

---

<b>Report To:</b>	<b>Health &amp; Social Care Committee</b>	<b>Date:</b>	<b>5 January 2017</b>
<b>Report By:</b>	<b>Brian Moore Corporate Director (Chief Officer) Inverclyde Health &amp; Social Care Partnership</b>	<b>Report No:</b>	<b>FIN/120/16/AP/FMcL</b>
	<b>Alan Puckrin Chief Financial Officer</b>		
<b>Contact Officer:</b>	<b>Fiona McLaren</b>	<b>Contact No:</b>	<b>01475 712652</b>
<b>Subject:</b>	<b>Revenue &amp; Capital Budget Report 2016/17 – Period 7 as at 31 October 2016</b>		

---

## 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 7 to 31 October 2016.

## 2.0 SUMMARY

- 2.1 The Social Work revised budget is £48.768 million with a projected overspend of £176,000, which is an increase in spend of £47,000 since the last report. The main elements of the overspend are:
- Residential & Nursing overspend of £88,000 reflecting the increased numbers of beds in use. This is offset by the additional one off income of £126,000,
  - Homecare overspend of £126,000 on external homecare reflecting the increased hours of care provided. This is offset by vacancies on internal homecare below,
  - A projected overspend of £171,000 in Learning Disabilities on client care packages. This is partially linked to the move to Redholm,
  - Projected net overspends in employee costs in other areas of £45,000 due to increased turnover targets.

Offset in part by:

- Vacancies in internal homecare of £158,000.
- 2.2 For 2016/17 the Council budget for Social Work was delegated to the Integration 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 6.
- 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 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 £274,000. There is no projected slippage and expenditure equates to 19.37% of the revised budget.
- 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, £2,451,000 is projected to be spent in the current financial year. To date £671,000 spend has been incurred which is 27.4% 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 £176,000 for 2016/17 as at 31 October 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 any overspend at the year end will be contained by the IJB.
- 3.4 That the Committee and the IJB approves the virements listed in Appendix 6.
- 3.5 That the Committee note the current projected capital position.
- 3.6 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 £176,000 overspend.

## 5.0 2016/17 CURRENT REVENUE POSITION: Projected £176,000 (0.36 %) overspend

- 5.1 For 2016/17 the Council budget for Social Work was delegated to the Integration 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. There have been some changes to the Council's budget relating to corporate budgets for transport and utilities. These are detailed in Appendix 7.

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	<u>200,000</u>	
		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	<u>110,000</u>	
-		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)	<u>70,000</u>	
		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 £47,000 (0.43%) overspend

The projected overspend is £27,000 more than reported previously and comprises:

- A projected overspend on employee costs of £129,000 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 £30,000 on Children and Young People Act funding due to delays in projects starting this year,
- 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 7 there was a projected net underspend on fostering, adoption and children's external residential accommodation of £212,000 which would be added to the Earmarked Reserve at the end of the year if it continues.

**b. Older People: Projected £50,000 (0.21%) overspend**

The projected overspend is £172,000 less than previously reported and comprises:

- A projected underspend on employee costs of £112,000, a decrease of £28,000. £158,000 relates to vacancies in Homecare and this is offsetting a projected overspend on external homecare costs.
- A projected overspend of £126,000 on external homecare costs and domiciliary respite. This is an decrease of £20,000 due to a reduction in client numbers.
- A projected overspend in Residential & Nursing on care home beds of £88,000 (a decrease of £132,000 since period 5). There has been a decrease in the number of care home beds in use from 643 to 640 (628 at the end of 2015/16) and the projection assumes that this will fall to 626 by December 2016. There has also been additional funding allocated to Residential & Nursing from Delayed Discharge EMR and one off income to offset the additional costs of nursing beds.
- Residential & Nursing also has additional one off income received for charges of £126,000, an increase of £49,000.

**c. Learning Disabilities: Projected £137,000 (2.04%) overspend**

This is an increase of £90,000 in the projected position due to changes to client packages. The service is actively seeking to recoup some of additional familiarisation costs which have been paid in relation to Redholm clients from the service provider, and which are included in the current projected overspend.

**d. Assessment & Care Management: Projected £20,000 (1.27%) underspend**

This relates to a projected underspend on employee costs.

**e. Mental Health: Projected £53,000 (4.09%) underspend**

This relates to a projected underspend on client package costs of £84,000 and 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 £17,000 (1.68%) 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 £16,000 (2.00%) 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. Business Support: Projected £28,000 (1.36%) overspend**

This consists of a projected underspend on employee costs of £20,000 due to additional turnover and an overspend on telephone charges of £48,000.

## **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 October is £274,000 (19.37% of the revised budget). Appendix 4 details capital budgets.

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

- Building constructed to roof level.
- Timber kit installed.
- Road infrastructure in progress.
- Contractor has intimated three week slippage to programme but is confident of mitigating the delay.
- Programme completion date 31 March 2017.

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

- Design in progress.
- Decant to Neil Street anticipated June 2017.
- Crosshill demolition August 2017.
- Construction of new Crosshill September 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 out to tender.
- Internal alterations (kitchen, dining room, office and shower room) to commence on 21 November 2016.
- Anticipated completion end of January 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, £2,451,000 is projected to be spent in the current financial year. To date £674,000 spend has been incurred which is 27.4% of the projected 2016/17 spend. This is £63,000 (8.6%) 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
<b>Total funding</b>	<b>1,308</b>

- 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 6 details the virements that the Committee & the IJB are requested to approve. The virements have been reflected within the report.

## **9.0 OTHER FINANCIAL MATTERS**

- 9.1 The Criminal Justice Service is currently funded via a ring fenced grant from the Scottish Government, received via the Criminal Justice Authority. From 1 April 2017 this grant will no longer be ring fenced and will be allocated directly to the Council as part of the settlement. The methodology used to allocate the grant has also been changed and the indicative allocation shows a potential grant reduction of between 20% and 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.

## **10.0 IMPLICATIONS**

### **10.1 Finance**

All financial implications are discussed in detail within the report above

#### Financial Implications:

##### One off Costs

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>Budget Years</b>	<b>Proposed Spend this Report £000</b>	<b>Virement From</b>	<b>Other Comments</b>
N/A					

##### Annually Recurring Costs/ (Savings)

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>With Effect from</b>	<b>Annual Net Impact £000</b>	<b>Virement From (If Applicable)</b>	<b>Other Comments</b>
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 Health & Social Care Partnership and the Chief Financial Officer.

#### 12.0 LIST OF BACKGROUND PAPERS

12.1 There are no background papers for this report.

## Appendix 1

### Social Work Budget Movement - 2016/17

#### Period 7: 1st April - 31 October 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	(7)	0	436	0	10,744	(436)	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	(57)	0	425	0	6,696	(425)	6,271
Physical & Sensory	2,062	0	(10)	0	98	0	2,150	(98)	2,052
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	(11)	0	11	0	1,038	(11)	1,027
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	93	0	0	0	2,099	0	2,099
Totals	<u>48,815</u>	<u>0</u>	<u>(48)</u>	<u>1</u>	<u>2,773</u>	<u>0</u>	<u>51,541</u>	<u>(2,773)</u>	<u>48,768</u>

#### Supplementary Budget Detail

£000

#### External Resources

#### Internal Resources

Welfare reform

1

#### Savings/Reductions

1



**SOCIAL WORK****REVENUE BUDGET PROJECTED POSITION****Period 7: 1st April - 31 October 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	26,068	25,912	(156)	(0.60%)
1,356	Property costs	1,170	1,160	1,164	5	0.41%
875	Supplies and Services	727	810	889	79	9.69%
473	Transport and Plant	337	380	418	38	10.05%
911	Administration Costs	667	742	723	(19)	(2.56%)
35,062	Payments to Other Bodies	35,280	36,489	37,066	576	1.58%
(14,488)	Income	(13,790)	(14,108)	(14,455)	(347)	2.46%
<b>49,336</b>	<b>TOTAL NET EXPENDITURE</b>	<b>50,084</b>	<b>51,541</b>	<b>51,717</b>	<b>176</b>	<b>0.34%</b>
	Contribution from IJB	(1,269)	(2,773)	(2,773)	0	0.00%
<b>49,336</b>	<b>TOTAL NET EXPENDITURE including IJB contribution</b>	<b>48,815</b>	<b>48,768</b>	<b>48,944</b>	<b>176</b>	<b>0.36%</b>

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	10,744	10,791	47	0.43%
-0	Criminal Justice	0	0	0	0	0.00%
22,192	Older Persons	22,778	23,391	23,441	50	0.21%
6,709	Learning Disabilities	6,327	6,696	6,833	137	2.04%
2,033	Physical & Sensory	2,062	2,150	2,141	(8)	(0.39%)
1,574	Assessment & Care Management	1,563	1,582	1,562	(20)	(1.27%)
961	Mental Health	1,117	1,298	1,245	(53)	(4.09%)
1,028	Addiction / Substance Misuse	1,038	1,038	1,021	(17)	(1.68%)
884	Homelessness	774	803	820	16	2.00%
1,755	Planning, Health Improvement & Commissioning	1,730	1,740	1,737	(3)	0.00%
2,097	Business Support	2,006	2,099	2,127	28	1.36%
<b>49,336</b>	<b>TOTAL NET EXPENDITURE</b>	<b>50,084</b>	<b>51,541</b>	<b>51,717</b>	<b>176</b>	<b>0.34%</b>
	Contribution from IJB	(1,269)	(2,773)	(2,773)	0	0.00%
<b>49,336</b>	<b>TOTAL NET EXPENDITURE including IJB contribution</b>	<b>48,815</b>	<b>48,768</b>	<b>48,944</b>	<b>176</b>	<b>0.36%</b>

## 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.

## APPENDIX 3

### SOCIAL WORK

### MATERIAL VARIANCES

#### Period 7: 1st April - 31 October 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
<b>Employee Costs</b>							
5,258	Children & Families	5,417	2,985	3,002	5,546	129	2.38%
7,405	Older People	7,898	4,371	4,308	7,786	(112)	(1.42%)
<u>12,663</u>		<u>13,315</u>	<u>7,356</u>	<u>7,310</u>	<u>13,332</u>	<u>17</u>	<u>(1.37%)</u>
<b>Other Variances</b>							
0	Children & Families - Kinship care	555	324	342	512	(43)	(7.75%)
45	Children & Families - C&YPA	193	113	0	163	(30)	(15.54%)
3,090	Older People - Homecare external providers	3,221	1,879	1,516	3,347	126	3.91%
12,992	Residential & Nursing purchased places	13,818	8,061	7,792	13,906	88	0.64%
(284)	Residential & Nursing income	(109)	(64)	(222)	(235)	(126)	115.60%
7,178	Learning Disabilities - client commitments on support packages	7,238	4,222	3,440	7,410	172	2.38%
2,212	Mental Health - client commitments on support packages	1,246	727	559	1,162	(84)	(6.74%)
0	Homelessness - bad debt provision	6	4	0	40	34	566.67%
<u>25,233</u>		<u>26,168</u>	<u>15,265</u>	<u>13,427</u>	<u>26,305</u>	<u>137</u>	<u>0.52%</u>

## APPENDIX 4

### SOCIAL WORK - CAPITAL BUDGET 2016/17

**Period 7: 1st April - 31 October 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>
<b>SOCIAL WORK</b>								
Neil Street Childrens Home Replacement	1,991	228	1,132	1,132	247	631	0	0
Crosshill Childrens Home Replacement	1,682	0	57	57	1	1,535	90	0
John Street, Gourrock	225	0	0	225	26	0	0	0
<b>Social Work Total</b>	<b>3,898</b>	<b>228</b>	<b>1,189</b>	<b>1,414</b>	<b>274</b>	<b>2,166</b>	<b>90</b>	<b>0</b>

**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 7 2016/17</u>	<u>Actual To Period 7 2016/17</u>	<u>Projected Spend 2016/17</u>	<u>Amount to be Earmarked for 2017/18 &amp; 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	25	18	This supports the continuing promotion of SDS. Required to be reviewed 31/03/2017.
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	476	536	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	33	30	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	225	104	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.
		<b>990</b>	<b>1,594</b>	<b>2,584</b>	<b>734</b>	<b>671</b>	<b>2,451</b>	<b>133</b>	

## HEALTH & SOCIAL CARE COMMITTEE

## VIREMENT REQUESTS

	Budget Heading	Increase Budget £'000	(Decrease) Budget £'000
1	PHIC - employee		(30)
1	Policy & Resources Committee	30	
2	Homecare - payments to other bodies		(30)
2	Homecare - income	30	
		60	(60)

## Notes

- 1 Welfare reform funding for triage team returned to Finance as not required in 2016/17  
2 Reallocation of funding to address income shortfall