
Report To: Health & Social Care Committee **Date:** 18 October 2012

Report By: Corporate Director Inverclyde
Community Health & Care
Partnership & Chief Financial
Officer **Report No:** FIN/84/12/AP/LB

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Subject: Health & Social Care Committee – Revenue Budget Report 2012/13
as at Period 5 to 31 August 2012

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Health & Social Care Committee of the 2012/13 Revenue current year position as at Period 5 to 31 August 2012.

2.0 SUMMARY

REVENUE PROJECTION 2012/13

- 2.1 The Social Work revised budget is £48,198,000 with a projected overspend of £40,000 (0.08%). This is due to a number of offsetting variances including a projected overspend of £152,000 on employee costs, due to the under-achievement of the turnover savings. It should be noted that recruitment is under continuous review in order to achieve the required turnover target and bring employee costs to budget, however service provision requirements also need to influence when vacancies are filled.

Detailed explanations of service variances are contained in section 5 of the report.

- 2.2 The Social Work revised budget of £48,198,000 excludes earmarked reserves totalling £3,635,000.
- 2.3 Detailed explanations of service variances are contained in section 5 of this report.
- 2.4 The financial report presented to the 28 August 2012 CHCP Sub Committee referred to the agreed saving of £120,000 relating to the Sheltered Warden Service and the ongoing discussions with Riverclyde Homes. It has been agreed that this saving will be funded in the current financial year from a contribution of £70,000 from the Independent Living Fund and £50,000 from the Change Fund. The required £120,000 saving in 2013/14 will be funded on the same basis. Any recurring funding thereafter will need to be considered contained by the Committee from 2014/15 onwards.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projected revenue overspend of £40,000 for 2012/13 as at 31 August 2012.

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- 3.2 The Committee note the use of earmarked reserves to fund the Wardens Service for 2012/13 and 2013/14 and that recurring proposals for 2014/15 onwards will be reported to a future Committee.
- 3.3 The Committee note the current Earmarked Reserves position as per Appendix 2.
- 3.4 The Committee delegate the 2012/13 revenue budget to the CHCP Sub-Committee.

Brian Moore
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 the Committee of the current position of the 2012/13 revenue budget and to highlight the main issues contributing to the £40,000 projected overspend.
- 4.2 The current year revenue summary position is detailed in Appendix 1, with earmarked reserves shown at Appendix 2.

5.0 2012/13 CURRENT REVENUE POSITION: OVERSPEND £40,000

- 5.1 The Social Work revised budget is £48,198,000 with a projected overspend of £40,000.

This is an increase in the projected overspend of £17,000 since the period 3 position reported to the last CHCP Sub-Committee.

- a) The employee cost projected overspend of £152,000 is predominately due to a projected shortfall in achieving turnover savings. An agreed approach is in place to review all non-statutory vacancies as a mechanism to increase turnover savings to help reduce this overspend.

Ongoing work as part of the 2013/15 budget will provide a more robust employee cost estimate based on an agreed establishment list and will include the application of a corporate turnover target which will be lower than the current Social Work target. In period 5 a budget virement is requested (to the CHCP Sub-Committee) to transfer £200,000 from residential/ nursing budgets (in line with prior and current year committed costs) to employee costs to fund this reduction in turnover. The impact of this virement is reflected within this report.

The material projected variances per service are identified below, including movement from the position last reported to the CHCP Sub-Committee at period 3 to 30 June 2012:

b) **Older Persons: Projected £176,000 (0.86%) underspend**

The projected underspend is mainly due to £117,000 current client commitments and an income over recovery of £41,000 predominantly from charging orders.

This is a reduction of £160,000 in projected spend since period 3 due to increased reablement costs of £75,000 met from the Change Fund and £70,000 Sheltered Wardens costs met from the Independent Living Fund.

The financial report presented to the 28 August 2012 CHCP Sub Committee referred to the agreed saving of £120,000 relating to the Sheltered Warden Service and the ongoing discussions with Riverclyde Homes. It has been agreed that this saving will be funded in the current financial year from a contribution of £70,000 from the Independent Living Fund and £50,000 from the Change Fund. The required £120,000 saving in 2013/14 will be funded on the same basis. Recurring funding thereafter will need to be contained by the Committee from 2014/15.

c) **Learning Disabilities: Projected £311,000 (5.32%) overspend**

This is due to the current client commitments and assumes full take up of additional support and respite allocations, both of which continue to be closely monitored. This is an increase in the projected spend of £118,000 since period 3 and is based on the current projected costs of residential and nursing care packages.

d) **Mental Health Services: Projected £71,000 (6.22%) overspend**

The projected overspend is due to employee costs (£30,000) and premises and running costs of (£34,000). This is an increase in projected costs of £13,000 since last reported, due to client care costs.

e) **Children & Families: Projected £73,000 (0.71%) underspend**

The projected underspend of £73,000 is mainly due to residential childcare. It should be noted that this projection includes a contingency allowance of £75,000 as, given the nature of the costs, it would not be prudent to project based on current placements which are at their lowest level for a number of years. The contingency has been reduced from £150,000 as reported at period 3 and will continue to be reviewed on a monthly basis.

This is a reduction in the projected spend of £86,000 mainly due to the release of £75,000 contingency within residential childcare as noted above.

The revenue impacts of delays to Kylemore currently amount to £31,000 and are funded from within Earmarked Reserves.

f) **Addiction/Substance Misuse: Projected £124,000 (13.90%) underspend**

The projected underspend of £124,000 is mainly due to maternity pay and travel savings (£41,000) and a reduction in client commitment costs (£83,000) per current client numbers, reflecting the changes in the service since last reported.

g) **Support Management : Projected £59,000 (2.41%) overspend**

This projected overspend is due to employee costs. This is a reduction in projected costs of £35,000 since last reported mainly due to additional income received for training.

h) **Assessment and Care Management; Projected £50,000 (3.31%) overspend**

The projected overspend is primarily due to employee costs and is an increase of £58,000 since last reported, as two vacant posts at period 3 have now been filled.

i) **Homelessness; Projected £76,000 (10.92%) underspend**

The projected underspend is mainly due to:

- £45,000 projected overspend on employee costs.
- £26,000 net underspend relating to scatter flats due to reduction in the number of properties.
- £80,000 income over recovery on the budgeted level of Hostel Grant income

This is a reduction in projected costs of £84,000 from that previously reported mainly due to the notification of Hostel Grant level.

6.0 IMPLICATIONS

6.1 The current projected revenue outturn is a £40,000 projected overspend.

7.0 EARMARKED RESERVES

7.1 Earmarked Reserves, relating specifically to Social Work projects, are detailed in Appendix 2. Spend to date is 41.4% of the projected spend for 2012/13.

8.0 EQUALITIES

8.1 There are no equality issues within this report.

9.0 CONSULTATION

9.1 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 5: 1 April 2012 - 31 August 2012

2011/12 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2012/13 £000	Revised Budget 2012/13 £000	Projected Out-turn 2012/13 £000	Projected Over/(Under) Spend £000	Percentage Variance
	SOCIAL WORK					
26,788	Employee Costs	25,271	26,261	26,413	152	0.58%
1,646	Property costs	1,646	1,589	1,495	(94)	(5.92%)
1,080	Supplies and Services	824	880	907	27	3.07%
426	Transport and Plant	359	358	425	67	18.72%
952	Administration Costs	769	822	900	78	9.49%
31,515	Payments to Other Bodies	32,544	32,231	32,158	(73)	(0.23%)
(15,149)	Income	(13,183)	(14,243)	(14,360)	(117)	0.82%
0	Contribution to Earmarked Reserves	0	300	300	0	0.00%
47,258	SOCIAL WORK NET EXPENDITURE	48,230	48,198	48,238	40	0.08%

2011/12 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2012/13 £000	Revised Budget 2012/13 £000	Projected Out-turn 2012/13 £000	Projected Over / (Under) Spend £000	Percentage Variance
	SOCIAL WORK					
1,626	Strategy	1,486	1,784	1,777	(7)	(0.39%)
20,249	Older Persons	21,240	20,476	20,300	(176)	(0.86%)
5,976	Learning Disabilities	5,872	5,846	6,157	311	5.32%
1,099	Mental Health	1,116	1,142	1,213	71	6.22%
10,497	Children & Families	10,237	10,212	10,139	(73)	(0.71%)
2,205	Physical & Sensory	2,296	2,317	2,322	5	0.22%
759	Addiction / Substance Misuse	894	892	768	(124)	(13.90%)
2,610	Support / Management	2,364	2,444	2,503	59	2.41%
1,355	Assessment & Care Management	1,451	1,512	1,562	50	3.31%
574	Mainstream Delayed Discharge	577	577	577	0	0.00%
1	0 Criminal Justice	0	0	0	0	0.00%
2	0 Change Fund	0	0	0	0	0.00%
3	308 Homelessness	697	696	620	(76)	(10.92%)
3	0 Contribution to Earmarked Reserves	0	300	300	0	0.00%
47,258	SOCIAL WORK NET EXPENDITURE	48,230	48,198	48,238	40	0.08%

() denotes an underspend per Council reporting conventions

1 £1.9m fully funded from external income hence nil bottom line position.

2 Change Fund Expenditure of £1.5 million fully funded from income.

3 Planned contribution to Independent Living Earmarked Reserve

4 £8.7 million Resource Transfer / Delayed Discharge expenditure and income included above.

EARMARKED RESERVES POSITION STATEMENT

APPENDIX 2

HEALTH & SOCIAL CARE COMMITTEE

Project	Lead Officer/ Responsible Manager	£'f Funding 2011/12 £000	New Funding 2012/13 £000	Total Funding 2012/13 £000	Actual To Period 5 2012/13 £000	Projected Spend 2012/13 £000	Amount to be Earmarked for 2013/14 & Beyond £000	Lead Officer Update
Telecare Grant	Gillian McCready	114	0	114	31	114	0	Scottish Government approved carry forward of funding from 2011/12. reserve will be used to fund tools & equipment.
Financial Inclusion - Scottish Government	Helen Watson	19	0	19	11	19	0	Final year contribution of rent for the Grand Central Savings Bank. Existing rent is £23k per annum. The final shortfall of £4k will be funded from core budget in 2012/13.
Homecare, Direct Payment & Other Training	Gillian McCready/Derrick Pearce	85	126	211	11	43	168	To fund reablement and self directed support training including the associated impacts on SWIFT.
Growth Fund - Loan Default Write Off	Helen Watson	31	0	31	1	3	28	DWP funding to assist with any defaults on loans paid out by ScotWest Credit Union. Although it is not possible to predict the annual cost of defaulting loans the contract with DWP is for a ten year period on until the earmarked reserve is expended. This is the second year of the 10 year contract.
Shifting the Balance of Care	Andrina Hunter	56	15	71	14	35	36	This will contribute to the cost of a MacMillian post to March 2015. with expected spend at £35k per annum. £4k shortfall will be funded from core budget.
Deferred Income	Brian Moore	697	0	697	206	439	258	A number of historical deferred income streams have been brought forward to 2012/13. Currently £439k is committed for 2012/13 with a further £170k committed in 2013/14 leaving a potential write back to reserves of £88k.
New Alcohol Monies	Susanna McCorry-Rice	110	251	361	125	336	25	Balance of 2011/12 New Alcohol Funding committed to resolve temperature issues within Wellpark Centre and the Persistent Offenders Project.
Change Fund - Older People	Brian Moore	451	930	1,381	514	1,287	94	Carry forward of the committed Council and Community elements of NHS Change Fund from 2011/12. Detailed costs by Project are reviewed on a regular basis by the Change Fund Executive Group and will be reported to the CHCP sub committee as an integral part of the financial report.
Support all Aspects of Independent Living	Brian Moore	450	300	750	70	100	650	As agreed at Policy & Resources on 27 March 2012. £450k from 2011/12 and £300k in 2012/13 (from pressure funding within the Social Work budget). This fund will be spent over a 3 year period. To date £70k has been committed as a contribution to the 2012/13 Sheltered Wardens' saving.
Total		2,013	1,622	3,635	983	2,376	1,259	