
Report To:	Health & Social Care Committee	Date:	20 October 2016
Report By:	Brian Moore Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership	Report No:	FIN/100/16/AP/FMcL
	Alan Puckrin Chief Financial Officer		
Contact Officer:	Fiona McLaren	Contact No:	01475 712652
Subject:	Revenue & Capital Budget Report 2016/17 – Period 5 as at 31 August 2016		

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Health and Social Care Committee on the position of the Revenue and Capital budgets for the current year as at Period 5 to 31 August 2016.

2.0 SUMMARY

- 2.1 The Social Work revised budget is £48.816 million with a projected overspend of £129,000, which is an increase in spend of £135,000 since the last report. The main elements of the overspend are:
- Residential & Nursing overspend of £220,000 reflecting the increased numbers of beds in use. This is partially offset by the additional income below,
 - Homecare overspend of £56,000 on external homecare reflecting the increased hours of care provided. This is offset by vacancies on internal homecare below,
 - A projected overspend of £90,000 on domiciliary respite due to increased usage,
 - A projected overspend of £54,000 in Learning Disabilities on client care packages. This is linked to the move to Redholm,
 - Overspends in other areas of £52,000 due to increased turnover targets.

Offset in part by:

- Vacancies in internal homecare of £181,000,
 - One off income in Residential & Nursing of £77,000,
 - Projected underspends on client packages of £165,000 across Physical & Sensory, Mental Health and Addictions.
- 2.2 For 2016/17 the Council budget for Social Work was delegated to the Integrated Joint Board (IJB). At its meeting on 26 June 2016, the IJB agreed to allocate a budget of £50,084,000 (with £48,815,000 contributed by the Council and £1,269,000 for budget pressures from the Social Care Fund operated by the IJB) to the Council and directed the Council to deliver services within the allocated budget and in line with the IJB's Strategic Plan.
- 2.3 In the report to this Committee on 25 August 2016 it was noted that the IJB were to consider allocating a further £1.065 million to cover the cost of the NCHC uplift, National Living Wage costs, sleepovers, plus the Scottish Living Wage from 1 October 2016. This was agreed at the IJB meeting on 18 August. A further £226,000 was allocated to cover the costs of the dementia strategy, section 12 payments and changes to charging thresholds at the IJB meeting on 16 September. These changes have been reflected in this report.

- 2.4 It should be noted that the 2016/17 budget includes agreed savings for the year of £1,043,000.
- 2.5 The Corporate Director (Chief Officer) and Heads of Service will continue to work to mitigate the projected overspend as the year progresses, and take opportunities to reduce expenditure as opportunities arise.
- 2.6 The Social Work capital budget is £1,414,000, with spend to date of £23,000.
- 2.7 At the Policy & Resources Committee on 20 September 2016 it was agreed that the Social Work Earmarked Reserves for 2016/17 totalling £2,584,000 be transferred to the IJB. Of the total, £2,469,000 is projected to be spent in the current financial year. To date £449,000 spend has been incurred which is 18.2% of the projected 2016/17 spend.
- 2.8 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.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the current year revenue budget and projected overspend of £129,000 for 2016/17 as at 31 August 2016.
- 3.2 That the Committee note that the Corporate Director (Chief Officer) and Heads of Service will continue work to contain the overspend within the overall Social Work budget for the year.
- 3.3 That the Committee approves the virements listed in Appendix 4.
- 3.4 That the Committee note the current projected capital position.
- 3.5 That the Committee note the current Earmarked Reserves position.

Brian Moore
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 current position of the 2016/17 Social Work revenue and capital budgets and to highlight the main issues contributing to the 2016/17 projected £109,000 overspend.

5.0 2016/17 CURRENT REVENUE POSITION: Projected £109,000 (0.22%) overspend

- 5.1 For 2016/17 the Council budget for Social Work was delegated to the Integrated Joint Board (IJB). At its meeting on 26 June 2016, the IJB agreed to delegate a budget of £50,084,000 (with £48,815,000 contributed by the Council and £1,269,000 from the Social Care Fund managed by the IJB) to the Council to be spent in line with the IJB's Strategic Plan.

In the report to this Committee on 25 August 2016 it was noted that the IJB were to consider delegating a further £1.065 million to cover the cost of the NCHC uplift, National Living Wage costs, sleepovers, plus the Scottish Living Wage from 01/10/16. This was agreed at the IJB meeting on 18 August. A further £226,000 was delegated to cover the costs of the dementia strategy, section 12 payments and changes to charging thresholds at the IJB meeting on 16 September. These changes have been reflected in this report.

- 5.2 Appendix 1 provides details of the movement in the budget and Appendix 2 contains details of the outturn position. The material variances are identified per service below and detailed in Appendix 3:

a. Children & Families: Projected £20,000 (0.18%) overspend

The projected overspend is £47,000 less than reported previously and comprises:

- A projected overspend on employee costs of £113,000 mainly relating to residential accommodation where there is a requirement for certain staffing levels. This is a continuing pressure area which was offset in 2015/16 by a number of vacancies within Children & Families. This is a reduction of £98,000 since period 3 due to additional turnover,
- A projected underspend on Children and Young People Act funding due to delays in projects starting this year,
- Respite is now projected to outturn on budget, a movement of £65,000 following a review of the rates used for commitments,
- A projected underspend in kinship of £43,000 due to additional funding received for parity with foster carers.

Any over/ underspends on adoption, fostering and children's external residential accommodation are transferred from/ to the Earmarked Reserve at the end of the year. These costs are not included in the above overspend. The reserve had a balance of £682,000 carried forward from 2015/16 and £133,000 of that was set aside to contribute to the additional costs for the replacement of the Neil Street Children's Home. Overall at period 5 there was a projected net underspend on fostering, adoption and children's external residential accommodation of £227,000 which would be added to the Earmarked Reserve at the end of the year if it continues.

b. Older People: Projected £222,000 (0.95%) overspend

The projected overspend is £264,000 more than previously reported and comprises:

- A projected underspend on employee costs of £140,000, an increase of £37,000. £181,000 relates to vacancies in Homecare and this is offsetting a projected overspend on external homecare costs,
- A projected overspend on domiciliary respite of £90,000 (an increase of £19,000) reflecting the continued increase in demand,
- A projected overspend of £56,000 on external homecare costs. This is an increase of £73,000 due to changes in packages and an increase in hours of care provided,
- A projected overspend in Residential & Nursing on care home beds of £220,000 (an increase of £231,000 since period 3). This movement is due to the increased numbers of care home beds in use. There are currently 643 beds required (628 at the end of 2015/16) and the projection assumes that this will fall to 637 by November 2016,

- Residential & Nursing also has additional one off income received for charges of £77,000, an increase of £40,000,
- A projected under-recovery of Homecare charging income of £43,000 due to a reduction in the services that can be charged for.

c. Learning Disabilities: Projected £47,000 (0.70%) overspend

This is an increase of £78,000 in the projected position and is due to additional costs incurred related to the move of clients to Redholm and changes to client packages.

d. Physical & Sensory: Projected £69,000 (3.31%) underspend

The projected underspend mainly relates to client package costs and is an increase in the underspend of £61,000 since period 3. There is additional spend on disability aids which is offset by additional income from Health.

e. Assessment & Care Management: Projected £13,000 (0.83%) underspend

This relates to a projected underspend on employee costs.

f. Mental Health: Projected £47,000 (3.80%) underspend

This relates to a projected underspend on client package costs of £72,000 and a projected overspend of £23,000 on agency staff. There is additional spend relating to the Neil Street project which is fully funded by Health.

g. Addictions: Projected £39,000 (3.76%) underspend

The projected underspend consists of £27,000 projected underspend on employee costs due to vacancies and a projected underspend of £24,000 on client package costs due to changes in packages.

h. Homelessness: Projected £33,000 (4.09%) overspend

The projected overspend consists of a projected underspend on employee costs due to vacancies offset by a projected overspend on property costs. There is a projected overspend of £40,000 on bad debt provision. The bad debt provision is currently under review in light of changes in the number of properties and the impact of Welfare Reform.

i. Business Support: Projected £26,000 (1.23%) underspend

This consists of a projected underspend on employee costs of £22,000 due to additional turnover, an overspend on telephone charges of £25,000 and a projected underspend on payments to other local authorities of £29,000 based on changes in service.

6.0 2016/17 CURRENT CAPITAL POSITION – £nil Variance

6.1 The Social Work capital budget is £3,898,000 over the life of the projects with £1,414,000 for 2016/17, comprising:

- £1,132,000 for the replacement of Neil Street Children's Home,
- £57,000 for the replacement of Crosshill Children's Home,
- £225,000 for the conversion costs associated with John Street, Gourrock.

The costs of £225,000 associated with John St, Gourrock are being met by funding from the IJB and the additional costs for Neil Street Children's Home replacement of £133,000 are being met from the Children's Residential Care, Adoption & Fostering EMR.

6.2 There is no projected slippage in the 2016/17 budget and expenditure to 31 August is £23,000. Appendix 2 details capital budgets. Work is continuing on site for the Neil Street Children's Home replacement. The design stage of the replacement of Crosshill Children's Home will be undertaken during 2016/17 with an anticipated start date on site of October 2017.

7.0 EARMARKED RESERVES

7.1 At the Policy & Resources Committee on 20 September 2016 it was agreed that the Social Work Earmarked Reserves for 2016/17 total of £2,584,000 be transferred to the IJB. Of the total,

£2,469,000 is projected to be spent in the current financial year. To date £449,000 spend has been incurred which is 18.2% of the projected 2016/17 spend. This is £122,000 (4.9%) behind the phased budget. Appendix 3 details the individual Earmarked Reserves.

7.2 Within the Earmarked Reserves for 2016/17 is £1,308,000 relating to the Integrated Care Fund. This is the Council's share of a total allocation to Inverclyde of £1,700,000, with the balance funding a number of NHS projects. The funding has been allocated as follows:

Project	£000
Reablement	700
Carers	150
Telecare	100
Community connectors	95
Additional posts to support various projects	93
Third sector integration & commissioning	65
Children & Families transitions	40
Independent sector integration partner	29
Housing	25
Strategic needs analysis admin support	11
Total funding	1,308

7.3 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.

8.0 VIREMENT

8.1 Appendix 4 details the virements that the Committee is requested to approve. The virements have been reflected within the report.

9.0 IMPLICATIONS

9.1 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 £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

9.2 Legal

There are no specific legal implications arising from this report.

9.3 Human Resources

There are no specific human resources implications arising from this report

9.4 Equalities

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.

9.5 Repopulation

There are no repopulation issues within this report.

10.0 CONSULTATIONS

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

11.0 LIST OF BACKGROUND PAPERS

11.1 There are no background papers for this report.

Social Work Budget Movement - 2016/17**Period 5: 1st April - 31 August 2016**

Service	Approved Budget	Movements					Revised Budget		Revised Budget
	2016/17 £000	Inflation £000	Virement £000	Supplementary Budgets £000	IJB Funding £000	Transfers to/ (from) Earmarked Reserves £000	2016/17 £000	IJB Funding Income £000	2016/17 £000
Children & Families	10,314	0	(6)	0	376	0	10,685	(376)	10,308
Criminal Justice	0	0	0	0	0	0	0	0	0
Older Persons	22,033	0	(39)	0	1,398	0	23,391	(1,398)	21,993
Learning Disabilities	6,327	0	(53)	0	425	0	6,699	(425)	6,274
Physical & Sensory	2,062	0	(8)	0	28	0	2,082	(28)	2,054
Assessment & Care Management	1,563	0	18	0	1	0	1,582	(1)	1,581
Mental Health	1,117	0	(37)	0	169	0	1,250	(169)	1,081
Addiction / Substance Misuse	1,038	0	(11)	0	11	0	1,038	(11)	1,027
Homelessness	624	0	31	0	151	0	806	(151)	655
Planning, HI & Commissioning	1,730	0	4	1	0	0	1,735	0	1,735
Business Support	2,006	0	101	0	0	0	2,107	0	2,107
Totals	48,815	0	0	1	2,560	0	51,376	(2,560)	48,816

Supplementary Budget Detail

£000

External ResourcesInternal ResourcesSavings/Reductions

0

SOCIAL WORKREVENUE BUDGET PROJECTED POSITIONPeriod 5: 1st April - 31 August 2016

2015/16 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Outturn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Variance
25,148	Employee Costs	25,693	26,025	25,896	(129)	(0.50%)
1,356	Property costs	1,170	1,169	1,186	17	1.46%
875	Supplies and Services	727	741	772	32	4.26%
473	Transport and Plant	337	380	385	5	1.35%
911	Administration Costs	667	651	698	48	7.33%
35,062	Payments to Other Bodies	35,280	36,549	36,455	(95)	(0.26%)
(14,488)	Income	(13,790)	(14,138)	(13,887)	251	(1.78%)
49,336	TOTAL NET EXPENDITURE	50,084	51,376	51,505	129	0.25%
	Contribution from IJB	(1,269)	(2,560)	(2,560)	0	0.00%
49,336	TOTAL NET EXPENDITURE including IJB contribution	48,815	48,816	48,945	129	0.26%

2015/16 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Outturn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Variance
10,102	Children & Families	10,688	10,685	10,704	20	0.18%
0	Criminal Justice	0	0	0	0	0.00%
22,192	Older Persons	22,778	23,391	23,613	222	0.95%
6,709	Learning Disabilities	6,327	6,699	6,746	47	0.70%
2,033	Physical & Sensory	2,062	2,082	2,013	(69)	(3.31%)
1,574	Assessment & Care Management	1,563	1,582	1,569	(13)	(0.83%)
961	Mental Health	1,117	1,250	1,203	(47)	(3.80%)
1,028	Addiction / Substance Misuse	1,038	1,038	999	(39)	(3.76%)
884	Homelessness	774	806	839	33	4.09%
1,755	Planning, Health Improvement & Commissioning	1,730	1,735	1,737	2	0.00%
2,097	Business Support	2,006	2,107	2,081	(26)	(1.23%)
49,336	TOTAL NET EXPENDITURE	50,084	51,376	51,505	129	0.25%
	Contribution from IJB	(1,269)	(2,560)	(2,560)	0	0.00%
49,336	TOTAL NET EXPENDITURE including IJB contribution	48,815	48,816	48,945	129	0.26%

Notes:

- 1 £1.6M Criminal Justice and £0.3M Greenock Prison fully funded from external income hence nil bottom line position.
- 2 £9M Resource Transfer/ Delayed Discharge expenditure & income included above.

SOCIAL WORK**MATERIAL VARIANCES****Period 5: 1st April - 31 August 2016**

2015/16 Actual £000	Budget Heading	Revised Budget 2016/17 £000	Proportion of budget £000	Actual to 31/08/16 £000	Projected Outturn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Variance
	Employee Costs						
5,258	Children & Families	5,394	2,157	2,162	5,506	112	2.08%
7,405	Older People	7,898	3,159	3,316	7,758	(140)	(1.77%)
12,663		13,292	5,316	5,478	13,264	(28)	(1.37%)
	Other Variances						
0	Children & Families - Kinship care	555	231	254	512	(43)	(7.75%)
45	Children & Families - C&YPA	193	80	0	153	(40)	(20.73%)
201	Older People - Respite & domicilliary respite	49	20	42	139	90	183.67%
2,899	Older People - Homecare external providers	3,171	1,321	981	3,227	56	1.77%
12,992	Residential & Nursing purchased places	13,818	5,758	5,257	14,039	221	1.60%
(284)	Residential & Nursing income	(109)	(45)	(171)	(186)	(77)	70.64%
7,178	Learning Disabilities - client commitments on support packages	7,238	3,016	2,303	7,293	55	0.76%
2,212	Mental Health - client commitments on support packages	1,192	497	373	1,120	(72)	(6.04%)
0	Homelessness - bad debt provision	6	3	0	40	34	566.67%
25,198		25,365	10,569	8,785	25,672	307	1.21%

APPENDIX 4

SOCIAL WORK - CAPITAL BUDGET 2016/17

Period 5: 1st April - 31 August 2016

<u>Project Name</u>	<u>Est Total Cost</u>	<u>Actual to 31/3/16</u>	<u>Approved Budget 2016/17</u>	<u>Revised Est 2016/17</u>	<u>Actual to 31/08/16</u>	<u>Est 2017/18</u>	<u>Est 2018/19</u>	<u>Future Years</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
SOCIAL WORK								
Neil Street Childrens Home Replacement	1,991	228	1,132	1,132	10	631	0	0
Crosshill Childrens Home Replacement	1,682	0	57	57	1	1,535	90	0
John Street, Gourrock	225	0	0	225	12	0	0	0
Social Work Total	3,898	228	1,189	1,414	23	2,166	90	0

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

APPENDIX 5

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2015/16</u>	<u>New Funding Other 2016/17</u>	<u>Total Funding 2016/17</u>	<u>Phased Budget To Period 5 2016/17</u>	<u>Actual To Period 5 2016/17</u>	<u>Projected Spend 2016/17</u>	<u>Amount to be Earmarked for 2017/18 & Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Self Directed Support / SWIFT Finance Module	Derrick Pearce / Alan Brown	43	0	43	0	0	43	0	This supports the continuing promotion of SDS.
Growth Fund - Loan Default Write Off	Helen Watson	27		27	0	1	2	25	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.
Integrated Care Fund/ Delayed Discharge	Brian Moore	704	1288	1,992	392	348	1,992	0	The Integrated Care Fund funding has been allocated to a number of projects, including reablement, housing and third sector & community capacity projects. The total funding will change as projects move between health & council. Delayed Discharge funding has also been received and has been allocated to specific projects, including overnight home support and out of hours support.
Support all Aspects of Independent Living	Brian Moore	50		50	0	0	50	0	This is the balance of one off NHS funding for equipment which was not fully spent in 2015/16.
Veterans Officer Funding	Helen Watson	37		37	0	0	12	25	Council's contribution to a three year post hosted by East Renfrewshire Council on behalf of Inverclyde, Renfrewshire and East Renfrewshire Councils.
CJA Preparatory Work	Sharon McAlees	120		120	24	22	55	65	This reserve is for two years to cover the preparatory work required for the changes due in Criminal Justice.
Welfare Reform - CHCP	Andrina Hunter	9	306	315	155	78	315	0	New Funding of £306k was allocated from P&R Committee. The funding is being used for staff costs and projects, including IHeat, Starter Packs, ICOD and Financial Fitness.
		990	1,594	2,584	571	449	2,469	115	

HEALTH & SOCIAL CARE COMMITTEE**VIREMENT REQUESTS**

	Budget Heading	Increase Budget	(Decrease) Budget
		£'000	£'000
1	Criminal Justice - various	0	0
2	PHIC - employee costs	174	
2	PHIC - income		(174)
3	PHIC - payments to other bodies	36	
3	PHIC - payments to other bodies		(36)
4	Various services - payments to other bodies	1,180	
4	Various services - income		(1,180)
		1,390	(1,390)

Notes

- 1 Realignment of budgets to reflect additional grant income in 2016/17
- 2 Creation of budgets for externally funded staff
- 3 Post filled by Council rather than Health employee
- 4 Funding received from IJB offset by increased income budgets