

Report To: Health and Social Care Committee **Date:** 26 August 2010

Report By: Corporate Director,
Inverclyde Community Health &
Care Partnership and Chief
Financial Officer **Report No:** FIN/51/10/AP/MC

Contact Officer: Margaret Cook **Contact No:** 01475 714052

Subject: 2010/11 Social Work Revenue Budget – Period 3 to 30 June 2010

1.0 PURPOSE

- 1.1 To advise Committee of the 2009/10 outturn subject to audit and the 2010/11 Revenue Budget position at Period 3 to 30 June 2010.

2.0 SUMMARY

- 2.1 In 2009/10 there was an overspend of £860,000 or 1.81% of total budget. This was inclusive of £594,000 of reserves to be earmarked for projects in 2010/11 and an increase in the equal pay provision of £1,755,000. When removing the equal pay adjustment the net position is an underspend of £895,000. Details are shown in Section 5 of the report.
- 2.2 The total Health and Social Care Committee budget for 2010/11 is £49,734,000 with a further £594,000 to be brought forward as new earmarked reserves. The current projection is an overspend of £170,000 arising from projected overspends in employee costs and adult residential care, partially offset by an overrecovery in homecare income and income from charging orders.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the outturn for 2009/10, the current projected overspend for 2010/11 of £170,000 as at 30 June 2010.
- 3.2 The Committee note that officers are reviewing budgets to ensure the £170,000 overspend is addressed by the next Committee.

Robert Murphy
Corporate Director,
Inverclyde Community Health
& Care Partnership

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

4.1 The purpose of the report is to advise Committee of the 2009/10 outturn as well as the current position of the 2010/11 budget and to highlight the main issues contributing to the overspend of £860,000 in 2009/10 and the projected overspend of £170,000 in 2010/11.

5.0 2009/10 OUTTURN

5.1 The year end position, subject to audit, is shown in the table at 5.3. The main variations from budget in 2009/10 (excluding those relating to employee costs which are noted separately in 5.2 below) were:

a) Service Strategy

There was an underspend of £53,000, a further underspend of £25,000 from the March projection, due to respite short breaks.

b) Older Persons

The overspend was £52,000 for non employee costs, a decrease in the overspend of £17,000 from that previously reported to Committee. The main reasons for the movement were lower than projected external homecare and free personal care expenditure along with an increase in homecare income. These movements were partially offset by higher than projected Residential/Nursing care expenditure and transport costs.

c) Learning Disabilities

There was an overspend of £113,000, an increase of £5,000 from that previously reported to committee.

d) Children and Families

The £400,000 underspend reflects a reduction in costs of £32,000 from that previously reported. This was due to lower than projected expenditure on residential schools and payments to voluntary organisations, partially offset by increased expenditure on catering and fostering and adoption packages. £381,000 additional budget has been allocated for fostering packages in the 2010/11 budget.

e) Physically and Sensory Impaired

An overspend of £78,000 is a decrease in costs of £60,000 from that previously reported. This is a result of utility costs underspends and expenditure on independent living service being less than projected.

f) Support Management

The employee cost overspend of £1,489,000 is explained in 5.2 below. There was a non-employee overspend of £74,000 at the year end, an increase of £25,000 from the position reported to the March committee. The main reasons for this movement include increased expenditure in insurance and conferences partially offset by additional income from the recharge of staff to the Scottish Prison Service.

g) Homelessness

There was a underspend of £438,000 an increase in the underpend of £131,000 from that reported to the March Committee. The main reasons for this movement relate to decreased expenditure on furniture and rents and an overrecovery of income relating to the Hostels Support Grant. These have been partially offset by an underrecovery of rental income.

5.2 Employee Costs

Employee costs were overspent by £1,489,000, however £1,755,050 related to an increase in the equal pay provision as part of the Year End Accounts. With this removed Employee costs are underspent by £266,000.

Turnover Savings were over achieved by £8,000, an improvement of £143,000 from that previously reported to Committee.

Travel & Subsistence/Training and Other Staff Costs underspent by £73,000 an improvement of £111,000 since last reported. The majority of the movement relates to a reduction of expenditure relating to travel and subsistence due to the strict control measures in place to control these costs.

Manual Workers underspent by £184,000, an improvement of £89,000 relating to the delay in filling vacant posts.

5.3

Service	Budget 2009/10 £000	Out-turn 2009/10 £000	Over (Under) Spend £000
Strategy	1,146	1,093	(53)
Older Persons	19,703	19,755	52
Learning Disabilities	3,879	3,992	113
Mental Health	1,114	1,108	(6)
Children and Families	10,749	10,349	(400)
Physically and Sensory	2,271	2,349	78
Addiction / Substance Misuse	585	566	(19)
Support / Management	3,445	5,008	1,563
Assessment and Care Management	1,466	1,451	(15)
Mainstream Delayed Discharge	952	947	(5)
Criminal Justice *	0	0	0
Housing Support (Previously Supporting People)	5,081	5,071	(10)
Homelessness	751	313	(438)
Total Net Expenditure	51,142	52,002	860

*Criminal Justice/Resource Transfer and Delayed Discharge are fully funded from external income, hence the zero budgets.

6.0 2010/11 PROJECTION

6.1 The main issues to highlight in relation to the current projected overspend of £170,000 as detailed in Appendix 1 are:

a) Employee Costs

The projected overspend of £60,000 relates to:

Turnover Savings: - A turnover savings target of £415,640 has been set for Social Work for 2010/11. The current projection assumes turnover savings will be over achieved by £21,000.

Manual Costs: - There is a projected overspend in manual costs of £106,000 due to homecare.

Overtime: - The overtime costs are projected to be underspent by £25,000.

These projections assume the current level of costs will continue to March 2011. This assumption is being reviewed with Social Work along with the impact of the mid year savings exercise which will be reported in the next Committee.

Strategy

- b) There is a projected underspend of £39,000, relating to respite short breaks packages for carers. This underspend assumes the same level of take up as in the previous financial year.

Older Persons

- c) There is a projected overspend of £152,000, relating to Nursing/Residential care [£79,000] and Private Homecare [£84,000]. These overspends are partially offset by a projected overrecovery in Homecare income of £24,000.

Learning Disabilities

- d) There is a projected underspend of £109,000 based on to the cost of current care packages. It is recognised that if more complex care packages are put in place then costs will increase.

There are proposed changes to the Independent Living Fund at this point the financial impact of these changes cannot be quantified. An update will be reported to future Committees.

Child Care

- e) There is a projected underspend of £44,000 relating to residential childcare.

There is a potential pressure in relation to the adoption budget and this will be reported to future Committees if necessary .

Physically and Sensory Impaired

- f) There is a projected overspend of £167,000. The majority of this projected overspend relates to the provision of Direct Payments, based on the current level of clients, and includes all client group direct payments. Appropriate virements will be reflected by next Committee to analyse Direct Payment costs across relevant client groups.

Support Management

- g) The projected overspend is £110,000, of which £60,000 is explained in point (a) employee costs . The remaining overspend relates to payments made for the standby service.

Assessment & Care Management

- h) A review of spend to date identifies that if spend were to continue at the current rate the result would be a £43,000 overspend. However the Head of Service will identify a virement at next committee which to contain this pressure. The main cost pressures are printing, postage and legal costs in relation to adult protection cases.

Housing Support (previously Supporting People)

- i) An underspend of £25,000 is projected in this area of the service. The main reason for this projected underspend relates to other payments and administration costs.

Homelessness

- j) Homelessness is projecting an underspend of £42,000 relating to property costs. Homelessness service is negotiating with social landlords to increase the stock of temporary furnished flats by 20. When these negotiations are concluded it is anticipated that these flats on average will cost £2,000 to furnish. As these flats are brought into operation this underspend will decrease.

7.0 IMPLICATIONS

7.1 The current projected outturn per Social Work is:

Actual 2009/10 £000	Service	Approved Budget 2010/11 £000	Revised Budget 2010/11 £000	Projected Out-turn 2010/11 £000	Projected Over (Under) Spend £000
1,241	Strategy	1,163	1,163	1,124	(39)
21,190	Older Persons	19,827	19,827	19,979	152
4,361	Learning Disabilities	3,746	3,746	3,637	(109)
1,050	Mental Health	1,060	1,060	1,060	0
10,542	Children and Families	10,637	10,825	10,781	(44)
2,329	Physically and Sensory	2,267	2,267	2,434	167
471	Addiction / Substance Misuse	577	577	577	0
3,064	Support / Management	2,676	2,663	2,773	110
1,333	Assessment and Care Management	1,233	1,233	1,233	0
897	Mainstream Delayed Discharge	935	935	935	0
0	Criminal Justice *	0	0	0	0
5,059	Housing Support (Previously Supporting People)	4,831	4,906	4,881	(25)
477	Homelessness	607	532	490	(42)
0	Resource Transfer / Delayed Discharge*	0	0	0	0
310	Fairer Scotland Fund / Financial Inclusion	0	0	0	0
52,324	Total Net Expenditure	49,559	49,734	49,904	170

* Criminal Justice/Resource Transfer and Delayed Discharge are fully funded from external income, hence the zero budgets and expenditure.

8.0 VIREMENT

8.1 The Committee are requested to approve the virement as detailed in Appendix 3 attached. This virement is reflected within 7.1 above and Appendix 1.

9.0 EQUALITIES

9.1 There are no equality issues within this report.

10.0 OTHER ISSUES

10.1 The impact of the mid year savings review will be factored into future reports to Committee.

10.2 The level of Resource Transfer is assumed at the 2009/10 rate until new year funding is confirmed.

The reporting of Resource Transfer is being reviewed and future reports will reflect resource transfer within relevant care groups, along with a separate summary position.

11.0 CONSULTATION

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

SOCIAL WORKREVENUE BUDGET MONITORING REPORTPERIOD 3: 1st April 2010 - 30th June 2010

2009/10 Actual £000	Subjective Heading	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Projected Out-turn 2009/10 £000	Projected Over/(Under) Spend £000	Percentage Variance
	SOCIAL WORK					
29,353	Employee Costs	26,356	26,431	26,491	60	0.23%
1,592	Property costs	1,663	1,663	1,616	(47)	(2.83%)
1,220	Supplies and Services	975	975	992	17	1.74%
519	Transport and Plant	353	353	357	4	1.13%
766	Administration Costs	694	694	678	(16)	(2.31%)
35,314	Payments to Other Bodies	32,149	32,249	32,404	155	0.48%
(16,440)	Income	(12,630)	(12,630)	(12,633)	(3)	0.02%
52,324	SOCIAL WORK NET EXPENDITURE	49,559	49,734	49,904	170	0.34%
	Transfer to Reserves				0	
	TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	49,559	49,734	49,904	170	

HEALTH & SOCIAL CARE COMMITTEEMATERIAL OVER / UNDERSPENDS (Excluding Transfers to Earmarked Reserves)PERIOD 3: 1st April 2010 - 30th June 2010

Outturn 2009/10 £000	Budget Heading	Revised Budget 2010/11 £000	Proportion of Budget £000's	Actual to 30th June 2010 £000	Projection 2009/10 £000	Over/(Under) Budget £000
8,261	Residential/Nursing	9,593	2,398	2,316	9,747	154
7,846	Manual Costs	6,303	1,576	1,297	6,410	107
2,305	Residential Schools/Secure Accommodation	2,382	596	589	2,338	(44)
97	Homelessness - Furniture & Fittings	141	35	21	99	(42)
	TOTAL MATERIAL VARIANCES					175

EARMARKED RESERVES POSITION STATEMENT

Appendix 2

COMMITTEE: Health and Social Care

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2009/10</u>	<u>New Funding 2010/11</u>	<u>Total Funding 2010/11</u>	<u>Actual To Period 3 2010/11</u>	<u>Projected Spend 2010/11</u>	<u>Amount to be Earmarked for 2011/12 & Beyond</u>	<u>Lead Officer Update</u>
		£000	£000	£000	£000	£000	£000	
Telecare Grant	Gillian McCready	108	240	348	9	348	0	Letter received 9 June 2010 indicating Inverclyde will receive £120k to be matched by Social Work/Health spend. This is the last year of a five year funding stream.
Demonstrators Grant	Gillian McCready	36	0	36	9	36	0	No new funding and full spend expected in 2010/11.
Homelessness Task Force Grant	Jim Anderson	38	0	38	5	38	0	Carry forward is the retention of phase 3 of Inverclyde Centre and full spend expected.
Financial Inclusion - Scottish Govt	Archie Dempster	73	0	73	6	23	50	Carry forward earmarked for the rent of the Grand Central Bank for 2010/12.
Pilot to enhance job opportunities for care leavers	Sharon McAlees	10	0	10	0	10	0	No new funding and full spend expected in 2010/11.
Sutherland Monies - Frail Elderly	Barbara Billings	255	0	255	9	255	0	Unallocated sum against Scottish Government frail elderly award, partly committed to Homecare Review process in 2010/11
Growth Fund - DWP	Barbara Billings	55	0	55	55	55	0	It is anticipated that full spend will occur in 2010/11.
Champions Fund - DWP	Barbara Billings	103	0	103	7	103	0	This funding stream finishes in March 2011 it is anticipated that full spend expected. Currently a sum will need to be ring fenced in relation to remuneration until legal advice has been received.
Total		678	240	918	100	868	50	

HEALTH & SOCIAL CARE COMMITTEE**VIREMENT REQUESTS**

Budget Heading	Increase Budget	(Decrease) Budget
	£	£
1. Support/Management - Employee costs		(13,000)
Customer Service Centre - Employee Costs	13,000	
	13,000	(13,000)

Note

1. The reduction in the Support/Management Employee costs relate to an employee who has moved to the Customer Service Centre, which is reported to Policy & Resources Committee.