
Report To:	Health & Social Care Committee	Date:	10 January 2019
Report By:	Louise Long Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership	Report No:	FIN/125/18/AP/FMcL
	Alan Puckrin Chief Financial Officer		
Contact Officer:	Fiona McLaren	Contact No:	01475 712652
Subject:	Revenue & Capital Budget Report – 2018/19 Revenue Projected Outturn as at 31 October 2018		

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 October 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 7, there is a projected underspend of £520,000, an increase in underspend of £440,000 since last reported to Committee. Of the total underspend, £293,000 relates to employee costs (which are detailed below), an increase in underspend of £204,000 since last reported following a detailed review of when vacant posts are expected to be filled. The employee cost underspend is inclusive of service reviews and early achievement of 2019/20 budget savings. An analysis of the main elements of the £520,000 underspend are:

- A projected underspend of £70,000 within internal homecare due to vacancies, which are partially offsetting the increased costs of external homecare below,
- A projected underspend of £122,000 within Learning Disabilities and £107,000 within Addictions employee costs due to service reviews and early achievement of 2019/20 savings targets,
- A projected underspend of £69,000 within Children and Families employee costs due to additional turnover savings being achieved,
- Projected underspends on client care packages in Day Services £45,000 and Learning Disabilities £164,000 due to changes in care packages. This is preparation for 19/20 saving of £174,000 from LD,
- A one-off income from an external provider of £110,000.

Offset by:

- A projected overspend in external homecare of £148,000 due to increased hours as more people are cared for in their own homes. This is a decrease of £57,000 since the

last Committee and relates to decreases in the number of client packages,

- A projected under-recovery of Homelessness income of £85,000 based on current Tenancy Agreements.

- 2.2 It should be noted that the 2018/19 budget includes agreed savings for the year of £1,555,000. At period 7 there is a projected over-recovery of £276,000 on the agreed savings, £256,000 of which relates to the Residential & Nursing beds which will be added to the smoothing earmarked reserve and £20,000 relates to over-recovery on posts within Learning Disabilities & Addictions.
- 2.3 The Social Work 2018/19 capital budget is £1,364,000, with spend to date of £86,000. 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 10.19% 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 7. There is spend to date of £575,000 which is 91.85% of the phased budget
- 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 £520,000 on current year revenue budget as at 31 October 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 £520,000 underspend.

5.0 2018/19 CURRENT REVENUE POSITION: Projected £520,000 underspend (1.08%)

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 £82,000 (0.8%) underspend

The projected underspend is £115,000 less than last reported to Committee and is primarily due to additional turnover. Employee costs are projecting an underspend of £69,000. There are projected overspends in residential accommodation of £83,000 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, children's external residential accommodation and continuing care are transferred from/ to the Earmarked Reserve at the end of the year. These costs are not included in the above figures. At period 7 there is a projected net overspend of £11,000 on children's external residential accommodation, adoption, fostering and kinship and a projected net underspend of £55,000 on continuing care which would be transferred to the earmarked reserve at the end of the financial year.

5.2. Older People: Projected £27,000 (0.11%) overspend

The projected overspend is £178,000 less than previously reported and comprises:

- A projected underspend on homecare employee costs of £70,000, a decrease in spend of £34,000 since last reported to Committee mainly due to additional turnover savings,
- Projected underspends totalling £14,000 within employee costs in other Older People services due to additional turnover being achieved, which is a decrease in spend of £44,000 since last reported,
- A projected overspend on external homecare of £148,000, a decrease in spend of £57,000 since the period 5 report to Committee. This relates to a decrease in the number of client packages. The overspend is partially offset by an underspend in employee costs as mentioned above,
- A projected underspend of £45,000 on Day Services current client numbers, a decrease in underspend of £15,000 since last reported.
- A projected over-recovery of income by £22,000 mainly due to a projected increase in Community Alarms income of £29,000.

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 7 there is a projected underspend of £256,000 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 £258,000 (3.49%) underspend

The projected underspend is £82,000 more than previously reported and comprises:

- A projected underspend of £122,000 on employee costs which is a decrease in spend of £42,000 since last reported due to additional turnover savings. The projected underspend is inclusive of early achievement of 2019/20 budget savings.
- A £164,000 projected underspend on client commitments since last reported due to changes to packages. This is partly due to the full year impact of package changes in 2017/18. This is an increase in underspend of £83,000.
- A £37,000 under-recovery of income from other Local Authorities which is due to a reduction in the number of service users using day centres within Inverclyde.

5.4. **Physical Disabilities: Projected £8,000 (0.33%) underspend**

The projected underspend is £6,000 more than previously reported and includes:

- A £11,000 underspend on employee costs due to an over-recovery of turnover target, a decrease in spend of £39,000 since last reported,
- A projected overspend of £20,000 on client package due to changes mostly within direct payments, an increase in spend of £7,000 since period 5,
- A projected over-recovery of £19,000 in service user income which is a decrease in income of £24,000 since last reported.

5.5. **Assessment & Care Management: Projected £20,000 (1.02%) overspend**

The projected overspend is £3,000 less than the period 5 report to Committee and includes:

- A £27,000 underspend within employee costs due to additional turnover being achieved.
- A £17,000 projected overspend in external transport costs for transport to respite and hospital. This is a decrease in spend of £6,000 since last reported.
- A £24,000 projected overspend within Client Commitments resulting from an increase in client numbers.

5.6. **Mental Health: Projected £136,000 (11.64%) underspend**

The projected underspend is £26,000 more than the period 5 report to Committee and the movement relates to additional underspends within client commitments due to changes in packages. A one-off income of £110,000 from an external provider was previously reported to Committee.

5.7. **Addictions: Projected £108,000 (11.12%) underspend**

The projected underspend is £48,000 more than previously reported to Committee. The underspend mainly relates to additional turnover on employee costs of £107,000 an increase in turnover being achieved of £37,000. The projected underspend is inclusive of posts taken as part of 2019/20 budget savings.

5.8. **Homelessness: Projected £93,000 (11.67%) overspend**

The projected overspend is £80,000 more than previously reported and is mainly due to an under-recovery of Homelessness income of £85,000 based on current Tenancy Agreements.

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 a future Health & Social Care Committee.

5.9. **Planning, Health Improvement & Commissioning: Projected £52,000 (2.94%) underspend**

The projected underspend is £53,000 more than previously reported mainly due to:

- £167,000 overspend within employee costs, £191,000 of which is funded through grant income,
- £18,000 underspend within Welfare Reform and
- £220,000 projected additional income, £191,000 of grant income to fund employee costs and £29,000 for recharges.

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,
- £115,000 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 as previously reported. Expenditure on all capital projects to 31st October is £86,000 (10.19% of the revised budget). Appendix 4 details capital budgets.

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.
- The Contractor commenced on site in October with foundation and drainage works in progress.
- The Contract Period is 39 calendar weeks with projected completion in July 2019.

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 ongoing.

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 have now been completed.

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.
- Decanting of staff has taken place and the service temporarily relocated.
- Contractor currently on site and progressing the works.
- Target programme is completion in January 2019.

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 7. There is spend to date of £575,000 which is 91.85% 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 & Kinship and Continuing Care
- Residential & Nursing Accommodation.

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?

<input type="checkbox"/>	Yes	See attached appendix
<input checked="" type="checkbox"/>	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 7 1 April 2018 - 31st October 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	15	0	0	0	24,662	0	24,662
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	(125)	0	0	0	1,923	0	1,923
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	(31)	0	0	0	1,784	0	1,784
Business Support	(3,567)	0	364	0	0	0	(3,203)	0	(3,203)
Totals	47,794	0	268	0	0	0	48,062	0	48,062

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 7 1 April 2018 - 31st October 2018

2017/18 Actual £000	Subjective Analysis	Approved	Revised	Projected	Projected	Percentage Variance
		Budget 2018/19 £000	Budget 2018/19 £000	Outturn 2018/19 £000	Over/(Under) Spend £000	
25,962	Employee costs	26,297	27,390	27,097	(292)	(1.07%)
1,130	Property costs	1,105	1,116	1,070	(46)	(4.15%)
967	Supplies & services	837	912	981	69	7.54%
371	Transport & plant	380	380	388	7	1.88%
786	Administration costs	809	774	801	27	3.51%
38,556	Payments to other bodies	38,551	39,437	39,264	(173)	(0.44%)
(14,904)	Income	(14,200)	(15,962)	(16,074)	(112)	0.70%
52,867		53,779	54,047	53,527	(520)	
(5,980)	Contribution from IJB	(5,985)	(5,985)	(5,985)	0	0.00%
(1,190)	Transfer to EMR	0	0	0	0	
45,698	Social Work Net Expenditure	47,794	48,062	47,542	(520)	(1.08%)

2017/18 Actual £000	Objective Analysis	Approved	Revised	Projected	Projected	Percentage Variance
		Budget 2018/19 £000	Budget 2018/19 £000	Outturn 2018/19 £000	Over/(Under) Spend £000	
10,278	Children & Families	10,429	10,194	10,112	(82)	(0.80%)
0	Criminal Justice	0	0	0	0	0.00%
24,463	Older Persons	24,647	24,662	24,690	27	0.11%
7,053	Learning Disabilities	7,143	7,404	7,146	(258)	(3.49%)
2,196	Physical & Sensory	2,338	2,357	2,349	(8)	(0.33%)
1,613	Assessment & Care Management	2,048	1,923	1,942	20	1.02%
1,215	Mental Health	1,168	1,168	1,032	(136)	(11.64%)
1,003	Addiction / Substance Misuse	973	973	865	(108)	(11.12%)
966	Homelessness	801	801	894	93	11.67%
1,740	PHIC	1,815	1,784	1,731	(52)	(2.94%)
2,339	Business Support	2,418	2,782	2,765	(16)	(0.59%)
52,867		53,779	54,047	53,527	(520)	
(5,980)	Contribution from IJB	(5,985)	(5,985)	(5,985)	0	0.00%
(1,190)	Transfer to EMR	0	0	0	0	
45,698	Social Work Net Expenditure	47,794	48,062	47,542	(520)	(1.08%)

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 WorkCapital Budget 2018/19

Period 7 1 April 2018 - 31st October 2018

Project Name	Est Total Cost	Actual to 31/3/18	Approved Budget 2018/19	Revised Est 2018/19	Actual to 31/10/18	Est 2019/20	Est 2020/21	Future Years
	£000	£000	£000	£000	£000	£000	£000	£000
SOCIAL WORK								
Crosshill Childrens Home Replacement	1,914	154	1,043	523	60	943	294	0
Hillend Sprinkler	46	13	33	33	25	0	0	0
Fitzgerald Centre interim upgrade	140	0	125	125	0	15	0	0
Wellpark Centre internal alterations	115	0	105	105	1	10	0	0
Complete on site	105	47	58	58	0	0	0	0
Social Work Total	2,320	214	1,364	844	86	968	294	0

Social WorkEar Marked Reserves

Period 7 - 1 April 2018 to 31 October 2018

Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget to Period 7	Actual to Period 7	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	0	43	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	384	287	258	334	50	The Integrated Care Fund funding has been allocated to a number of projects, including reablement, housing and third sector & community capacity projects. Carry forward is a post which is no longer being funded.
Delayed Discharge	Louise Long	462	122	129	430	32	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. Final year of project.
CJA Preparatory Work	Sharon McAlees	69	36	30	69	0	Post for one year to address the changes in Community Justice.
Welfare Reform - CHCP	Andrina Hunter	22	0	13	22	0	Costs for case management system to be incurred over three years, 2018/19 being the final year.
Swift Upgrade	Helen Watson	76	12	0	31	45	One year post from September 18 to progress replacement client information system for SWIFT plus upgrade costs.
LD - Integrated Team Leader	Alan Best	66	36	31	56	10	Two year post to develop the learning disability services integration agenda.
LD Review	Alan Best	329	115	110	153	176	Funding for one grade L post for two years and 3 grade H/I posts for two years. One off spend incurred in 18/19 on community engagement to address the LD service review.
Continuing Care Employees	Sharon McAlees	263	4	0	164	99	To address new continuing care legislation issues arising from inspection. There will be costs of £187k transferred from Learning Disabilities at the year end.
Service reviews	Alan Brown	92	14	4	25	67	Funding for two posts in 18/19 to carry out service reviews. Posts appointed to in September 18.
Dementia friendly properties	Deborah Gillespie	100	0	0	0	100	Dementia friendly properties. Dementia Strategy still being developed.
Total		1,947	626	575	1,300	647	

APPENDIX 6

Social Work

Virement Requests

Period 7 1 April 2018 - 31st October 2018

Budget Head	Increase Budget	Decrease budget
	£000	£000
Carers Act Funding		
Older People - Respite	143	(143)
	143	(143)

Notes

Moving budget from Carers Act Funding to Older People Respite as expenditure being incurred here