

Report To: Health & Social Care Committee **Date:** 23 April 2015

Report By: Brian Moore
Corporate Director
Inverclyde Health & Social Care
Partnership

Report No: SW/01/2015/LB

Alan Puckrin
Chief Financial Officer

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

Subject: Health & Social Care Committee – Financial Report 2014/15 as
at Period 11 to 28 February 2015

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Health & Social Care Committee of the Revenue and Capital Budget current year position as at Period 11 to 28 February 2015. For continuity purposes this report will refer to the financial position last reported to the CHCP Sub-Committee as at Period 9 to 31 December 2014.

2.0 SUMMARY

REVENUE PROJECTION 2014/15

- 2.1 The Social Work revised budget is £49,119,000 and is projected to underspend by £164,000 (0.33%), a projected increase in costs of £17,000 since last reported.
- 2.2 This position is net of Residential Childcare, Fostering and Adoption as any under / over spend is managed through the approved earmarked reserve. At period 11, it is projected that there will be a transfer of £147,000 to the reserve at 31 March 2015; however this will be subject to the CHCP containing any further Older People or other cost pressures within budget.
- 2.3 It should be noted that the 2014/15 budget includes agreed savings for the year of £1,732,000 with a projected over recovery of £34,000 from early implementation.

CAPITAL 2014/15

- 2.4 The Social Work capital budget is £195,000, with projected slippage of £24,000 (being 12%) reflecting a £31,000 reduction in Kylemore Children's Home retentions, offset by £7,000 overspend on the expansion of the Hillend Respite Unit from 3 to 4 beds. The underspend of £24,000 will be returned to the Council's Capital Programme.
- 2.5 The CHCP Sub-Committee previously agreed to the replacement of Neil Street and Crosshill Children's Homes at its meeting on 24 April 2014. The replacement programme is funded through a contribution from the Residential Childcare, Adoption & Fostering earmarked reserve and prudential borrowing. The project planning phase is April 2014 to May 2015, with build work to commence 2015/16.
- 2.6 The cost of land for the Kings Glen site has been valued at £80,000 and this is included in the earmarked reserve contribution.

EARMARKED RESERVES 2014/15

- 2.7 The Social Work Earmarked Reserves for 2014/15 total £2,831,000 with £1,897,000 projected to be spent in the current financial year. To date £1,694,000 spend has been incurred which is 89% of the projected 2014/15 spend. The spend to date per profiling was expected to be £1,912,000 therefore project slippage equates to £218,000 (11%), reflecting timescales for projected costs for Caladh House refurbishment, along with a recently agreed contribution of £150,000 to the Independent Living Fund from the NHS.

It should be noted that the reserves reported exclude those earmarked reserves that relate to budget smoothing, namely:

- Children's Residential Care, Adoption & Fostering.
- Deferred Income, including Delayed Discharge funding.

- 2.8 As advised to the last CHCP Sub-Committee, £264,000 funding for improving Delayed Discharge performance was agreed and this is included within Deferred Income, not reported to Committee as this reserve simply deals with timing issues relating to spend. The Service will provide periodic performance reports on Delayed Discharge.
- 2.9 The earmarked reserve position reflects the write back decisions agreed in February as part of the 2015/16 budget.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the current year revenue budget projected underspend of £164,000 for 2014/15 as at 28 February 2015.
- 3.2 That the Committee note the current projected capital projected slippage of £24,000 in the current year and over the life of the projects.
- 3.3 That the Committee note the current Earmarked Reserves position.
- 3.4 That the Committee approve the Social Work budget virements as detailed at Appendix 4.

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 2014/15 Social Work revenue and capital budget and to highlight the main issues contributing to the 2014/15 budget projected underspend of £164,000 (0.33%) and the current capital programme position of £24,000 slippage.
- 4.2 The current year revenue position is detailed in Appendix 1. Appendix 2 provides the capital position; Appendix 3 earmarked reserves; Appendix 4 budget virements and Appendix 5 provides detail of the employee cost variance by service.
- 4.3 For continuity purposes this report will refer to the financial position last reported to the CHCP Sub-Committee as at Period 9 to 31 December 2014. The Social Work financial position has been reported periodically to the CHCP Sub-Committee during 2014/15.

5.0 2014/15 CURRENT REVENUE POSITION: £164,000 PROJECTED UNDERSPEND

- 5.1 The projected underspend of £164,000 (0.33%) for the current financial year remains predominantly due to client related costs within Older Person's Services of £498,000 offset by turnover, both within Internal Homecare and other Services and by costs of Adult care packages. This is an increase in projected costs of £17,000. The material projected variances and reasons for the movement since last reported are identified, per service, below:

5.2 Strategy: Projected £75,000 (3.52%) underspend

The underspend relates to turnover of £42,000 and Financial Inclusion costs of £19,000. The reduction in projected costs of £26,000 mainly relates to Financial Inclusion and other Welfare funding previously projected to be fully spent, now revised based on current activity.

5.3 Older Persons: Projected £498,000 (2.34%) overspend

The projected overspend relates to the increased demographics as previously reported and is broken down by service area;

- Homecare £297,000, increased by £25,000.
- Residential and Nursing purchased places £106,000, per the current number of clients receiving care, less the one off contribution from NHS for pressures. This has increased by £38,000.
- Community Alarms £39,000, increased by £7,000.
- Day Services £28,000, reduced by £8,000.
- Other Community Services including Domiciliary Respite £30,000, increased by £57,000.

This is an overall increase in projected costs of £143,000, due to the current cost of client packages, as above.

This reflects the continued increasing trend from 2013/14 and is representative of the national position. A budget pressure bid was agreed at £750,000 for 2015/16 reflecting the demographic challenges for this service.

5.4 Learning Disabilities: Projected £72,000 (1.14%) overspend

The projected overspend relates to a number of running cost budgets, including transport, offset in part by turnover savings. The increase of £44,000 reflects the revised cost of an individual's care package.

It should be noted that the current year budget includes £350,000 pressure funding, with a further budget increase of £200,000 in 2015/16, agreed in February 2013, reflecting the pressures expected within this service. A further budget pressure bid was agreed for 2015/16 for £160,000, in February 2015, reflecting projected service demand.

5.5 Mental Health: Projected £189,000 (15.63%) underspend

The projected underspend remains primarily due to turnover of £114,000, of which £32,000 relates to early achievement of a saving. The reduction in projected costs of £34,000 is due to further turnover of £17,000 and a reduction in client package and running costs of £15,000.

5.6 Children & Families: Projected £217,000 (2.13%) underspend

The main reason for the underspend remains turnover of £128,000, a projected underspend of £25,000 relating to the Children's Panel, along with additional income of £20,000. This is a cost increase of £20,000 since last reported.

There is a projected underspend within residential childcare, adoption and fostering of £147,000, however given the volatile nature of the service and the high cost implications this is difficult to accurately project and, in line with the agreed strategy, the under or over spend at year end will be transferred to or from the earmarked reserve set up to smooth budgetary pressures. This will be subject to the containment of any further unfunded cost pressures with Older People's Services.

It should be noted that a one off contribution from this reserve has been agreed as part of the funding structure on the Re-provision of Children's Homes. This funding structure also includes permanent virement from the Residential Schools budget to fund the annual cost of loans charges in financial years 2015/16 and 2016/17.

5.7 Physical & Sensory: Projected £98,000 (4.35%) underspend

The underspend reflects turnover of £51,000 and utility costs underspend of £37,000. This utility cost relates to a provision made for prior years gas supply whilst historical billing for a second metered supply was investigated. This is now confirmed as not required hence the increase in underspend.

5.8 Addictions / Substance Misuse: Projected £34,000 (3.01%) underspend

The projected underspend remains due to £50,000 turnover offset in part by client package costs. This is an increase in projected costs of £11,000.

5.9 Support & Management: Projected £95,000 (4.13%) underspend

The underspend and movement relate mainly to turnover, a further £30,000 since period 9.

5.10 Assessment & Care Management: Projected £153,000 (9.39%) underspend

The projected underspend remains due to turnover from vacancies. This is a further projected underspend of £34,000.

5.11 Homelessness: Projected £127,000 (17.19%) overspend

The projected overspend reflects the reduction in costs and income from scatter flats and the Inverclyde Centre. This a reduction in projected costs of £12,000.

This projected overspend has been further compounded by the non-achievement of £40,000 saving in the current financial year which was predicated on additional income from the additional two units at the Inverclyde Centre.

A detailed review of all Homelessness budgets is being undertaken and thereafter reported to the relevant Committee via the Council's Corporate Management Team.

6.0 CHANGE FUND

6.1 Detail of the total Change Fund of £1,522,000 was previously reported to the CHCP Sub-Committee and included NHS primary and secondary care funded projects. The Social Work element of the Change Fund is included within the Earmarked Reserves Appendix 3 and will be spent if full in 2014/15.

7.0 2014/15 CURRENT CAPITAL POSITION – £24,000 UNDERSPEND

7.1 The Social Work capital budget is £195,000, with projected slippage of £24,000 (being 12%) reflecting a £31,000 reduction in Kylemore Children's Home retentions, offset by £7,000 overspend on the expansion of the Hillend Respite Unit from 3 to 4 beds. The underspend of £24,000 will be returned to the Council's Capital Programme.

7.2 The CHCP Sub-Committee previously agreed to the replacement of Neil Street and Crosshill Children's Homes at its meeting on 24 April 2014. The replacement programme is funded through a contribution from the Residential Childcare, Adoption & Fostering earmarked reserve and prudential borrowing. The project planning phase is April 2014 to May 2015, with build work to commence 2015/16.

7.3 The cost of land for the Kings Glen site has been valued at £80,000 and this is included in the earmarked reserve contribution.

7.4 Appendix 2 details capital budgets and progress by individual project.

8.0 EARMARKED RESERVES

8.1 The Social Work Earmarked Reserves for 2014/15 total £2,831,000 with £1,897,000 projected to be spent in the current financial year. To date £1,694,000 spend has been incurred which is 89% of the projected 2014/15 spend. The spend to date per profiling was expected to be £1,912,000 therefore project slippage equates to £218,000 (11%), reflecting timescales for projected costs for Caladh House refurbishment, along with a recently agreed contribution of £150,000 to the Independent Living Fund from the NHS.

It should be noted that the reserves reported exclude those earmarked reserves that relate to budget smoothing, namely:

- Children's Residential Care, Adoption & Fostering.
- Deferred Income, including Delayed Discharge funding.

8.2 As advised to the last CHCP Sub-Committee, £264,000 funding for improving Delayed Discharge performance was agreed and this is included within Deferred Income, not reported to Sub-Committee as this reserve simply deals with timing issues relating to spend. The Service will provide periodic performance reports on Delayed Discharge.

8.3 The earmarked reserve position reflects the write back decisions agreed in February as part of the 2015/16 budget.

8.4 Earmarked Reserves are detailed at Appendix 3.

9.0 VIREMENT

9.1 Appendix 4 details the virements that the Committee is requested to approve. All virements are reflected within this report.

10.0 IMPLICATIONS

10.1 Finance

All financial implications are discussed in detail within the report above.

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	Other Comments
N/A					

Legal

10.2 There are no specific legal implications arising from this report.

Human Resources

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

Equalities

10.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

√

YES (see attached appendix)

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.

Repopulation

10.5 There are no repopulation issues within this report.

11.0 CONSULTATION

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

12.0 BACKGROUND PAPERS

12.1 There are no background papers for this report.

SOCIAL WORKREVENUE BUDGET PROJECTED POSITIONPERIOD 11: 1 April 2014 - 28 February 2015

	2013/14 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2014/15 £000	Revised Budget 2014/15 £000	Projected Out-turn 2014/15 £000	Projected Over/(Under) Spend £000	Percentage Variance
8	25,250	Employee Costs	25,976	26,172	25,130	(1,042)	(3.98%)
	1,431	Property costs	1,453	1,447	1,327	(120)	(8.29%)
	919	Supplies and Services	808	810	966	156	19.26%
	482	Transport and Plant	366	381	479	98	25.72%
	1,021	Administration Costs	879	903	985	82	9.08%
7	32,751	Payments to Other Bodies	33,457	33,650	34,257	607	1.80%
	(13,922)	Income	(13,877)	(14,156)	(14,101)	55	(0.39%)
8		Contribution to Earmarked Reserves		(88)	(88)	0	0.00%
	47,932	SOCIAL WORK NET EXPENDITURE	49,062	49,119	48,955	(164)	(0.33%)

	2013/14 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2014/15 £000	Revised Budget 2014/15 £000	Projected Out-turn 2014/15 £000	Projected Over / (Under) Spend £000	Percentage Variance
	2,005	Strategy	2,112	2,133	2,058	(75)	(3.52%)
	21,541	Older Persons	20,971	21,327	21,825	498	2.34%
	6,159	Learning Disabilities	6,251	6,314	6,386	72	1.14%
	1,308	Mental Health	1,382	1,209	1,020	(189)	(15.63%)
3	9,070	Children & Families	10,228	10,175	9,958	(217)	(2.13%)
	2,465	Physical & Sensory	2,272	2,252	2,154	(98)	(4.35%)
	1,033	Addiction / Substance Misuse	1,193	1,130	1,096	(34)	(3.01%)
	2,128	Support / Management	2,220	2,298	2,203	(95)	(4.13%)
	1,576	Assessment & Care Management	1,690	1,630	1,477	(153)	(9.39%)
1	0	Criminal Justice / Scottish Prison Service	0	0	0	0	0.00%
2	0	Change Fund	0	0	0	0	0.00%
	647	Homelessness	743	739	866	127	17.19%
		Contribution to Earmarked Reserves		(88)	(88)	0	0.00%
	47,932	SOCIAL WORK NET EXPENDITURE	49,062	49,119	48,955	(164)	(0.33%)

1 £1.9m Criminal Justice and £0.3m Greenock Prison fully funded from external income hence nil bottom line position.

2 Change Fund Expenditure of £1.2 million fully funded from income.

3 Children & Families outturn includes £147k to be transferred to the earmarked reserve at year end 2014/15

4 £9 million Resource Transfer / Delayed Discharge expenditure and income included above.

5	Original Budget 2014/15	49,062
	Pay & Inflation etc.	122
	Welfare Reform	52
	Procurement & Transport savings	(7)
	Budget transfer to Delayed Discharge Earmarked Reserve	(88)
	Budget transfer to Client Finance Team	(22)
	Revised Budget 2014/15	<u>49,119</u>

6 There are currently 34 clients receiving Self Directed Support care packages.

7 Within Older Peoples Services £388k of Homecare vacancies have been offset by purchased Homecare costs.

8 Council contribution to Delayed Discharge earmarked reserve

APPENDIX 2

SOCIAL WORK - CAPITAL BUDGET 2014/15

Period 11: 1 April 2014 to 28 February 2015

Project Name	Est Total Cost	Actual to 31/3/14	Approved Budget 2014/15	Revised Est 2014/15	Actual to 28/02/15	Est 2015/16	Est 2016/17	Future Years	Start Date	Original Completion Date	Current Completion Date	Status
	£000	£000	£000	£000	£000	£000	£000	£000				
Kylemore Children's Home	1,213	1,129	115	84	84	0	0	0	01/10/11	30/06/12	19/03/13	The budget for 2014/15 relates to retentions, with final costs are £84k so the £31k underspend will be returned to the Council's capital programme.
SWIFT Financials	27	27	0	0	0	0	0	0	03/09/12		31/08/14	Budget allocated for development of SWIFT financial module. No further spend expected
Hillend Respite Unit (note 1)	87	0	80	87	73	0	0	0	28/05/14		14/11/14	Increase of one bed within respite unit. Building work is completed and the £7k overspend is met from the capital programme.
Neil Street Children's Home Replacement	1,858	0	0	0	6	1,775	83	0	01/04/14	31/03/16		Planning phase April 2014 to May 2015.
Crosshill Children's Home Replacement	1,622	0	0	0	0	1,622	0	0	01/04/14	31/03/17		Planning phase April 2014 to May 2015.
Grand Total	4,807	1,156	195	171	163	1,775	1,705	0				

Note:

1. The expansion of the service is funded from a contribution from revenue reserves, as agreed by Policy & Resources Committee 24/09/13.

**SOCIAL WORK EARMARKED RESERVES POSITION STATEMENT
HEALTH & SOCIAL CARE COMMITTEE**

APPENDIX 3

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2014/15</u> £000	<u>Phased Budget To Period 11 2014/15</u> £000	<u>Actual To Period 11 2014/15</u> £000	<u>Projected Spend 2014/15</u> £000	<u>Amount to be Earmarked for 2015/16 & Beyond</u> £000	<u>Lead Officer Update</u>
Self Directed Support / SWIFT Finance Module	Derrick Pearce / Andrina Hunter	382	189	202	255	127	SDS project and SWIFT financial module. Spending plans are regularly reviewed.
Growth Fund - Loan Default Write Off	Helen Watson	28	2	1	3	25	Loans administered on behalf of DWP by the credit union and the Council has responsibility for paying any delinquent debt. This requires to be kept until all loans are repaid and no debts exist.
Change Fund - Older People	Brian Moore	1,078	985	989	1,078	0	Brought forward reflects Council elements of NHS Change Fund. Detailed costs by project are reviewed on a regular basis by the Change Fund Executive Group and position is reported to the CHCP sub committee as an integral part of the financial report. The New Funding figure has been amended to remove the Health Board's share of the Change Fund funding.
Support all Aspects of Independent Living	Brian Moore	523	252	291	292	231	The carry forward balance includes Dementia Strategy of £70k along with an agreed contribution of £150k from NHS, included in the new funding.
Information Governance Policy Officer	Helen Watson	57	46	35	41	16	The spend relates to the Council's Information Governance Officer.
Joint Equipment Store	Beth Culshaw	50	44	5	50	0	This reserve is to fund a range of equipment to meet the emerging demand linked to increasing frailty of older people and increased incidence of dementia. It will be spent in full, mainly on the replacement of old hoists that are no longer fit for purpose with equipment ordered.
Support for Young Carers	Sharon McAlees	65	56	17	21	44	This reserve is for an 18 month period to enable the implementation of a family pathway approach to young carers, which will aim to develop a sustainable service to young carers and their families. The recruitment process took longer than anticipated, hence slippage against profiled spend. Postholder started 21/08/14.

**SOCIAL WORK EARMARKED RESERVES POSITION STATEMENT
HEALTH & SOCIAL CARE COMMITTEE**

APPENDIX 3

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2014/15</u> £000	<u>Phased Budget To Period 11 2014/15</u> £000	<u>Actual To Period 11 2014/15</u> £000	<u>Projected Spend 2014/15</u> £000	<u>Amount to be Earmarked for 2015/16 & Beyond</u> £000	<u>Lead Officer Update</u>
Caladh House Renovations	Beth Culshaw	475	214	25	25	450	This reserve has been created to contribute to the costs of the Caladh House renovation works. The reserve was established at the end of 2013/14 from a £145k revenue budget early savings, £112k from CHCP inflation, £118k from existing CHCP Earmarked Reserves and £100k from the Change Fund. The tender will be issued shortly but no construction costs will be incurred in 2014/15. £13k has been spent on the feasibility study and there has been £9k in property fees and £3k for Building Warrants recharged in 2015.
Making Advice Work	Helen Watson	38	35	38	38	0	This reserve is to fund an 18 month project to pilot the effectiveness of a telephone triage financial advice service for Inverclyde wide clients with the funding coming from Scottish Legal Aid Board. This project is complete.
Stress Management Services	Helen Watson	10	9	10	10	0	Funding was received from the Health Board for a contract with Inverclyde Physiotherapy to provide stress management services. This project has now ended.
Welfare Reform - CHCP	Andrina Hunter	125	80	81	84	41	This reserve is to fund Welfare Reform within the CHCP. New funding relates to Bright Office software (£28k) & other costs (£13k), and support for the elderly (£34k). It is also being used in 2014/15 for Grand Central rent (£22k).
Total		2,831	1,912	1,694	1,897	934	

HEALTH & SOCIAL CARE COMMITTEE**VIREMENT REQUESTS**

Budget Heading	Increase Budget	(Decrease) Budget
	£'000	£'000
1. Older People - Employee Costs	73	
1. Mental Health - Employee Costs		(73)
2. Strategy - Payments to Other Bodies	52	
2. Finance Services		(52)
3. Children & Families Respite	22	
3. Children & Families Various		(22)
4. Strategy - Employee Costs	24	
4. Strategy - Payments to Other Bodies		(24)
5. Strategy - Employee Costs	118	
5. Strategy - Income		(118)
	289	(289)

Notes

1. Realignment of Home Support Workers budget
2. Transfer of Welfare Reform funding for Older People and Food Banks
3. Realign budget from other expenditure areas to meet costs of respite
4. Realign budgets to reflect core employer / recharge position
5. Reflect budgets for external funding for projects and temporary posts
 - Riverclyde Homes; Future Skills Co-ordinator £23k
 - McMillan; Nursing Support £15k
 - Inverclyde Council on Disability; Support & Connect £80k

APPENDIX 5

EMPLOYEE COST VARIANCES

PERIOD 9: 1 April 2014 - 28 February 2015

	ANALYSIS OF EMPLOYEE COST VARIANCES	Early Achievement of Savings £000	Turnover from Vacancies £000	Total Over / (Under) Spend £000
1	Strategy	0	(42)	(42)
2	Older Persons	0	(356)	(356)
3	Learning Disabilities	(12)	(21)	(33)
4	Mental Health	(32)	(82)	(114)
5	Children & Families	0	(128)	(128)
6	Physical & Sensory	0	(51)	(51)
7	Addiction / Substance Misuse	0	(50)	(50)
8	Support / Management	0	(98)	(98)
9	Assessment & Care Management	0	(169)	(169)
10	Criminal Justice / Scottish Prison Service	0	10	10
11	Homelessness	0	(11)	(11)
	SOCIAL WORK EMPLOYEE UNDERSPEND	(44)	(998)	(1,042)

- 1 2 vacancies currently being recruited
- 2 42 vacancies along with maternity leave savings - NB offset by external costs, due to recruitment issues
- 3 Early achievement of saving on 1 post. 4 vacancies being filled and further 4 vacancies will not be filled by 31/03/15
- 4 Early achievement of saving on 1 post. 1 vacancy in the process of being filled
- 5 2 vacancies being filled and a further 5 which will not be filled before 31/03/15
- 6 1 vacancy being filled and 3 which will not be filled before 31/03/15
- 7 2 vacancies which are in the process of being filled
- 8 2 vacancies being filled and 7 which will not be filled before 31/03/15
- 9 3 vacancies being filled and 2 which will not be filled before 31/03/15
- 10 Overspend met from grant funding
- 11 1 vacancy being filled