
Report To: Health & Social Care Committee **Date:** 11 January 2018

Report By: Louise Long
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Partnership

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Chief Financial Officer

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Subject: Revenue & Capital Budget 2017/18 Projection as at 31 October 2017

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 7 to 31 October 2017.

2.0 SUMMARY

- 2.1 The Social Work revised budget is £47.358 million with a projected underspend of £104,000, which is an increase in underspend of £89,000 since the last report. The main elements of the overspend are:

- A projected overspend in external homecare of £283,000 due to increased hours as more people are cared for in their own homes. This is an increase of £132,000 since previously reported after a one off allocation of £130,000 from the Delayed Discharge earmarked reserve and is offset by an underspend on internal homecare below,
- Projected overspends on client care packages in Learning Disabilities and Physical Disabilities of £248,000 and £59,000 respectively. Physical Disabilities has reduced by £109,000 due to the realignment of budgets across HSCP. Work is underway to review all costs to reduce the projected overspends in coming months,
- A projected overspend on Kinship costs of £70,000 due to increased client numbers, which is an increase of £12,000 since previously reported,
- A projected overspend on Homelessness bad debt provision of £73,000. Work is underway to identify how the current arrears figure can be addressed.

Offset by:

- Vacancies in internal homecare of £290,000, which are partially offsetting the increased costs of external homecare above,
- Vacancies and turnover in other services of £294,000 an increase of £96,000 since previously reported,
- Projected underspends on client care packages in Mental Health & Addictions of £21,000 and £43,000 respectively. This is a reduction of £52,000 due to realignment of budgets across HSCP,
- An early achievement of 2018/20 savings of £200,000.

- 2.2 For 2017/18 the Council budget for Social Work was delegated to the Integrated 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 £1,885,000 of Social Care funding has been allocated to the budget at period 7. £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 £642,000. Expenditure equates to 38.7% 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, so the total reserves at period 7 are £2,492,000. To date £1,573,000 has been spent which is 71.3% of the projected 2017/18 spend, which is ahead of the phased budget.
- 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 £104,000 on the current year revenue budget as at 31 October 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 £104,000 underspend.

5.0 2017/18 CURRENT REVENUE POSITION : Projected £104,000 (0.22%) 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 £34,000 (0.32%) overspend

The projected overspend is £76,000 less than previously reported and comprises:

- A net projected underspend of £7,000 on employee costs, which is a reduction of £33,000 in the previous overspend since the previous report due to slippage on vacancies. 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 combined underspend on section 29 payments, section 30 payments, payments to other bodies and care leavers rents of £67,000,
- A projected overspend of £70,000 on kinship costs due to increased numbers of clients. This is an increase of £12,000 since period 5,
- A projected overspend of £34,000 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 the Health & Social Care Committee on 24 August 2017 agreed that £232,000 of this balance would be used to meet the potential additional costs of the Crosshill replacement project. At period 7, there is a projected net underspend of £303,000 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. The underspend has decreased by £110,000 since previously reported due to a child entering secure residential accommodation.

b. Older People: Projected £41,000 (0.17%) overspend

The projected overspend is £25,000 less than previously reported and comprises:

- A projected underspend on homecare staff of £290,000, an increase of £32,000 due to further vacancies and a reduction in overtime,
- A projected overspend on external homecare of £283,000. 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. £130,000 funding available within the Delayed Discharge EMR has been used to reduce the overspend to £283,000 on a one off basis in 2017/18,
- A projected shortfall of £28,000 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 7 there is a net projected underspend of £67,000 on residential & nursing accommodation which would be transferred to the Earmarked Reserve at the end of the year if it continues. The expenditure has reduced by £73,000 since the previous report due to a reduction in bed numbers. There is funding in the Delayed Discharge EMR which was previously set aside to address an increase in bed numbers within residential & nursing accommodation, however this has been partially utilised to address the increase in people remaining at home instead within the external homecare costs.

c. Learning Disabilities: Projected £64,000 (0.93%) overspend

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

- A projected underspend on staff of £193,000 due to posts being held as part of the service review. There is an increase in the projected underspend of £14,000 due to slippage,

- A projected overspend of £248,000 on client commitment costs, an increase of £16,000 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, however a new service user is the reason for the increase this period,
- A projected shortfall in income of £11,000 due to a reduction in the clients recharged to other local authorities.

There is a package in dispute with another local authority which may result in a refund of up to £392,000. This will be reflected at a later date if the additional income is received.

d. Physical & Sensory: Projected £19,000 (0.83%) underspend

The projected underspend is £125,000 less than previously reported and comprises:

- A projected underspend on staffing of £34,000 which is £5,000 more than previously reported due to slippage,
- A projected overspend of £59,000 on client packages which is £109,000 less than previously reported due to additional budget from a reallocation within HSCP. The current position is under review by the service,
- A projected over-recovery of income of £53,000 relating to recharge of an employee to an external organisation and additional income from Health for client packages.

e. Assessment & Care Management : Projected £26,000 (1.50%) underspend

The projected underspend is due to slippage on vacancies.

f. Mental Health: Projected £38,000 (2.90%) underspend

The projected underspend is £24,000 less than previously reported and comprises:

- A projected underspend on employee of £13,000 due to vacancies,
- A projected underspend on the costs of client packages of £21,000 which is £23,000 less than previously reported due to a budget reduction from a reallocation within HSCP.

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

g. Addictions: Projected £126,000 (11.29%) underspend

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

- A projected underspend of £88,000 on employee costs due to vacancies. This has increased by £33,000 since the last report due to slippage in filling posts,
- A projected underspend on client costs of £63,000 which is £31,000 less than previously reported due to a budget reduction from a reallocation within HSCP. The underspend is due to reviews of packages in anticipation of service changes in future years.

h. Homelessness: Projected £144,000 (17.58%) overspend

The projected overspend has increased by £127,000 since previously reported and comprises:

- A projected overspend of £26,000 on security costs at the Inverclyde Centre which is £16,000 less than previously reported,
- A projected overspend on voids of £32,000,
- A projected overspend on bad debt provision of £73,000. Further work is currently being undertaken on arrears within the service,
- A projected shortfall in rental income from temporary accommodation of £37,000 which is partially offset by a projected underspend on rental payments for this type of accommodation.

i. Business Support: Projected £170,000 (6.65%) underspend

The projected underspend is £9,000 less than previously reported and comprises:

- A projected overspend of £24,000 on telephones due to an increase in agile working,
- 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, Gourrock.

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 October is £642,000 (38.7% 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 complete.
- External works 95% complete.
- 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 November/ first week in December 2017.
- Technical Services 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 a Staged building warrant submitted.
- Production drawings are in progress.
- 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 commence 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 so the total reserves at period 7 are £2,492,000. To date £1,573,000 has been spent which is 71.3% of the projected 2017/18 spend, which is ahead of the phased budget.

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 7 1 April 2017 - 31 October 2017

Service	Approved Budget 2017/18 £000	Movements					Transfers to/ (from) Earmarked Reserves £000	Amended Budget 2017/18 £000	IJB Funding Income £000	Revised Budget 2017/18 £000
		Inflation £000	Virement £000	Supplementary Budgets £000	IJB Funding £000					
Children & Families	10,271	0	82	0	50	0	10,404	0	10,404	
Criminal Justice	0	0	0	0	0	0	0	0	0	
Older Persons	23,356	0	168	0	910	0	24,434	0	24,434	
Learning Disabilities	6,416	0	17	0	422	0	6,855	0	6,855	
Physical & Sensory	2,042	0	118	0	187	0	2,347	0	2,347	
Assessment & Care Management	1,572	0	19	0	145	0	1,736	0	1,736	
Mental Health	1,288	0	(143)	0	162	0	1,307	0	1,307	
Addiction / Substance Misuse	1,062	0	16	0	27	0	1,105	15	1,120	
Homelessness	787	0	15	0	17	0	818	0	818	
Strategy & Support Services	1,870	0	(39)	0	(35)	0	1,795	0	1,795	
Business Support	(1,243)	0	(316)	0	0	0	(1,559)	(1,900)	(3,459)	
Totals	47,420	0	(63)	0	1,885	0	49,242	(1,885)	47,357	

Supplementary Budget Detail

£000

External ResourcesInternal Resources

Additional Welfare Reform funding returned as SLAB funding extended
Corporate membership

(62)
(1)

Savings/Reductions

(63)

Social WorkRevenue Budget Projected Outturn

Period 7 1 April 2017 - 31 October 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	26,619	26,034	(584)	(2.20%)
1,195	Property costs	1,168	1,171	1,175	4	0.34%
931	Supplies & services	736	842	959	117	13.92%
446	Transport & plant	380	380	377	(3)	(0.84%)
868	Administration costs	757	772	816	44	5.74%
36,821	Payments to other bodies	36,446	37,644	38,422	778	2.07%
(15,128)	Income	(13,850)	(14,052)	(14,512)	(459)	3.27%
50,727		51,554	53,376	53,273	(104)	
(2,596)	Contribution from IJB	(4,134)	(6,019)	(6,019)	0	0.00%
48,131	Social Work Net Expenditure	47,420	47,357	47,254	(104)	(0.22%)

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	10,404	10,438	34	0.32%
0	Criminal Justice	0	0	0	0	0.00%
23,465	Older Persons	23,356	24,434	24,475	41	0.17%
6,677	Learning Disabilities	6,416	6,855	6,918	64	0.93%
2,202	Physical & Sensory	2,042	2,347	2,328	(19)	(0.83%)
1,520	Assessment & Care Management	1,572	1,736	1,710	(26)	(1.50%)
1,122	Mental Health	1,288	1,307	1,269	(38)	(2.90%)
1,010	Addiction / Substance Misuse	1,062	1,120	994	(126)	(11.29%)
859	Homelessness	787	818	962	144	17.58%
1,698	Strategy & Support Services	1,870	1,795	1,790	(5)	(0.29%)
2,016	Business Support	2,891	2,560	2,390	(170)	(6.65%)
50,727		51,554	53,376	53,273	(104)	
(2,596)	Contribution from IJB	(4,134)	(6,019)	(6,019)	0	0.00%
48,131	Social Work Net Expenditure	47,420	47,357	47,254	(104)	(0.22%)

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.

Social WorkCapital Budget 2017/18

Period 7 1 April 2017 - 31 October 2017

Project Name	Est Total Cost	Actual to 31/3/17	Approved Budget 2017/18	Revised Est 2017/18	Actual to 31/10/17	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	589	81	0	0
Crosshill Childrens Home Replacement	1,914	47	760	150	20	1,592	125	0
Complete on site	56		56	56	33	0	0	0
Social Work Total	3,961	1,116	1,657	1,047	642	1,673	125	0

Social WorkEar Marked Reserves

Period 7 1 April 2017 - 31 October 2017

Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget to Period 7	Actual to Period 7	Projected Spend	Amount to be Earmarked for 2018/19 & Beyond	Lead Officer Update
		2017/18	2017/18	2017/18	2017/18		
		£000	£000	£000	£000	£000	
Self Directed Support	Alan Brown	43	0	0	0	43	This supports the continuing promotion of SDS. No spend expected in 17/18 as the planned expenditure will be contained within the core SDS budget.
Growth Fund - Loan Default Write Off	Helen Watson	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	24	27	0	Funding for the remaining six months of a transitions post.
Integrated Care Fund	Louise Long	1,174	720	1,052	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.
Delayed Discharge	Louise Long	722	207	376	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	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	29	30	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	0	11	11	32	Balance of funding to be used for case management system.
Transport Development Officer	Yvonne Campbell	70	0	0	35	35	Two year post to be hosted by voluntary sector to progress social transport review.
Swift Upgrade	Helen Watson	118	12	17	48	70	One year post to progress replacement client information system £41k).
LD - Integrated Team Leader	Joyce Allan	121	0	30	54	67	Two year post to develop the learning disability services integration agenda.
John Street	Joyce Allan	56	0	33	56	0	Balance of costs for John St works
Total Category A		2,492	1,007	1,573	2,205	287	

APPENDIX 6

Social Work

Virement Requests

Period 7 1 April 2017 - 31 October 2017

Budget Head	Increase Budget £000	Decrease budget £000
1 Older People - payments to other bodies		(82)
1 Mental Health - payments to other bodies		(30)
1 Physical Disabilities - payments to other bodies	112	
	112	(112)

Notes

1 Reallocation of additional funding for living wage across HSCP