
Report To:	Health & Social Care Committee	Date:	23 February 2017
Report By:	Brian Moore Corporate Director (Chief Officer) Inverclyde Health & Social Care Partnership	Report No:	FIN/15/17/AP/FMCL
	Alan Puckrin Chief Financial Officer		
Contact Officer:	Fiona McLaren	Contact No:	01475 712652
Subject:	Revenue & Capital Budget Report 2016/17 – Period 9 as at 31 December 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 9 to 31 December 2016.

2.0 SUMMARY

- 2.1 The Social Work revised budget is £48.779 million with a projected underspend of £125,000, which is a decrease in spend of £301,000 since the last report. The main elements of the underspend are:

- Vacancies in internal homecare of £147,000,
- Vacancies and slippage in other services of £74,000,
- Additional one off income received within Residential & Nursing of £152,000,
- Projected underspends within Children & Families on respite (£50,000), kinship (£40,000) and Children & Young Peoples Act (£45,000).

Offset in part by:

- Residential & Nursing overspend of £152,000 reflecting the increased numbers of beds in use. This is offset by the additional one off income of £152,000,
- Homecare overspend of £117,000 on external homecare reflecting the increased hours of care provided. This is offset by vacancies on internal homecare above,
- A projected overspend of £129,000 in Learning Disabilities on client care packages. This is partially linked to the move to Redholm.

- 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. There have been some changes to the Council's budget relating to corporate budgets for transport and utilities. These are detailed in Appendix 7.
- 2.3 The IJB has provided additional budget of £1,504,000 during the year and this is 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, of which £55,000 has still to be identified on an ongoing basis.

- 2.5 The Social Work capital budget is £1,414,000, with spend to date of £508,000. There is projected slippage of £332,000 (23.5%) and expenditure equates to 35.9% of the revised budget.
- 2.6 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, £2,437,000 is projected to be spent in the current financial year. To date £1,278,000 spend has been incurred which is 52.4% of the projected 2016/17 spend.
- 2.7 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.
- 2.8 It should be noted that in the event the Committee underspends then this underspend will be retained by the IJB in line with the approved Funding Agreement.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the current year revenue budget and projected underspend of £125,000 for 2016/17 as at 31 December 2016.
- 3.2 That the Committee note the current projected capital position.
- 3.3 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 £125,000 underspend.

5.0 2016/17 CURRENT REVENUE POSITION: Projected £125,000 (0.26 %) underspend

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.

The IJB has provided additional budget of £1,504,000 during the year and this is reflected in this report. This additional budget has been provided for the following:

Included in approved budget:

- Homecare	500,000	
- Elderly pressures	245,000	
- Homelessness	150,000	
- Fostering	150,000	
- Adoption	24,000	
- Children's residential accommodation	200,000	
	<hr/>	
		1,269,000

Approved at IJB meeting 18 August 2016

- NCHC uplift	494,000	
- National Living Wage	293,000	
- Sleepovers	278,000	
- Dementia strategy	115,000	
- Section 12 payments	1,000	
- Changes to charging thresholds	110,000	
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		1,291,000

Approved at IJB meeting 8 November 2016

- Mental Health Officer	8,000	
- Legal fees	100,000	
- Transport Co-ordinator	35,000	
- Equipment investment (one off)	70,000	
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		213,000

Total additional budget 1,504,000

Total IJB budget received 2,773,000

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 £120,000 (1.12%) underspend

The projected underspend is £167,000 more than reported previously and comprises:

- A projected overspend on employee costs of £114,000 (a reduction of £15,000) 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.
- A projected underspend of £45,000 (an increase of £15,000) on Children and Young People Act funding due to delays in projects starting this year,
- A projected underspend in kinship of £40,000 due to additional funding received for parity with foster carers
- A projected underspend of £48,000 on respite which is an increase of £25,000 since period 7,
- A projected underspend of £59,000 on a number of areas which have only been identified

at period 9.

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 9 there was a projected net underspend on fostering, adoption and children's external residential accommodation of £394,000 which would be added to the Earmarked Reserve at the end of the year if it continues.

b. Older People: Projected £11,000 (0.04%) overspend

The projected overspend is £39,000 less than previously reported and comprises:

- A projected underspend on employee costs of £100,000, an increase in spend of £12,000. £147,000 relates to vacancies in Homecare and this is offsetting a projected overspend on external homecare costs.
- A projected overspend of £117,000 on external homecare costs and domiciliary respite, a minor reduction in costs of £9,000 since last reported to Committee.
- A projected overspend in Residential & Nursing on care home beds of £152,000 which is fully offset by one off income below. The projection assumes 626 beds from February 2017.
- Residential & Nursing also has additional one off income received for charges of £152,000, an increase of £26,000.

c. Learning Disabilities: Projected £82,000 (1.22%) overspend

This is a decrease of £55,000 in the projected position mainly due to one client now being funded by North Ayrshire saving £39,000 and additional turnover savings of £28,000 being achieved.

d. Assessment & Care Management: Projected £23,000 (1.46%) underspend

This mainly relates to a projected underspend on employee costs.

e. Mental Health: Projected £52,000 (3.99%) underspend

This relates to a projected underspend of £36,000 on employee costs due to additional turnover savings being achieved, projected underspend within client package costs of £37,000 offset by a projected overspend of £25,000 on agency staff. There is additional spend relating to the Neil Street project which is fully funded by Health.

f. Addictions: Projected £26,000 (2.4%) underspend

The projected underspend consists of a projected underspend on employee costs due to vacancies, a projected overspend on property costs and a projected underspend on client package costs due to changes in packages.

g. Homelessness: Projected £18,000 (2.22%) overspend

The projected overspend consists of a projected underspend on employee costs due to vacancies offset by a projected overspend 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 Universal Credit.

h. Planning, HI & Commissioning: Projected £30,000 (1.75%) underspend.

The projected underspend consists of a £13,000 projected underspend on employee costs due to vacancies and a £24,000 projected underspend in core funding within Welfare Reform due to anticipated slippage.

6.0 2016/17 CURRENT CAPITAL POSITION – (£332,000) 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 projected slippage in the 2016/17 budget of £332,000 (23.5%) against the Neil Street Children's Home replacement. Expenditure on all capital projects to 31 December is £508,000 (35.9% of the revised budget). Appendix 4 details capital budgets.

6.3 Progress on the Neil Street Children's Home replacement is as follows:

- Building external fabric nearing completion.
- Road infrastructure in progress.
- External works in progress but encountering poor ground conditions with saturated ground and soft spots.
- Contractor has intimated five week slippage to programme.
- Programme completion date 31 March 2017. Anticipated completion May 2017.
- Late completion does not affect the agreed occupation date of June 2017.

6.4 Progress on the Crosshill Children's Home is as follows:

- Design in progress.
- Decant to Neil Street anticipated August 2017.
- Crosshill demolition on vacant possession.
- Construction of new Crosshill October 2017 to June 2018.

6.5 Progress on the John Street project is as follows:

- Works to fire alarm system, door locks, lift, fire-fighting equipment and sundry minor works now completed.
- Sprinkler system installation in progress with completion January 2017.
- Internal alterations in progress.
- Anticipated completion end of March 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, £2,437,000 is projected to be spent in the current financial year. To date £1,278,000 spend has been incurred which is 52.4% of the projected 2016/17 spend. This is £141,000 (9.9%) behind the phased budget. Appendix 5 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 There are no virement requests in this report.

9.0 OTHER FINANCIAL MATTERS

9.1 The Criminal Justice Service is currently funded via a specific grant from the Scottish Government, received via the Criminal Justice Authority. From 1 April 2017 this grant will be allocated directly to the Council as part of the settlement, but remain ring fenced. The methodology used to allocate the grant has also been changed and the allocation shows a grant reduction of 25% for Inverclyde over the next five years. Work is currently being undertaken to identify how this will be addressed for 2017/18 and to draw up a five year plan to address the overall reduction. Updates on this work and details of the final budget allocations will be reported to this committee.

9.2 The living wage rate will increase to £8.45 from 1 April 2017. It is estimated that this would require an uplift to providers of 1.39%, potentially costing £180,000. These costs will be funded by the IJB.

10.0 IMPLICATIONS

10.1 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					

10.2 Legal

There are no specific legal implications arising from this report.

10.3 Human Resources

There are no specific human resources implications arising from this report

10.4 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.

10.5 **Repopulation**

There are no repopulation issues within this report.

11.0 **CONSULTATIONS**

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

12.0 **LIST OF BACKGROUND PAPERS**

12.1 There are no background papers for this report.

Social Work Budget Movement - 2016/17**Period 9: 1st April - 31 December 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	(56)	0	436	0	10,695	(436)	10,258
Criminal Justice	0	0	0	0	0	0	0	0	0
Older Persons	22,033	0	61	0	1,398	0	23,492	(1,398)	22,094
Learning Disabilities	6,327	0	(60)	0	425	0	6,692	(425)	6,267
Physical & Sensory	2,062	0	(14)	0	98	0	2,146	(98)	2,048
Assessment & Care Management	1,563	0	18	0	1	0	1,582	(1)	1,581
Mental Health	1,117	0	(37)	0	217	0	1,298	(217)	1,081
Addiction / Substance Misuse	1,038	0	24	0	11	0	1,073	(11)	1,062
Homelessness	624	0	28	0	151	0	803	(151)	652
Planning, HI & Commissioning	1,730	0	(26)	1	35	0	1,740	(35)	1,705
Business Support	2,006	0	25	0	0	0	2,031	0	2,031
Totals	<u>48,815</u>	<u>0</u>	<u>(37)</u>	<u>1</u>	<u>2,773</u>	<u>0</u>	<u>51,552</u>	<u>(2,773)</u>	<u>48,779</u>

Supplementary Budget Detail

£000

External ResourcesInternal Resources

Welfare reform

1

Savings/Reductions1

SOCIAL WORKREVENUE BUDGET PROJECTED POSITIONPeriod 9: 1st April - 31 December 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	26,018	25,797	(221)	(0.85%)
1,356	Property costs	1,170	1,212	1,182	(30)	(2.50%)
875	Supplies and Services	727	811	912	101	12.39%
473	Transport and Plant	337	380	414	34	9.03%
911	Administration Costs	667	748	849	100	13.43%
35,062	Payments to Other Bodies	35,280	36,420	36,847	427	1.17%
(14,488)	Income	(13,790)	(14,038)	(14,574)	(536)	3.82%
49,336	TOTAL NET EXPENDITURE	50,084	51,552	51,426	(125)	(0.24%)
	Contribution from IJB	(1,269)	(2,773)	(2,773)	0	0.00%
49,336	TOTAL NET EXPENDITURE including IJB contribution	48,815	48,779	48,653	(125)	(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	10,694	10,574	(120)	(1.12%)
-0	Criminal Justice	0	0	0	0	0.00%
22,192	Older Persons	22,778	23,492	23,502	11	0.04%
6,709	Learning Disabilities	6,327	6,692	6,774	82	1.22%
2,033	Physical & Sensory	2,062	2,146	2,159	13	0.59%
1,574	Assessment & Care Management	1,563	1,582	1,559	(23)	(1.46%)
961	Mental Health	1,117	1,298	1,246	(52)	(3.99%)
1,028	Addiction / Substance Misuse	1,038	1,073	1,047	(26)	(2.40%)
884	Homelessness	774	803	821	18	2.22%
1,755	Planning, Health Improvement & Commissioning	1,730	1,740	1,709	(30)	(1.75%)
2,097	Business Support	2,006	2,031	2,035	3	0.16%
49,336	TOTAL NET EXPENDITURE	50,084	51,552	51,426	(125)	(0.24%)
	Contribution from IJB	(1,269)	(2,773)	(2,773)	0	0.00%
49,336	TOTAL NET EXPENDITURE including IJB contribution	48,815	48,779	48,653	(125)	(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 WORKMATERIAL VARIANCESPeriod 9: 1st April - 31 December 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	5,367	3,813	3,848	5,482	115	2.14%
7,405	Older People	7,910	5,585	5,869	7,810	(100)	(1.26%)
<u>12,663</u>		<u>13,277</u>	<u>9,398</u>	<u>9,717</u>	<u>13,292</u>	<u>15</u>	<u>(1.37%)</u>
	Other Variances						
0	Children & Families - Kinship care	555	416	342	515	(40)	(7.21%)
45	Children & Families - C&YPA	193	145	0	148	(45)	(23.32%)
3,090	Older People - Homecare external providers	3,221	2,416	1,931	3,338	117	3.63%
12,992	Residential & Nursing purchased places	13,818	10,364	10,031	13,970	152	1.10%
(284)	Residential & Nursing income	(109)	(82)	(272)	(272)	(163)	149.54%
7,178	Learning Disabilities - client commitments on support packages	7,238	5,429	4,342	7,380	142	1.96%
2,212	Mental Health - client commitments on support packages	1,246	935	872	1,209	(37)	(2.97%)
0	Homelessness - bad debt provision	6	5	0	40	34	566.67%
<u>25,233</u>		<u>26,168</u>	<u>19,626</u>	<u>17,246</u>	<u>26,328</u>	<u>160</u>	<u>0.61%</u>

APPENDIX 4

SOCIAL WORK - CAPITAL BUDGET 2016/17

Period 9: 1st April - 31 December 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 31/10/16</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	800	464	882	81	0
Crosshill Childrens Home Replacement	1,682	0	57	57	2	750	750	125
John Street, Gourock	225	0	225	225	42	0	0	0
Social Work Total	3,898	228	1,414	1,082	508	1,632	831	125

**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 9 2016/17</u>	<u>Actual To Period 9 2016/17</u>	<u>Projected Spend 2016/17</u>	<u>Amount to be Earmarked for 2017/18 & Beyond</u>	<u>Lead Officer Update</u>
		£000	£000	£000	£000	£000	£000	£000	
Self Directed Support / SWIFT Finance Module	Derrick Pearce / Alan Brown	43	0	43	0	0	11	32	This supports the continuing promotion of SDS. Required to be reviewed 31/03/2017.
Growth Fund - Loan Default Write Off	Helen Watson	27		27	1	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	1,129	1,044	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	3	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	12	10	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	42	39	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	235	181	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	1,419	1,278	2,437	147	