

Report To: Health & Social Care Committee **Date:** 25 August 2011

Report By: Robert Murphy
Corporate Director
Inverclyde Community Health &
Care Partnership
Alan Puckrin
Chief Financial Officer **Report No:** SW/01/2011/LB

Contact Officer: Lesley Bairden **Contact No:** 01475 712257

Subject: Health & Social Care Committee – Revenue Budget Report as
at Outturn 2010/11 and 2011/12 Period 3 to 30 June 2011.

1.0 PURPOSE

1.1 The purpose of this report is to advise the Health & Social Care Committee of the 2010/11 Revenue Budget outturn position and the current year position as at Period 3 to 30 June 2011.

2.0 SUMMARY

REVENUE 2010/11

2.1 The Social Work budget out turned at an overspend of £202,000 (0.4%). It should be noted that £297,000 of this spend relates to a statutory adjustment for equal pay provision. The committee position excluding this provision is an underspend of £95,000.

REVENUE 2011/12

2.2 The Social Work revised budget is £48,466,000 with a projected overspend of £326,000 (0.67%) after containing budgeted savings of £1,645,000. A detailed review of employee cost projections/budgets and saving opportunities is ongoing and the results of this exercise will be reported throughout the year.

2.3 This excludes Earmarked Reserves of £298,000.

3.0 RECOMMENDATION

3.1 The Committee note the revenue overspend for 2010/11 of £202,000.

3.2 The Committee note the current projected revenue overspend of £326,000 for 2011/12 as at 30 June 2011.

3.3 The Committee delegate the 2011/12 revenue budget to the CHCP Sub Committee.

4.0 BACKGROUND

- 4.1 The purpose of the report is to advise the Committee of the 2010/11 outturn and the current position of the 2011/12 revenue budget and to highlight the main issues contributing to the £166,000 overspend within 2010/11 current projected overspend of £326,000.
- 4.2 The current year revenue summary position is detailed in Appendix 1, with the brought forward earmarked reserves shown in Appendix 2.

5.0 2010/11 REVENUE POSITION; £202,000 OVERSPEND

- 5.1 The Social Work budget out turned at an overspend of £202,000 (0.61% of budget). It should be noted that £297,000 of this spend relates to a statutory adjustment for equal pay provision, excluding this provision would give committee net underspend of £95,000.

The key elements of the £202,000 overspend are analysed below, however the Committee should note that a comprehensive review of monitoring is currently being undertaken, with processes already in place to improve the quality and accuracy of projections.

- a) Strategy: an underspend of £121,000, mainly a result of former FSF project costs not spent in full.
- b) Older Persons: an underspend of £542,000 predominantly due to underspends in residential placements along with a change in the treatment of charging order income for statutory reporting purposes. This resulted in a one off reduction in costs of £219,000 due to the technical accounting change. Future Charging Order income will be included, as standard, within the Revenue Budget.
- c) Learning Disabilities: an overspend of £40,000 mainly due to an under recovery in income.
- d) Mental Health: an overspend of £46,000, due to the costs of care packages.
- e) Children & Families: an overspend of £91,000, relating to Adoption, Fostering and Kinship costs, along with supplementation costs.
- f) Physically & Sensory Impaired / Direct Payments: the overspend of £164,000 remains due to Direct Payment care packages and Independent Living Service package costs. It should be noted that all Direct Payment costs (irrespective of care group) are currently reported here.
- g) Support/Management: overspend of £500,000 is largely due to the equal pay accrual of £297,000 and employee costs shortfall in turnover savings. An employee cost budget realignment exercise has been carried out in 2011 to ensure improved management information and control going forward.
- h) Homelessness: overspend of £14,000 representing Hostel Grant accrual for prior year adjustments offset by rent income.

6.0 2011/12 CURRENT REVENUE POSITION; OVERSPEND £326,000

- 6.1 The Social Work revised budget is £48,466,000 with a projected overspend of £326,000 after containing budgeted savings of £1,645,000.
- a) Employee Costs: The projected overspend of £300,000 is in line with last year's outturn, and is a shortfall against a Turnover Savings Target of £416,000. The Corporate

Director is currently reviewing the management action required to reduce this projected overspend. Employee cost budget lines are being analysed following a realignment exercise and further detail including progress on achieving turnover targets will be reported to the next CHCP Sub-Committee.

- b) Older Persons: the projected underspend of £81,000 relates to:
- An employee cost underspend of £128,000 (as noted above all employee cost budgets are being reviewed).
 - Homecare a net £88,000 overspend based on the current staffing and approved purchased care package costs.
 - Residential and Nursing Care is projecting an underspend of £41,000 per the current client profile.

The current year financial implications resulting from the Homecare Review, reported elsewhere on this agenda, are unlikely to be significant. Resulting implications will be included in future reports to the Sub Committee and Committee as they crystallise.

- c) Learning Disabilities: the projected overspend of £115,000 relates solely to employee costs.
- d) Children & Families: the projected overspend of £172,000 is accounted for by an overspend of £193,000 on employee costs offset by a projected underspend of £21,000 in costs of care, comprising;
- Adoption / Fostering and Kinship overspend of £246,000 offset by;
 - A projected underspend in Residential Childcare of £267,000. This is in part due to prevention work but it should be acknowledged that circumstances will dictate that this position may change at any point and a £100,000 allowance is included for potential future costs.
- e) Physical & Sensory: the projected overspend of £57,000 relates to employee costs.
- f) Assessment & Care Management: the projected overspend of £153,000 relates to employee costs.
- g) Mainstream Delayed Discharge; the projected underspend of £54,000 relates to employee costs.

7.0 IMPLICATIONS

7.1 The current projected revenue outturn is a £326,000 projected overspend.

8.0 EARMARKED RESERVES

8.1 Earmarked Reserves, relating to Social Work projects, are detailed in Appendix 2. Spend to date is 22% of the projected spend for 2011/12.

9.0 VIREMENT

9.1 There are no virement requests as at 30 June 2011.

10.0 EQUALITIES

10.1 There are no equality issues within this report.

11.0 OTHER ISSUES

11.1 Direct Payments – an exercise is ongoing to align the costs of packages and related resources to care groups for 2011/12 reporting.

11.2 Employee cost budgets have been re-aligned to better reflect the current costs of the

Service. Employee costs will now be reported within each Service area and not within Support and Management as was the historic convention. In addition, given the projected employee overspend within Social Work a detailed review of costs in order to identify potential savings is being carried out. Savings will be reported as they are identified.

- 11.3 There are no financial projections included in the report in relation to the situation with Southern Cross. The Corporate Director continues to closely monitor the situation at a local and national level. The Sub-Committee will advise of any financial implications when they become clearer.
- 11.4 Inverclyde's Change Plan Allocation for 2011/12 is £1.228 million, with the majority of the spending profile in the latter half of this financial year. Progress will be reported to future Sub Committees and the Financial Report to the Sub Committee will include updates on spend.

12.0 CONSULTATION

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

HEALTH & SOCIAL CARE COMMITTEE**REVENUE BUDGET PROJECTED POSITION****PERIOD 3: 1 April 2011 - 30 June 2011**

2010/11 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over/(Under) Spend £000	Percentage Variance
	SOCIAL WORK					
27,457	Employee Costs	26,003	26,331	26,631	300	1.14%
1,521	Property costs	1,660	1,646	1,646	0	0.00%
1,254	Supplies and Services	880	875	875	0	0.00%
444	Transport and Plant	351	365	365	0	0.00%
890	Administration Costs	805	792	792	0	0.00%
33,544	Payments to Other Bodies	32,128	32,448	32,474	26	0.08%
(15,043)	Income	(13,306)	(13,991)	(13,991)	0	0.00%
50,067	SOCIAL WORK NET EXPENDITURE	48,521	48,466	48,792	326	0.67%

2010/11 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over / (Under) Spend £000	Percentage Variance
	SOCIAL WORK					
1,008	Strategy	1,570	1,671	1,665	(6)	(0.36%)
19,595	Older Persons	20,138	20,472	20,391	(81)	(0.40%)
3,750	Learning Disabilities	3,835	4,044	4,159	115	2.84%
1,083	Mental Health	770	577	569	(8)	(1.39%)
10,988	Children & Families	10,582	10,287	10,459	172	1.67%
2,346	Physical & Sensory	2,371	2,360	2,417	57	2.42%
597	Addiction / Substance Misuse	516	451	443	(8)	(1.77%)
3,220	Support / Management	2,503	2,533	2,527	(6)	(0.24%)
1,471	Assessment & Care Management	1,463	1,330	1,483	153	11.50%
642	Mainstream Delayed Discharge	626	570	516	(54)	(9.47%)
1	4 Criminal Justice	0	0	0	0	0.00%
4,872	Housing Support	3,787	3,877	3,877	0	0.00%
2	491 Homelessness	360	294	286	(8)	(2.72%)
50,067	SOCIAL WORK NET EXPENDITURE	48,521	48,466	48,792	326	0.67%

() denotes an underspend per Council reporting conventions

- 1 Fully funded from external income hence nil bottom line position.
- 2 Prior year spend included £300k Hostels Grant accrual adjustment
- 3 Revised budget includes current year top slice efficiency savings of £55k

EARMARKED RESERVES POSITION STATEMENT

Appendix 2

HEALTH & SOCIAL CARE COMMITTEE

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2010/11</u>	<u>New Funding 2011/12</u>	<u>Total Funding 2011/12</u>	<u>Projected Spend 2011/12</u>	<u>Amount to be Earmarked for 2012/13 & Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Telecare Grant	Gillian McCready	133	0	133	133	0	No new funding and full spend expected in 2011/12.
Financial Inclusion - Scottish Government	Helen Watson	42	0	42	42	0	Carry forward earmarked for the rent of the Grand Central Savings Bank for 2011/12, at £23k per annum. The Landlord is currently reviewing the rent for this property.
Homecare Training	Brian Moore	50	0	50	50	0	Carry forward of reserve to fund implementation of homecare review.
Growth Fund - Loan Default Write Off	Helen Watson	34	0	34	5	29	DWP funding to assist with any defaults on loans paid out by ScotWest Credit Union.
Shifting the Balance of Care	Gillian McCready	25	0	25	25	0	This will fund a contribution towards 2 McMillan posts.
Healthier Wealthier Children	Andrina Hunter	14	0	14	14	0	Full spend expected in 2011/12.
Total		298	0	298	269	29	