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<b>Report To:</b>	<b>Health &amp; Social Care Committee</b>	<b>Date:</b>	<b>11 October 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 97/18/ 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 Report – 2018/19 Revenue Projected Outturn as at 31 August 2018</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 projected outturn on revenue and capital for 2018/19 as at 31 August 2018.

## 2.0 SUMMARY

- 2.1 A budget of £53,779,000 was delegated by the Integration Joint Board (IJB), which includes £5,985,000 of Social Care funding. The IJB has directed the Council to deliver services within the allocated budget and in line with the IJB's Strategic Plan. At period 5 there was additional funding of £330,000 added to the budget for living wage and a budget reduction of £62,000 for funding not required in 2018/19 returned to the Anti-Poverty Fund. The revised 2018/19 budget is £54,047,000.

As at period 5 there is a projected underspend of £80,000. This is a decrease in the underspend of £31,000 since last reported to Committee. The main elements of the underspend are:

- A projected underspend of £76,000 within internal homecare due to vacancies, which are partially offsetting the increased costs of external homecare below,
- A projected underspend of £80,000 within Learning Disabilities and £70,000 within Addictions employee costs due to over-achievement of turnover target,
- Projected underspends on client care packages in Day Services £60,000 and Learning Disabilities £51,000 due to changes in care packages,
- Projected over-recovery of £43,000 on Physical and Sensory service user income based on current income to date,
- A one-off income from an external provider of £110,000.

Offset by:

- A projected overspend in external homecare of £205,000 possibly due to increased hours as more people are cared for in their own homes. This is an increase of £143,000 since the last Committee and relates to increases in the number of client packages,
- A projected overspend in Older People respite of £120,000,
- Projected overspends in other employee costs of £94,000 due to turnover targets not being met.

- 2.2 It should be noted that the 2018/19 budget includes agreed savings for the year of £1,555,000. At period 5 there is a projected over-recovery of £269,000 on the agreed savings which relates to the Residential & Nursing beds and which will be added to the smoothing earmarked reserve.

- 2.3 The Social Work 2018/19 capital budget is £1,364,000, with spend to date of £72,000. There is projected slippage of £520,000 (38.12%) being reported due to the delays experienced and projected cost reductions in the procurement of the Crosshill replacement project. Expenditure equates to 8.5% of the revised budget.
- 2.4 The balance on the IJB reserves at 31 March 2018 was £5,795,000. The reserves reported in this report are those delegated to the Council for spend in 2018/19. The opening balance on these is £1,241,000 with an additional £706,000 received for 2018/19, totalling £1,947,000 at period 5. There is spend to date of £468,000 which is 129.6% of the phased budget due to some ICF expenditure being incurred earlier than anticipated.
- 2.5 It should be noted that the reserves reported exclude those earmarked reserves that relate to budget smoothing, namely:
- Children's Residential Care, Adoption, Fostering & Kinship,
  - Residential & Nursing Accommodation,
  - Continuing Care.
- 2.6 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 £80,000 on current year revenue budget as at 31 August 2018.
- 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 2018/19 Social Work revenue and capital budgets and to highlight the main issues contributing to the 2018/19 projected £19,000 overspend.

### 5.0 2018/19 CURRENT REVENUE POSITION: Projected £80,000 underspend (0.17%)

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.

#### 5.1. Children & Families: Projected £34,000 (0.33%) overspend

The projected overspend is £46,000 less than last reported to Committee and is due to additional turnover. Employee costs are projecting an overspend of £34,000. There are projected overspends in residential accommodation of £82,000 where there is a requirement for certain staffing levels, are partially offset by additional turnover in other areas. Staffing in residential accommodation is a continuing pressure area.

Any over/ underspends on adoption, fostering, kinship 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 figures. The balance on the reserve is £880,000. At period 5 there is a projected net overspend of £122,000 on children's external residential accommodation, adoption, fostering and kinship.

A new Earmarked Reserve has been set up for 2018/19 as a smoothing reserve in relation to continuing care placements. The opening balance on this reserve is £500,000. This will be utilised in conjunction with the residential accommodation element of the adoption, fostering, kinship and children's external residential accommodation Earmarked Reserve. There are currently £187,000 of costs projected to be spent against this Earmarked Reserve in 2018/19.

#### 5.2. Older People: Projected £206,000 (0.84%) overspend

The projected overspend is £283,000 more than previously reported and comprises:

- A projected underspend on homecare employee costs of £36,000, an increase in spend of £102,000 since last reported to Committee mainly due to one-off backdated atypical allowances being paid and a slight reduction in turnover savings,
- Projected overspends totalling £30,000 within employee costs in other Older People services due to turnover targets not yet being met,
- A projected overspend on external homecare of £205,000, an increase in spend of £143,000 since the period 3 report to Committee. This relates to increases in the number of client packages. The overspend is partially offset by an underspend in employee costs as mentioned above,
- A projected overspend of £121,000 on respite services. This is currently being reviewed.
- A projected underspend of £60,000 on day services on current client numbers, a decrease in spend of £20,000 since last reported to Committee.
- A projected overspend of £20,000 within residential nursing payments to health, which is an increase in spend of £5,000 since the period 3 report to Committee and based on current spend to date and prior year out-turn.

Any over / underspends on residential & nursing accommodation are transferred from /to the Earmarked Reserve at the end of the year. These costs are not included in the above figures. The balance on the reserve is £496,000. At period 5 there is a projected underspend of £269,000 on residential & nursing accommodation which would be transferred to the Earmarked Reserve at the end of the year if it continues.

#### 5.3. Learning Disabilities: Projected £176,000 (2.38%) underspend

The projected underspend is £186,000 more than previously reported and comprises:

- A projected underspend of £80,000 on employee costs which is a decrease in spend of £90,000 since last reported due to additional turnover savings,
- A £81,000 projected underspend on client commitments since last reported due to

changes to packages.

**5.4. Physical & Sensory: Projected £2,000 (0.09%) underspend**

The projected underspend is £31,000 more than previously reported and includes:

- A £28,000 overspend on employee costs due to turnover target not yet being met, an increase in spend of £2,000 since last reported,
- A projected overspend of £13,000 on client package costs due to changes in packages,
- A projected over-recovery of £44,000 in service user income for homecare since last reported based on actual income being received.

**5.5. Assessment & Care Management: Projected £23,000 (1.09%) overspend**

The projected overspend is £11,000 more than the period 3 report to Committee and includes a £23,000 projected overspend in external transport costs for transport to respite and hospital.

**5.6. Mental Health: Projected £110,000 (9.38%) underspend**

The projected underspend is £10,000 more than the period 3 report to Committee and the movement relates to additional underspends within employee costs. The underspend is due to one-off income of £110,000 from an external provider.

**5.7. Addictions: Projected £60,000 (6.19%) underspend**

The projected underspend is £5,000 less than previously reported to Committee. The underspend mainly relates to additional turnover on employee costs of £70,000.

**5.8. Homelessness: Projected £14,000 (1.73%) overspend**

A fundamental review of the Homelessness service is ongoing. There will be a cost pressure arising from this review, and this is currently being quantified and will be presented in a report to the next Health & Social Care committee.

## **6.0 2018/19 CURRENT CAPITAL POSITION**

6.1 The Social Work capital budget is £2,320,000 over the life of the projects with £1,364,000 projected to be spent in 2018/19, comprising:

- £1,043,000 for the replacement of Crosshill Children's Home,
- £33,000 for the installation of the Hillend Sprinkler System,
- £125,000 for the interim upgrade of the Fitzgerald Centre,
- £105,000 for the alterations to the Wellpark Centre,
- £58,000 for projects complete on site.

There is projected slippage of £520,000 (38.12%) being reported due to the delays and cost reductions experienced in the procurement of the Crosshill replacement project. Expenditure equates to 8.5% of the revised budget.

6.2 Crosshill Children's Home:

- The former Neil Street Children's Home is in use as temporary decant accommodation for the Crosshill residents who were decanted earlier this year.
- The demolition of the existing Crosshill building is complete.
- Planning approval has been granted for the new building and first stage building warrant has been approved.
- Tenders have been returned, assessed and the Letter of Acceptance (LOA) has been issued.
- A start date of 8 October 2018 has been agreed, subject to the conclusion of the contractor's health & safety plan.
- The Contract Period is 39 calendar weeks, with an estimated completion date of July 2019.
- The revised expenditure projection within Appendix 4 reflects the delay experienced to date in the procurement process as previously reported and the tender return position.

6.3 Neil Street Children's Home replacement (Cardross):

As previously reported to Committee, it should be noted that additional funding may be required

in connection with the project and the extended contract period. This remains subject to resolution of the extension of time claim and agreement of the final account for the project, negotiations on which are on-going.

6.4 Hillend Centre Sprinkler System: Works were certified complete on 4th June.

6.5 Fitzgerald Centre Interim Upgrade:

- The works involve partial refurbishment and upgrading including personal care areas of the building to facilitate the transfer of the McPherson Centre users.
- The works are being undertaken in phases to minimise disruption to the existing Centre. The works are now all complete.

6.6 Wellpark Centre Internal Alterations:

- The works involve the remodelling of part ground, first and second floors to facilitate the co-location of Drugs Team staff and the Alcohol Services supporting the development of a fully integrated Addictions Service.
- The Service has agreed to have the works undertaken in one phase and to decant staff to provide vacant possession of the building for the works.
- Building warrant application has been submitted.
- Target programme is commencement in mid-October 2018 to complete January 2019 subject to statutory approvals.

## **7.0 EARMARKED RESERVES**

7.1 The balance on the IJB reserves at 31 March 2018 was £5,795,000. The reserves reported in this report are those delegated to the Council for spend in 2018/19. The opening balance on these is £1,241,000 with an additional £706,000 received for 2018/19, totalling £1,947,000 at period 5. There is spend to date of £468,000 which is 129.6% of the phased budget due to some ICF expenditure being incurred earlier than anticipated.

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 & Kinship,
- Residential & Nursing Accommodation,
- Continuing Care.

## **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 - 2018/19**

Period 5 1 April 2018 - 31st August 2018

Service	Approved Budget 2018/19 £000	Movements					Amended Budget 2018/19 £000	IJB Funding Income £000	Revised Budget 2018/19 £000
		Inflation £000	Virement £000	Supplementary Budgets £000	IJB Funding £000	Transfers (to)/ from Earmarked Reserves £000			
Children & Families	10,429	0	(236)	0	0	0	10,194	0	10,194
Criminal Justice	0	0	0	0	0	0	0	0	0
Older Persons	24,647	0	(128)	0	0	0	24,519	0	24,519
Learning Disabilities	7,143	0	261	0	0	0	7,404	0	7,404
Physical & Sensory	2,338	0	19	0	0	0	2,357	0	2,357
Assessment & Care Management	2,048	0	18	0	0	0	2,066	0	2,066
Mental Health	1,168	0	0	0	0	0	1,168	0	1,168
Addiction / Substance Misuse	973	0	0	0	0	0	973	0	973
Homelessness	801	0	0	0	0	0	801	0	801
Strategy & Support Services	1,815	0	(33)	0	0	0	1,782	0	1,782
Business Support	(3,567)	0	365	0	0	0	(3,202)	0	(3,202)
<b>Totals</b>	<b>47,794</b>	<b>0</b>	<b>268</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48,062</b>	<b>0</b>	<b>48,062</b>

**Supplementary Budget Detail**

£000

External Resources

Living wage increases 330  
Welfare Reform funding returned to Corporate (62)

Internal ResourcesSavings/Reductions

268

Social WorkRevenue Budget Projected Outturn

Period 5 1 April 2018 - 31st August 2018

2017/18 Actual £000	Subjective Analysis	Approved	Revised	Projected	Projected	Projected Over/(Under) Spend £000	Percentage Variance
		Budget 2018/19 £000	Budget 2018/19 £000	Outturn 2018/19 £000	Outturn 2018/19 £000		
	25,962 Employee costs	26,297	27,330	27,241	27,241	(89)	(0.32%)
	1,130 Property costs	1,105	1,112	1,111	1,111	(1)	(0.11%)
	967 Supplies & services	837	906	953	953	48	5.25%
	371 Transport & plant	380	380	396	396	16	4.16%
	786 Administration costs	809	809	820	820	11	1.37%
	38,556 Payments to other bodies	38,551	39,451	39,382	39,382	(69)	(0.18%)
	(14,904) Income	(14,200)	(15,941)	(15,936)	(15,936)	5	(0.03%)
<b>52,867</b>		<b>53,779</b>	<b>54,047</b>	<b>53,968</b>	<b>53,968</b>	<b>(80)</b>	
	(5,980) Contribution from IJB	(5,985)	(5,985)	(5,985)	(5,985)	0	0.00%
	(1,190) Transfer to EMR	0	0	0	0	0	
	<b>45,698 Social Work Net Expenditure</b>	<b>47,794</b>	<b>48,062</b>	<b>47,983</b>	<b>47,983</b>	<b>(80)</b>	<b>(0.17%)</b>

2017/18 Actual £000	Objective Analysis	Approved	Revised	Projected	Projected	Projected Over/(Under) Spend £000	Percentage Variance
		Budget 2018/19 £000	Budget 2018/19 £000	Outturn 2018/19 £000	Outturn 2018/19 £000		
	10,278 Children & Families	10,429	10,194	10,227	10,227	34	0.33%
	0 Criminal Justice	0	0	0	0	0	0.00%
	24,463 Older Persons	24,647	24,519	24,725	24,725	206	0.84%
	7,053 Learning Disabilities	7,143	7,404	7,228	7,228	(176)	(2.38%)
	2,196 Physical & Sensory	2,338	2,357	2,355	2,355	(2)	(0.09%)
	1,613 Assessment & Care Management	2,048	2,066	2,088	2,088	23	1.09%
	1,215 Mental Health	1,168	1,168	1,058	1,058	(110)	(9.38%)
	1,003 Addiction / Substance Misuse	973	973	913	913	(60)	(6.19%)
	966 Homelessness	801	801	815	815	14	1.73%
	1,740 PHIC	1,815	1,782	1,781	1,781	(1)	(0.04%)
	2,339 Business Support	2,418	2,783	2,776	2,776	(7)	(0.24%)
<b>52,867</b>		<b>53,779</b>	<b>54,047</b>	<b>53,968</b>	<b>53,968</b>	<b>(80)</b>	
	(5,980) Contribution from IJB	(5,985)	(5,985)	(5,985)	(5,985)	0	0.00%
	(1,190) Transfer to EMR	0	0	0	0	0	
	<b>45,698 Social Work Net Expenditure</b>	<b>47,794</b>	<b>48,062</b>	<b>47,983</b>	<b>47,983</b>	<b>(80)</b>	<b>(0.17%)</b>

Notes:

1 £11.6M 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 WorkMaterial Variances

Period 5 1 April 2018 - 31st August 2018

2017/18 Actual	Budget Heading	Revised Budget 2018/19	Proportion of budget	Actual to 31/08/18	Projected Outturn 2018/19	Projected Over/(Under) Spend	Percentage Variance
£000		£000	£000	£000	£000	£000	
	<b>Employee Costs</b>						
5,437	Children & Families	5,477	2,160	2,066	5,511	34	0.62%
7,523	Homecare	7,837	3,092	3,035	7,801	(36)	(0.46%)
2,417	Learning Disabilities	2,534	1,002	913	2,454	(80)	(3.16%)
779	Physical Disabilities	1,032	382	425	1,060	28	2.71%
1,113	Addictions	1,217	480	445	1,147	(70)	(5.75%)
17,269		18,097	7,116	6,884	17,973	(124)	(0.69%)
	<b>Other Variances</b>						
3,765	Older People - homecare external providers	3,704	1,543	816	3,908	204	5.51%
249	Older People - day services	376	156	84	316	(60)	(15.96%)
7,713	Learning Disabilities - client commitments on support packages	7,918	3,299	1,688	7,837	(81)	(1.02%)
(45)	Physical Disabilities - income	(26)	(11)	(13)	(70)	(44)	169.23%
9	Assessment Care & Management - external transport	17	7	12	39	22	129.41%
(2,600)	Mental Health - income	(2,621)	(1,092)	(767)	(2,731)	(110)	4.20%
9,091		9,368	3,902	1,820	9,299	(69)	(0.74%)
<b>26,360</b>	<b>Total Material Variances</b>	<b>27,465</b>	<b>11,018</b>	<b>8,704</b>	<b>27,272</b>	<b>(193)</b>	<b>(0.70%)</b>

Social WorkCapital Budget 2018/19

Period 5 1 April 2018 - 31st August 2018

Project Name	Est Total Cost	Actual to 31/3/18	Approved Budget 2018/19	Revised Est 2018/19	Actual to 31/08/18	Est 2019/20	Est 2020/21	Future Years
	£000	£000	£000	£000	£000	£000	£000	£000
<b>SOCIAL WORK</b>								
Crosshill Childrens Home Replacement	1,914	154	1,043	523	55	943	294	0
Hillend Sprinkler	46	13	33	33	16	0	0	0
Fitzgerald Centre interim upgrade	140	0	125	125	0	15	0	0
Wellpark Centre internal alterations	115	0	105	105	0	10	0	0
Complete on site	105	47	58	58	1	0	0	0
<b>Social Work Total</b>	<b>2,320</b>	<b>214</b>	<b>1,364</b>	<b>844</b>	<b>72</b>	<b>968</b>	<b>294</b>	<b>0</b>

Social WorkEar Marked Reserves

Period 5 - 1 April 2018 to 31 August 2018

Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget to Period 5	Actual to Period 5	Projected Spend	Amount to be Earmarked for 2019/20 & Beyond	Lead Officer Update
		2018/19	2018/19	2018/19	2018/19	2019/20 & Beyond	
		£000	£000	£000	£000	£000	
Self Directed Support	Alan Brown	43	0	0	43	0	This supports the continuing promotion of SDS.
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.
Integrated Care Fund	Louise Long	385	165	237	334	50	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	462	63	91	386	76	Delayed Discharge funding has been allocated to specific projects, including overnight home support and out of hours support. Carry forward is two posts which are one year until June 19.
Veterans Officer Funding	Helen Watson	15	0	0	15	0	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	69	21	22	69	0	Post for one year to address the changes in Community Justice.
Welfare Reform - CHCP	Andrina Hunter	22	0	0	22	0	Balance of funding to be used for case management system. Costs will be incurred over 3 year period.
Swift Upgrade	Helen Watson	76	0	0	76	(0)	One year post from October 18 to progress replacement client information system for SWIFT plus upgrade costs.
LD - Integrated Team Leader	Alan Best	66	21	22	57	10	Two year post to develop the learning disability services integration agenda.
LD Review	Alan Best	329	91	95	153	176	Funding for two posts for two years and one off spend in 18/19 on community engagement to address the LD service review.
Continuing Care Employees	Sharon McAlees	263	0	0	64	199	To address new continuing care legislation & to address issues arising from inspection. Carry forward is funding for two year post.
Service reviews	Alan Brown	92	0	0	92	0	Funding for two posts in 18/19 to carry out service reviews. Posts are being interviewed September 18.
Dementia friendly properties	Deborah Gillespie	100	0	0	100	0	To deliver dementia friendly strategy
<b>Total</b>		<b>1,947</b>	<b>361</b>	<b>468</b>	<b>1,411</b>	<b>536</b>	

## APPENDIX 6

### Social Work

#### Virement Requests

Period 5 1 April 2018 - 31st August 2018

Budget Head	Increase Budget £000	Decrease budget £000
1 Residential Nursing - RT Income		
1 Strategy & Support Services - RT Income	79	
1 Business Support - RT Income	35	(114)
2 Learning Disabilities - Payments to Other Bodies	280	(280)
2 Children & Families - Payments to Other Bodies		
	394	(394)

#### Notes

- 1 Reallocation of resource transfer income between services to reflect actual expenditure
- 2 Reallocation of continuing care funding due to clients moving between services