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<b>Report To:</b>	<b>Health &amp; Social Care Committee</b>	<b>Date:</b>	<b>1 March 2018</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/28/18/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 December 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 9 to 31 December 2017.

## 2.0 SUMMARY

- 2.1 The Social Work revised budget is £47.043 million with a projected underspend of £249,000, which is an increase in the projected underspend of £145,000 since the last report. The main elements of the underspend are:

- Vacancies in internal homecare of £268,000, which are partially offsetting the increased costs of external homecare below,
- Vacancies and turnover in other services of £74,000,
- Projected underspends on client care packages in Addictions £64,000. This is an increase in underspend of £20,000 due to changes in client packages,
- A one off receipt from another local authority related to a disputed package of £392,000 was received. £321,000 of this has been earmarked to fund 4 short term posts and engagement processes related to the Learning Disability redesign. The balance of £71,000 has been reflected in this report,
- An early achievement of 2018/20 savings of £200,000.

Offset by:

- A projected overspend in external homecare of £226,000 due to increased hours as more people are cared for in their own homes. This is a decrease of £57,000 since previously reported and is offset by an underspend on internal homecare above,
- Projected overspends on client care packages in Learning Disabilities and Physical Disabilities of £223,000 and £60,000 respectively. Learning Disabilities has reduced by £25,000 due to a reduction in client numbers and changes in client packages. Work is underway to review all costs to reduce the projected overspends in coming months,
- A projected overspend on Kinship costs of £77,000 due to increased client numbers, which is an increase of £7,000 since previously reported,
- A projected overspend on Homelessness bad debt provision of £74,000. Work is underway to identify how the current arrears figure can be reduced.

- 2.2 A budget of £51,554,000 has been delegated by the IJB (with £47,420,000 contributed by the Council and £4,134,000 from the Social Care Fund operated by the IJB) to the Council. The IJB has 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 9. £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. It is assumed that £314,000 of the current budget will transfer to Earmarked Reserves to fund specific projects in future years subject to approval by the IJB.

- 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 £839,000. Expenditure equates to 50.6% of the revised budget. There is projected slippage of £703,000 on the Crosshill children's home replacement due to delays in the Neil Street children's home replacement project and £12,000 slippage in relation to John Street.
- 2.5 At the Policy & Resources Committee on 20 September 2016 it was agreed that the Social Work Ear Marked 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 9 are £2,492,000. To date £1,260,000 has been spent which is 57.32% of the projected 2017/18 spend, which is £21,000 less than 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.
- A request will be made to the IJB to add Kinship Care to the Children's Residential Care, Adoption & Fostering Earmarked Reserve, due to the close relationship between Kinship Care and this other aspects of the service delivery.
- 2.7 It should be noted that any underspend will be retained by the IJB in line with the approved Inverclyde Health and Social Care Integration Scheme and any overspends will be met by the IJB.

### **3.0 RECOMMENDATIONS**

- 3.1 That the Committee notes the projected underspend of £249,000 on the current year revenue budget as at 31 December 2017.
- 3.2 That the Committee notes the current projected capital position.
- 3.3 That the Committee notes the current Earmarked Reserves position.
- 3.4 That the Committee notes the proposed transfer of £314,000 to Earmarked Reserves subject to approval by the IJB.
- 3.5 That the Committee adds Kinship Care from 1 April 2018 to the Children's Residential Care, Adoption & Fostering Earmarked Reserve.

**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 £249,000 underspend.

### 5.0 2017/18 CURRENT REVENUE POSITION: Projected £249,000 (0.53%) 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 £66,000 (0.64%) underspend

The projected spend is £100,000 less than previously reported and comprises:

- A net projected underspend of £56,000 on employee costs, which is a reduction of £49,000 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 £61,000. This is an increase in spend of £6,000 since last reported,
- A projected overspend of £77,000 on kinship costs due to increased numbers of clients. This is an increase of £7,000 since period 7,
- A projected underspend of £53,000 on Children and Young People Act, an increase of £45,000 since last reported,
- A projected overspend of £30,000 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 underspend. The balance on the reserve is £925,000, however the H&SC 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 9 there is a projected net underspend of £252,000 on children's external residential accommodation, adoption and fostering which currently would be added to the Earmarked Reserves at the end of the year.

#### b. Older People: Projected £3,000 (0.01%) underspend

The projected overspend is £43,000 less than previously reported and comprises of:

- A projected underspend on homecare staff of £268,000, a decrease of £22,000 due to slippage in filling vacancies,
- A projected overspend on external homecare of £226,000. 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 £226,000 on a one off basis in 2017/18. The overspend has decreased by £57,000 since last reported to Committee due to fewer than anticipated hours of care provided for the winter period,
- A projected overspend of £21,000 in other staffing due to turnover targets not yet met which is a £7,000 reduction in overspend since last reported.

A new Earmarked Reserve has been set up for residential & nursing accommodation. The balance on the reserve is £250,000. At period 9 there is a net projected underspend of £140,000 on residential & nursing accommodation which would currently be transferred to the Ear Marked Reserve at the end of the year. 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 has been partially utilised to address the increase in people remaining at home instead within the external homecare costs.

#### c. Learning Disabilities: Projected £244,000 (3.56%) overspend

The projected overspend is £181,000 more than previously reported and comprises of:

- A projected overspend on staff of £87,000. Previously an underspend was reported due to posts being held as part of the service review. £153,000 has been identified from the

underspend to be transferred to the EMR to fund two posts relating to the service review over the next two years and a further £114,000 has been identified from the early achievement of savings to fund a further post. The net result of these changes is a projected overspend on employee costs,

- A projected overspend of £223,000 on client commitment costs, a decrease of £25,000 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,
- A projected shortfall in income of £10,000 due to a reduction in the clients recharged to other local authorities,
- One off income of £392,000 has been received from another local authority related to a disputed package. The CMT has agreed that £271,000 of this is to be ear marked to fund 4 short term posts and engagement processes related to the Learning Disability redesign. The balance of £71,000 has been reflected in this report.

**d. Physical & Sensory: Projected £29,000 (1.25%) underspend**

The projected underspend is £10,000 more than previously reported and comprises of:

- A projected underspend on staffing of £36,000 which is £2,000 more than previously reported due to slippage,
- A projected overspend of £60,000 on client packages which is £1,000 more than previously reported. The current position is under review by the service,
- A projected over-recovery of income of £62,000 relating to recharge of an employee to an external organisation and additional income from Health for client packages. This is an increase of £9,000 since period 7 report to Committee.

**e. Mental Health: Projected £23,000 (1.83%) underspend**

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

- A projected underspend on employee of £7,000 due to vacancies which is an increase in cost of £7,000 since period 7 and is due to backdated pay,
- A projected overspend on the costs of client packages of £2,000 which is £23,000 more than previously reported due to 1 new client and change in packages
- A £15,000 projected underspend within Other Expenditure.

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

**f. Addictions: Projected £194,000 (17.31%) underspend**

The projected underspend is £68,000 more than previously reported and comprises:

- A projected underspend of £122,000 on employee costs due to vacancies. This has increased by £34,000 since the last report due to slippage in filling posts,
- A projected underspend on client costs of £63,000. There has been no change since last reported to Committee.

**g. Homelessness: Projected £142,000 (17.31%) overspend**

The projected overspend has decreased by £2,000 since previously reported and comprises:

- A projected overspend of £26,000 on security costs at the Inverclyde Centre,
- A projected overspend on voids of £32,000.
- A projected overspend on bad debt provision of £74,000. 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.

**h. Strategy & Support Services: Projected £20,000 (1.12%) underspend**

The projected underspend has increased by £15,000 since previously reported and comprises underspend in Payments to Other Bodies.

**i. Business Support: Projected £306,000 (12.03%) underspend**

The projected underspend is £21,000 more than previously reported and comprises:

- A projected overspend of £20,000 on Administration costs including telephones, printing and postage which is a reduction in spend of £17,000 since last reported to Committee mainly due to a virement to telephones from within the overall H&SC budgets.

- A projected underspend of £314,000 in the early achievement of 2018/20 savings which is an increase of £114,000 to previously reported. £114,000 of this early achievement is to fund a post related to the Learning Disability redesign for two years.

## **6.0 2017/18 CURRENT CAPITAL POSITION – (£715,000) Variance**

- 6.1 The Social Work capital budget is £3,961,000 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 £715,000 (43.15%) being reported with the majority (£703K or 42.4%) in connection with the Crosshill replacement project due to delay in completion of the Neil Street replacement project. Expenditure on all capital projects to 31 December is £839,000 (50.6% of the revised budget). Appendix 4 details capital budgets.
- 6.3 Progress on the Neil Street Children's Home replacement (Cardross) is as follows:
- The building is now complete and handed over. Residents moved in on 12 January 2018.
  - As previously reported to Committee, it should be noted 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 for the project.
- 6.4 Progress on the Crosshill Children's Home is as follows:
- Strategy involves the demolition of Crosshill upon vacant possession and completion of new Cardross facility.
  - The former Neil Street Children's Home is currently being prepared as temporary decant accommodation for the Crosshill residents with the decant taking place in February.
  - Services disconnections at Crosshill are to take place at end of February.
  - Tenders for the demolition of the existing Crosshill building have been received and tender acceptance is imminent with commencement anticipated March 2018.
  - Planning application has been submitted for the new Crosshill building.
  - Design has been progressed to Technical Design Stage (RIBA Stage 4) with a Staged building warrant submitted.
  - Production drawings are in progress.
  - 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 design review process requirement to address a budget gap on the Crosshill project has resulted in a delay to the programme with a construction phase now anticipated to commence 1<sup>st</sup> Quarter 2018 and with projected completion by the end of 1<sup>st</sup> Quarter 2019.
- 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 9 are £2,492,000. To date £1,260,000 has been spent which is 57.32% of the projected 2017/18 spend, which is £20,000 less than the phased budget. The proposed transfers to Earmarked Reserves included in this report are not reflected in the appendix.

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.

A request will be made to the IJB to add Kinship Care to the Children's Residential Care, Adoption & Fostering Earmarked Reserve, due to the close relationship between Kinship Care and these other budgets.

## 8.0 VIREMENT

8.1 There are no virements to report in period 9.

## 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.

10.2 The CMT support the proposed transfers to earmarked reserves of £314,000 outlined in this report.

## **11.0 LIST OF BACKGROUND PAPERS**

11.1 There are no background papers for this report.

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

Period 9 1 April 2017 - 31 December 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	86	0	50	0	10,408	0	10,408
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	(267)	6,588	0	6,588
Physical & Sensory	2,042	0	118	0	187	0	2,347	0	2,347
Assessment & Care Management	1,572	0	70	0	145	(47)	1,740	0	1,740
Mental Health	1,288	0	(170)	0	162	0	1,279	0	1,279
Addiction / Substance Misuse	1,062	0	15	0	27	0	1,104	15	1,119
Homelessness	787	0	15	0	17	0	818	0	818
Strategy & Support Services	1,870	0	(48)	0	(35)	0	1,787	0	1,787
Business Support	(1,243)	0	(335)	0	0	0	(1,578)	(1,900)	(3,478)
<b>Totals</b>	<b>47,420</b>	<b>0</b>	<b>(63)</b>	<b>0</b>	<b>1,885</b>	<b>(314)</b>	<b>48,928</b>	<b>(1,885)</b>	<b>47,043</b>

**Supplementary Budget Detail**

£000

External ResourcesInternal Resources

Additional Welfare Reform funding returned as SLAB funding extended  
Corporate membership

(62)  
(1)

Savings/Reductions

(63)



**Social Work****Revenue Budget Projected Outturn**

Period 9 1 April 2017 - 31 December 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	26,636	26,295	(342)	(1.28%)
1,195	Property costs	1,168	1,171	1,164	(8)	(0.66%)
931	Supplies & services	736	842	942	100	11.88%
446	Transport & plant	380	380	382	2	0.44%
868	Administration costs	757	787	798	11	1.42%
36,821	Payments to other bodies	36,446	37,745	38,261	517	1.37%
(15,128)	Income	(13,850)	(14,186)	(14,714)	(529)	3.73%
<b>50,727</b>		<b>51,554</b>	<b>53,376</b>	<b>53,128</b>	<b>(249)</b>	
(2,596)	Contribution from IJB	(4,134)	(6,019)	(6,019)	0	0.00%
	Transfer to EMR	0	(314)	(314)	0	
<b>48,131</b>	<b>Social Work Net Expenditure</b>	<b>47,420</b>	<b>47,043</b>	<b>46,795</b>	<b>(249)</b>	<b>(0.53%)</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	10,408	10,341	(66)	(0.64%)
0	Criminal Justice	0	0	0	0	0.00%
23,465	Older Persons	23,356	24,434	24,432	(3)	(0.01%)
6,677	Learning Disabilities	6,416	6,855	7,099	244	3.56%
2,202	Physical & Sensory	2,042	2,347	2,318	(29)	(1.25%)
1,520	Assessment & Care Management	1,572	1,787	1,794	7	0.36%
1,122	Mental Health	1,288	1,279	1,256	(23)	(1.83%)
1,010	Addiction / Substance Misuse	1,062	1,119	926	(194)	(17.31%)
859	Homelessness	787	818	960	142	17.31%
1,698	Strategy & Support Services	1,870	1,787	1,767	(20)	(1.12%)
2,016	Business Support	2,891	2,541	2,236	(306)	(12.03%)
<b>50,727</b>		<b>51,554</b>	<b>53,376</b>	<b>53,128</b>	<b>(249)</b>	
(2,596)	Contribution from IJB	(4,134)	(6,019)	(6,019)	0	0.00%
	Transfer to EMR	0	(314)	(314)	0	
<b>48,131</b>	<b>Social Work Net Expenditure</b>	<b>47,420</b>	<b>47,043</b>	<b>46,795</b>	<b>(249)</b>	<b>(0.53%)</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.



Social WorkCapital Budget 2017/18

Period 9 1 April 2017 - 31 December 2017

Project Name	Est Total Cost	Actual to 31/3/17	Approved Budget 2017/18	Revised Est 2017/18	Actual to 31/12/17	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	773	81	0	0
Crosshill Childrens Home Replacement	1,914	47	760	57	22	1,093	717	0
Complete on site	56		56	44	44	12	0	0
<b>Social Work Total</b>	<b>3,961</b>	<b>1,116</b>	<b>1,657</b>	<b>942</b>	<b>839</b>	<b>1,186</b>	<b>717</b>	<b>0</b>

Social WorkEar Marked Reserves

Period 9 1 April 2017 - 31 December 2017

Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget to Period 9	Actual to Period 9	Projected Spend	Amount to be Earmarked for 2018/19 & Beyond	Lead Officer Update
		2017/18	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	846	801	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	257	267	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	37	39	65	0	This reserve is for two years to cover the preparatory work required for the changes due in Criminal and Community Justice.
Welfare Reform - CHCP	Andrina Hunter	43	43	21	21	22	Balance of funding to be used for case management system. Costs will be incurred over 3 year period.
Transport Development Officer	Yvonne Campbell	70	35	0	24	46	Two year post to be hosted by voluntary sector (CVS) to progress social transport review.
Swift Upgrade	Helen Watson	118	24	25	42	76	One year post to progress replacement client information system for SWIFT.
LD - Integrated Team Leader	Joyce Allan	121	0	39	54	67	Two year post to develop the learning disability services integration agenda.
John Street	Joyce Allan	56	0	44	56	0	Balance of costs for John St works
<b>Total Category A</b>		<b>2,492</b>	<b>1,281</b>	<b>1,260</b>	<b>2,198</b>	<b>294</b>	