
Report To: Health & Social Care Committee **Date:** 24 October 2019

Report By: Louise Long
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Partnership

Alan Puckrin
Chief Financial Officer

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Subject: Revenue & Capital Budget Report – Projected 2019/20 Revenue
Outturn as at 31 August 2019

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Health and Social Care Committee of the projected outturn on revenue and capital for 2019/20 as at 31 August 2019 (period 5).

2.0 SUMMARY

- 2.1 A budget of £56.824 million has been delegated by the Integration Joint Board (IJB), which includes £6.295 million of Social Care funding and gives a net budget of £50.529 million. The IJB has directed the Council to deliver services within the allocated budget and in line with the IJB's Strategic Plan. As at period 5 there is a projected overspend of £15,000, a minor adverse movement of £2,000 from the position reported at period 3 after the approved transfer of funds to the Learning Disability Hub earmarked reserve. The main elements of the overspend are:

- Increased projected overspends of £151,000 and £65,000 within Learning Disabilities and Physical Disabilities respectively against client commitments following a review of the respite projection within Learning Disabilities and additional external packages within Physical Disabilities.
- A £62,000 projected under-recovery of income from other local authorities within Learning Disabilities. This is consistent with current levels of income and last year's outturn.
- A projected overspend of £182,000 on agency workers within Mental Health due to an increased pressure on meeting service demands resulting from staff vacancies and difficulty in recruiting.
- As reported at period 3, a projected overspend of £312,000 due to one client's package cost shared between Criminal Justice and Learning Disabilities.

In the main offset in by:

- Additional turnover savings being projected across services £563,000.
- A £48,000 projected underspend resulting from the partial implementation of Homecare – Reduction 15 minute visits in 2019/20.
- Over-recovery of income for residential fees of £113,000.

- 2.2 The Social Work 2019/20 capital budget is £1.093 million, with spend to date of £247,000. Expenditure equates to 22.6% of the revised budget.

- 2.3 The balance on the IJB reserves at 31 March 2019 was £7.281 million. The reserves reported in this report are those delegated to the Council for spend in 2019/20. The opening balance on these is £1.025 million with an additional £1.376 million received in-year, giving a total for

2019/20 of £2.401 million at period 5. Expenditure to date is £804,000 against the phased budget of £730,000.

2.4 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.
- Learning Disability Hub which was agreed at the previous Committee. It is to be noted that the original agreed reserve of £526,000 has now been revised to £398,000 due to £50,000 being utilised to meet additional spend within Learning disabilities client commitments and £78,000 being used to fund 2 additional social care posts.

It should be noted that £700,000 was transferred from the Residential and Nursing Accommodation smoothing reserve to the IJB Free Reserve during the audit of the 2018/19 IJB annual accounts. The Chief Officer has confirmed that in the event that the remaining Residential and Nursing Accommodation reserve gets exhausted then the first call on any overspend will be against the IJB Free Reserves.

2.5 Any overall 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 current year revenue outturn projected overspend of £15,000 at 31 August 2019.

3.2 That the Committee notes the current projected capital position.

3.3 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 2019/20 Social Work revenue and capital budgets and to highlight the main issues contributing to the projected £15,000 overspend.

5.0 2019/20 CURRENT REVENUE POSITION: Projected £15,000 overspend (0.03%)

The table below provides details of this underspend by objective heading. The material variances are identified in Appendix 3.

	Approved Budget	Revised Budget	Projected Outturn	Projected Over/ (Under) Spend	Percentage Variance
	£000	£000	£000	£000	%
Children & Families	10,474	10,524	10,650	125	1.19
Criminal Justice **	20	20	252	232	12.75
Older Persons	25,384	25,475	25,269	(207)	(0.81)
Learning Disabilities	7,736	7,676	7,690	13	0.17
Physical & Sensory	2,394	2,408	2,455	47	1.94
Assessment & Care Management	2,314	2,181	2,191	10	0.45
Mental Health	1,426	1,426	1,557	131	9.22
Alcohol and Drugs Recovery Service	971	971	757	(214)	(22.08)
Homelessness	1,026	1,026	1,035	9	0.86
PHIC	1,677	1,679	1,669	(10)	(0.57)
Business Support	3,402	3,437	3,316	(121)	(3.53)
	56,824	56,824	56,840	15	0.03
Contribution from IJB	(6,295)	(6,295)	(6,295)	0	0.00
Transfer to EMR	0	(398)	(398)	0	0.00
Social Work Net Expenditure	50,529	50,131	50,147	15	0.03
Earmarked Reserves	Approved Reserves	Revised Reserves	19/20 Budget	Projected Spend	Projected Carry Forward
	£000	£000	£000	£000	£000
Earmarked Reserves	7,266	9,055	3,221	3,745	5,310
CFCR	15	0	15	0	0
Social Work Total	7,281	9,055	3,236	3,745	5,310
** Percentage variance is based on grant total					

5.1 Children & Families: £125,000 (1.19%) overspend

The projected overspend primarily relates to employee costs and in the main relates to residential accommodation where there is a requirement for minimum staffing levels. This is a continuing pressure area.

The projected overspend is £44,000 more than reported at period 3 and is largely due to a £20,000 projected overspend on transport costs due to an increase in taxi usage within Residential services children's units based on current spend levels continuing to the end of the financial year.

Any over/ underspends on adoption, fostering, kinship and children's external residential accommodation and continuing care are transferred to the respective earmarked reserve at the end of the year. The balance on the two reserves as at 1 April 2019 is £1,407,000. At period 5 there is a projected net overspend of £183,000 on children's external residential accommodation, adoption, fostering and kinship and continuing care. These costs are not included in the reported projected

spend.

5.2 **Criminal Justice: Projected £232,000 (12.75%) overspend**

The position is unchanged from that reported at period 3.

5.3 **Older People: Projected £207,000 (0.81%) underspend**

The projected underspend is £208,000 more than last reported to Committee and comprises:

- A projected £25,000 underspend on employee costs. This is a reduction in expenditure of £102,000 from the position reported at period 3 and is as a result of slippage in anticipated start dates within homecare, partially offset by increased spend on additional hours and sessionals.
- A projected underspend of £22,000 is now being reported for external transport within day care services based on the continuation of current spend levels.
- A projected overspend of £29,000 on external homecare. This is an increase of £49,000 from the position reported at period 3 and is due to increased number of external homecare clients.
- An increased underspend of £48,000 relating to the partial implementation of Homecare – Reduction 15 minute visits is now projected, up from £35,000 reported at period 3.
- An increased over-recovery of income of £149,000 is now projected, up £102,000 from the position reported at period 3. In the main this is due to additional income projected for residential fees, based on assessed income received to date.
- As reported at period 3, there are projected underspends on external day care of £35,000 and £22,000 against the housing wardens contract.

Any over / underspends on residential & nursing accommodation are transferred to the earmarked reserve at the end of the year. The balance on the residential & nursing accommodation reserve is £226,000 as at 1 April 2019, with £700,000 also available in the IJB free reserves, At period 5 there is a projected overspend of £247,000, which would be funded from the earmarked reserves at the end of the year if it continues. These costs are not included in the reported projected spend.

5.4 **Learning Disabilities: Projected £13,000 (0.17%) overspend**

The projected spend is £94,000 higher than the position reported at period 3 and comprises:

- A projected overspend of £151,000 on client commitments within Payments to other Bodies. This is an increase of £133,000 on the position reported at period 3 and is due to a correction to the respite projection of £96,000 together with the impact of various package reviews.
- Projected under-recovery of income of £72,000 is now being reported, primarily against income from other local authorities. This is consistent with current levels of income and last year's out-turn.
- A projected underspend of £187,000 on employee costs, an increase of £38,000 on the position reported at period 3 and which is due to over-achievement of the turnover target as a result of slippage in filling vacant posts.
- A projected underspend of £26,000 is now being reported for external transport based on the continuation of current spend levels and is in line with last year's outturn.

5.5 **Physical & Sensory: Projected £47,000 (1.94%) overspend**

The projected overspend is £18,000 more than reported at period 3 and mainly comprises an increase of £25,000 in the projected overspend on client commitments, together with other minor movements.

5.6 **Assessment & Care Management: Projected £10,000 (0.45%) overspend**

The projected overspend has increased slightly by £4,000 and comprises:

- The projected spend on employee costs has reduced by £58,000 from the position reported at period 3 to an underspend of £54,000, which in the main is due to additional turnover savings being achieved.
- A projected overspend of £43,000 is now being reported for external transport based on the continuation of current spend levels and is in line with last year's outturn.

5.7 **Mental Health: Projected £131,000 (9.22%) overspend**

The projected spend has increased by £141,000 from the position reported at period 3 and comprises:

- The projected underspend on employee costs has reduced by £17,000 to £50,000 from the position reported at period 3. This is due to vacant posts being filled earlier than anticipated.
- A £22,000 projected underspend within legal costs is now being reported. This is consistent with current levels of income and last year's out-turn.

- A £182,000 overspend on agency workers, an increase of £97,000 from the position reported at period 3 due to the need for additional agency staff for meeting increased pressure on service demands resulting from staff vacancies and difficulty in recruiting.
- The projected spend on externally provided commissioned services has increased by £46,000 to an overspend of £5,000 and is due to a combination of increase in client numbers and changes to packages.

5.8 **Alcohol and Drugs Recovery Service: Projected £214,000 (22.08%) underspend**

The projected underspend has increased by £69,000 from the position reported at period 3 and comprises:

- The projected underspend on employee costs has increased by £51,000 to £185,000 and is mainly due to additional turnover being achieved.
- The projected underspend on client commitments has increased by £19,000 to £29,000 from the position reported at period 3 and is due to a reduction in client numbers.

5.9 **Business Support: Projected £121,000 (3.53%) underspend**

The projected underspend has decreased by £3,000 since period 3 report to Committee and comprises:

- The projected underspend on employee costs has increased to £70,000.
- As reported at period 3 a projected underspend of £68,000 against unfunded criminal justice pay inflation which at this stage is not required.

6.0 **2019/20 CURRENT CAPITAL POSITION**

6.1 The Social Work capital budget is £1,861,000 over the life of the projects with £1,093,000 projected to be spent in 2019/20, comprising:

- £995,000 for the replacement of Crosshill Children's Home,
- £55,000 for the upgrade of the equipment store in the Inverclyde Centre for Independent Living,
- £43,000 for projects complete on site.

No slippage is currently being reported. Expenditure on all capital projects to 31st August 2019 is £247,000 (22.6% of projection). 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.
- The demolition of the existing Crosshill building was completed in Autumn 2018. Main contract work commenced on site in October 2018.
- Foundation and drainage works were completed 1st Quarter 2019. As previously reported, site issues had delayed the progress of the foundations and this affected the delivery time of the timber kit. The external timber kit and roof trusses have now been installed.
- The first fix of mechanical and electrical works in progress. Internal partitions being sheeted. Pipework for sprinkler system installed.
- The Contractor has intimated further delays which are subject to dispute.
- The original Contract Period was 39 calendar weeks with completion in July 2019. However as previously reported, the delays above have impacted on the completion date. The Contractor is currently intimating completion January 2020.

6.3 Centre for Independent Living:

The works to the above are being progressed in conjunction with essential roofing works. The HSCP funded element addresses alterations to the decontamination area to comply with current hygiene regulations. The replacement of the existing roof covering which contains asbestos is being funded from the Core Property General Allocation. The store will be decanted for the duration of the works.

- The store has been decanted.
- Initial asbestos removal has been completed.
- The contractor for the main works has been appointed and a pre-start meeting held to discuss the restrictions of the site and the operational requirements of the existing service.
- Works should commence mid-October subject to approval of the works method statements,

with a completion in December.

7.0 EARMARKED RESERVES

7.1 The balance on the IJB reserves at 31 March 2019 was £7,281,000. The reserves reported in this report are those delegated to the Council for spend in 2019/20. The opening balance on these is £1,025,000 with an additional £1,376,000 received for 2019/20, totalling £2,401,000 at period 5. There is spend to date of £804,000 against the phased budget of £730,000.

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.
- Learning Disability Hub which was agreed at the previous Committee.

8.0 IMPLICATIONS

8.1 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	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

8.2 Legal

There are no specific legal implications arising from this report.

8.3 Human Resources

There are no specific human resources implications arising from this report.

8.4 Equalities

Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

8.5 Repopulation

There are no repopulation issues within this report.

9.0 CONSULTATIONS

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

10.0 BACKGROUND PAPERS

10.1 There are no background papers for this report.

Social Work

Budget Movement - 2019/20

Period 5 1 April 2019 - 31 August 2019

Service	Approved Budget £000	Movements					Amended Budget £000	IJB Funding Income £000	Revised Budget £000
		Inflation £000	Virement £000	Supplementary Budgets £000	IJB Funding £000	Transfers (to)/ from Earmarked Reserves £000			
Children & Families	10,474	0	50	0	0	0	10,524	0	10,524
Criminal Justice	20	0	0	0	0	0	20	0	20
Older Persons	25,384	0	92	0	0	0	25,475	0	25,475
Learning Disabilities	7,736	0	(60)	0	0	(116)	7,560	0	7,560
Physical & Sensory	2,394	0	14	0	0	0	2,408	0	2,408
Assessment & Care Management	2,314	0	(133)	0	0	0	2,181	0	2,181
Mental Health	1,426	0	0	0	0	0	1,426	0	1,426
Alcohol and Drugs Recovery Service	971	0	0	0	0	0	971	0	971
Homelessness	1,026	0	0	0	0	0	1,026	0	1,026
Strategy & Support Services	1,677	0	2	0	0	0	1,679	0	1,679
Business Support	(2,893)	0	35	0	0	(282)	(3,140)	0	(3,140)
Totals	50,529	0	0	0	0	(398)	50,131	0	50,131

Social Work

Revenue Budget Projected Outturn - 2019/20

Period 5 - 1 April 2019 to 31 August 2019

2018/19 Subjective Analysis Actual	Approved Budget	Revised Budget	Projected Outturn	Projected Over/ (Under) Spend	Percentage Variance
£000	£000	£000	£000	£000	%
25,962 Employee costs	27,759	27,946	27,383	(563)	(2.01)
1,130 Property costs	1,067	1,071	1,061	(10)	(0.92)
967 Supplies & services	848	960	956	(4)	(0.42)
371 Transport & plant	377	377	394	17	4.44
786 Administration costs	777	744	731	(13)	(1.74)
38,556 Payments to other bodies	40,366	40,634	41,569	935	2.30
(14,904) Income	(14,370)	(14,907)	(15,254)	(347)	2.33
52,867	56,824	56,824	56,840	15	0.03
(5,980) Contribution from IJB	(6,295)	(6,295)	(6,295)	0	0.00
(1,190) Transfer to EMR	0	(398)	(398)	0	0.00
45,698 Social Work Net Expenditure	50,529	50,131	50,147	15	0.03

2018/19 Objective Analysis Actual	Approved Budget	Revised Budget	Projected Outturn	Projected Over/ (Under) Spend	Percentage Variance
£000	£000	£000	£000	£000	%
10,278 Children & Families	10,474	10,524	10,650	125	1.19
0 Criminal Justice ¹	20	20	252	232	12.75
24,463 Older Persons	25,384	25,475	25,269	(207)	(0.81)
7,053 Learning Disabilities	7,736	7,676	7,690	13	0.17
2,196 Physical & Sensory	2,394	2,408	2,455	47	1.94
1,613 Assessment & Care Management	2,314	2,181	2,191	10	0.45
1,215 Mental Health	1,426	1,426	1,557	131	9.22
1,003 Alcohol and Drugs Recovery Service	971	971	757	(214)	(22.08)
966 Homelessness	1,026	1,026	1,035	9	0.86
1,740 PHIC	1,677	1,679	1,669	(10)	(0.57)
2,339 Business Support	3,402	3,437	3,316	(121)	(3.53)
52,867	56,824	56,824	56,840	15	0.03
(5,980) Contribution from IJB	(6,295)	(6,295)	(6,295)	0	0.00
(1,190) Transfer to EMR	0	(398)	(398)	0	0.00
45,698 Social Work Net Expenditure	50,529	50,131	50,147	15	0.03
Earmarked Reserves	Approved Reserves	Revised Reserves	19/20 Budget	Projected Spend	Projected Carry Forward
	£000	£000	£000	£000	£000
Earmarked Reserves	7,266	9,055	3,745	3,745	5,310
CFCR	15	0	0	0	0
Social Work Total	7,281	9,055	3,745	3,745	5,310

** Percentage variance is based on grant total

Social Work

Material Variances - 2019/20

Period 5 - 1 April 2019 to 31 August 2019

2018/19 Actual	Budget Heading	Revised Budget	Proportion of budget	Actual to 31/08/19	Projected Outturn	Projected Over/(Under) Spend	Percentage Variance
£000		£000	£000	£000	£000	£000	%
	Employee Costs						
5,440	Children & Families	5,918	2,311	2,238	6,008	90	1.52
1,601	Criminal Justice	1,643	642	604	1,581	(62)	(3.77)
8,488	Older People	8,890	3,473	3,430	8,865	(25)	(0.28)
2,614	Learning Disabilities	2,464	963	902	2,277	(187)	(7.59)
1,739	Assessment & Care Management	1,865	729	725	1,810	(55)	(2.95)
1,160	Mental Health	1,190	465	433	1,140	(50)	(4.20)
1,192	Alcohol and Drugs Recovery Service	1,167	440	391	982	(185)	(15.85)
1,556	Business Support	1,686	659	632	1,615	(71)	(4.21)
23,790		24,823	9,682	9,355	24,278	(545)	(2.20)
	Other Variances						
0	Children Services	5	2	12	25	20	400.00
0	Criminal Justice - unallocated savings	(82)	(21)	0	(13)	69	(84.15)
0	Criminal Justice - package costs	0	0	0	252	252	100.00
21	Older People - day care external transport	42	18	7	21	(21)	(50.00)
0	Older People - ethical care	72	30	0	24	(48)	(66.67)
3,765	Older People - external homecare	3,902	1,201	1,296	3,979	77	1.97
342	Older People - day care contract	397	166	117	362	(35)	(8.82)
313	Older People - housing wardens	263	110	91	241	(22)	(8.37)
(39)	Older People - recoveries	0	0	0	(113)	(113)	(100.00)
120	Learning Disabilities - external transport	109	45	36	82	(27)	(24.77)
8,241	Learning Disabilities - client commitments	8,326	2,864	2,884	8,477	151	1.81
(53)	Learning Disabilities - income from other local authorities	(136)	(57)	(16)	(73)	63	(46.32)
1,780	Physical & Sensory - client commitments	1,607	670	601	1,672	65	4.04
25	Mental Health - legal costs	47	20	3	25	(22)	(46.81)
258	Mental Health - alzheimers scotland	216	108	43	237	21	9.72
85	Mental Health - agency costs	0	0	39	182	182	100.00
398	Alcohol and Drugs Recovery Service - client commitments	453	189	142	417	(36)	(7.95)
0	Alcohol and Drugs Recovery Service	82	32	0	14	(68)	(82.93)
15,256		15,303	5,377	5,255	15,811	508	3.32
39,046	Total Material Variances	40,126	15,059	14,610	40,089	(37)	(0.09)

Social Work

Capital Budget 2019/20

Period 5 - 1 April 2019 to 31 August 2019

Project Name	Est Total Cost	Actual to 31/03/19	Approved Budget	Revised Estimate	Actual to 31/08/19	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Future Years
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Social Work									
Crosshill Childrens Home Replacement	1,748	582	995	995	247	171	0		0
Inverclyde Centre for Independent Living Equipment Store Upgrade	70	0	55	55	0	15	0		0
Complete on site	43	0	43	43	0	0	0		0
Social Work Total	1,861	582	1,093	1,093	247	186	0		0

Social Work

Earmarked Reserves - 2019/20

Period 5 - 1 April 2019 to 31 August 2019

Project	Lead Officer/ Responsible Manager	2018/19	2019/20								Lead Officer Update
		c/f Funding	New Funding Reserves	New Funding Other	Proposed Write-backs	Total Funding	Phased Budget to Period 5	Actual to Period 5	Projected Spend	Amount to be Earmarked for 2020/21 and beyond	
		£000	£000	£000		£000	£000	£000	£000	£000	
Integrated Care Fund	Louise Long	11		1,042		1,053	365	469	1,006	47	The Integrated Care Fund funding has been allocated to a number of projects, including reablement, housing and third sector & community capacity projects. Full spend is expected for 2019/20.
Delayed Discharge	Louise Long	394		334		728	240	181	592	136	Delayed Discharge funding has been allocated to specific projects, including overnight home support and out of hours support.
Growth Fund - Loan Default Write-off	Helen Watson	25				25	0	0	1	24	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.
Swift Upgrade	Helen Watson	27				27	22	22	27	0	One year post from September 18 to progress replacement client information system for SWIFT plus upgrade costs.
Community Justice Preparatory Work	Sharon McAlees	112		0		112	25	23	67	45	Budget is for post to address the changes in Community Justice (£67k), shortfall of savings target for 2019/20 (£20k) and also £25k for Whole Systems Approach.
Frank's Law	Allen Stevenson	34				34		21	34	0	Frank's Law Funding being used to fund 1 FTE Grade K for 6 months.
Self Directed Support	Alan Brown	43				43	0	0	43	0	This supports the continuing promotion of SDS and full spend is projected for 2019/20.
Service Reviews	Alan Brown	60				60	27	28	60	0	Funding for two posts to carry out service reviews. Posts appointed to in September 2018.
LD Service Review	Alan Best	180				180	51	60	174	6	Funding for 1 grade L post and 2 grade H/I posts to 31/03/2020, all posts currently filled. Funding for one year for Your Voice and TAG support.
Dementia Friendly	Deborah Gillespie	100				100	0	0	0	100	Dementia friendly properties. Dementia Strategy still being developed.
RRTP	Deborah Gillespie	30				30		0	30	0	RRTP funding. Proposals being drafted and will be brought to CMT in due course.
Welfare Reform - CHCP	Arlene Mailey	9				9	0	0	9	0	Annual invoice for software licencing fee expected to be paid by September 2019.
Total	Alcohol and Drugs R	1,025	0	1,376	0	2,401	730	804	2,043	358	