	0	1,680	0	1,680
Mental Health	1,288	0	(121)	0	162	0	1,329	0	1,329
Addiction / Substance Misuse	1,062	0	0	0	42	0	1,104	0	1,104
Homelessness	787	0	0	0	2	0	789	0	789
Planning, HI & Commissioning	1,870	0	(62)	0	(35)	0	1,773	0	1,773
Business Support	(1,243)	0	55	0	(15)	0	(1,203)	(1,836)	(3,039)
<b>Totals</b>	<b>47,420</b>	<b>0</b>	<b>(62)</b>	<b>0</b>	<b>1,836</b>	<b>0</b>	<b>49,194</b>	<b>(1,836)</b>	<b>47,358</b>

**Supplementary Budget Detail**

£000

External ResourcesInternal Resources

Additional Welfare Reform funding returned as SLAB funding extended

(62)

Savings/Reductions

(62)

Social WorkRevenue Budget Projected Outturn

Period 5 1 April 2017 - 31 August 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
25,594	Employee costs	25,917	26,128	25,682	(447)	(1.71%)
1,195	Property costs	1,168	1,171	1,218	47	4.01%
931	Supplies & services	736	848	946	98	11.53%
446	Transport & plant	380	380	391	11	2.82%
868	Administration costs	757	772	802	30	3.87%
36,821	Payments to other bodies	36,446	38,044	38,779	735	1.93%
(15,128)	Income	(13,850)	(14,016)	(14,505)	(488)	3.48%
<b>50,727</b>		<b>51,554</b>	<b>53,328</b>	<b>53,314</b>	<b>(15)</b>	
(2,596)	Contribution from IJB	(4,134)	(5,970)	(5,970)	0	0.00%
<b>48,131</b>	<b>Social Work Net Expenditure</b>	<b>47,420</b>	<b>47,358</b>	<b>47,344</b>	<b>(15)</b>	<b>(0.03%)</b>

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
10,158	Children & Families	10,271	10,319	10,430	110	1.07%
0	Criminal Justice	0	0	0	0	0.00%
23,465	Older Persons	23,356	24,355	24,421	66	0.27%
6,677	Learning Disabilities	6,416	6,825	6,875	50	0.73%
2,202	Physical & Sensory	2,042	2,224	2,330	106	4.77%
1,520	Assessment & Care Management	1,572	1,680	1,681	1	0.08%
1,122	Mental Health	1,288	1,329	1,267	(62)	(4.63%)
1,010	Addiction / Substance Misuse	1,062	1,104	980	(124)	(11.24%)
859	Homelessness	787	789	806	17	2.17%
1,698	Planning, HI & Commissioning	1,870	1,773	1,772	(0)	(0.02%)
2,016	Business Support	2,891	2,931	2,752	(179)	(6.10%)
<b>50,727</b>		<b>51,554</b>	<b>53,328</b>	<b>53,314</b>	<b>(15)</b>	
(2,596)	Contribution from IJB	(4,134)	(5,970)	(5,970)	0	0.00%
<b>48,131</b>	<b>Social Work Net Expenditure</b>	<b>47,420</b>	<b>47,358</b>	<b>47,344</b>	<b>(15)</b>	<b>(0.03%)</b>

## 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 5 1 April 2017 - 31 August 2017

2016/17 Actual £000	Budget Heading	Revised Budget 2017/18 £000	Proportion of budget £000	Actual to 31/08/17 £000	Projected Outturn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Variance
	<b>Employee Costs</b>						
5,471	Children & Families	5,445	2,174	2,174	5,461	16	0.29%
7,705	Homecare	7,031	2,812	2,472	6,772	(259)	(3.68%)
2,508	Learning Disabilities	2,579	1,043	976	2,400	(179)	(6.94%)
827	Physical Disabilities	814	326	281	785	(29)	(3.56%)
1,212	Addictions	1,229	491	455	1,173	(56)	(4.56%)
785	Homelessness	783	326	299	767	(16)	(2.04%)
18,508		17,881	7,172	6,657	17,358	(523)	(2.92%)
	<b>Other Variances</b>						
3,139	Older People - Homecare external providers & domicilliary respite	3,531	1,404	1,264	3,998	467	13.23%
7,309	Learning Disabilities - client commitments on support packages	7,419	1,237	2,554	7,651	232	3.13%
1,449	Physical Disabilities - client commitments on support packages	1,532	638	683	1,698	166	10.84%
1,160	Mental Health - client commitments on support packages	1,221	521	421	1,178	(43)	(3.52%)
519	Addictions - client commitments on support packages	553	232	135	459	(94)	(17.00%)
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%)
13,651		15,309	4,053	5,071	15,859	550	3.59%
<b>32,159</b>	<b>Total Material Variances</b>	<b>33,190</b>	<b>11,225</b>	<b>11,728</b>	<b>33,217</b>	<b>27</b>	<b>0.08%</b>

Social WorkCapital Budget 2017/18

Period 5 1 April 2017 - 31 August 2017

Project Name	Est Total Cost	Actual to 31/3/17	Approved Budget 2017/18	Revised Est 2017/18	Actual to 31/08/17	Est 2018/19	Est 2019/20	Future Years
	£000	£000	£000	£000	£000	£000	£000	£000
<b>SOCIAL WORK</b>								
Neil Street Childrens Home Replacement	1,991	1,069	841	841	481	81	0	0
Crosshill Childrens Home Replacement	1,682	47	760	150	18	1,360	125	0
Complete on site	56		56	56	20	0	0	0
<b>Social Work Total</b>	<b>3,729</b>	<b>1,116</b>	<b>1,657</b>	<b>1,047</b>	<b>519</b>	<b>1,441</b>	<b>125</b>	<b>0</b>

Social WorkEar Marked Reserves

Period 5 1 April 2017 - 31 August 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 5	to Period 5	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	21	22	27	0	Funding for the remaining six months of a transitions post.
Integrated Care Fund	Louise Long	262	912	1,174	563	537	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	156	157	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	12	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	21	22	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	11	11	32	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	8	48	70	One year post to progress replacement client information system £41k).
LD - Integrated Team Leader	Joyce Allan	121		121	0	21	54	67	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
<b>Total Category A</b>		<b>1,352</b>	<b>1,140</b>	<b>2,492</b>	<b>773</b>	<b>795</b>	<b>2,248</b>	<b>244</b>	

**APPENDIX 6**

**Social Work**

**Virement Requests**

**Period 5 1 April 2017 - 31 August 2017**

<b>Budget Head</b>	<b>Increase Budget £000</b>	<b>Decrease budget £000</b>
Older People - payments to other bodies	84	
Mental Health - payments to other bodies		(84)
	84	(84)

**Notes**

Consolidation of day services budgets