

North Lanarkshire Council Report

Adult Health and Social Care Committee

approval noting

Ref LH/TOH

Date 29/08/19

H&SCP – North Lanarkshire (Adult Social Care & Housing) Revenue Monitoring Report Period 4: 01/04/2019 to 19/07/2019

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Executive Summary

This report provides a summary of the financial performance of the Health & Social Care Partnership (H&SCP) – North Lanarkshire (Adult Social Care & Housing) for the period 1 April 2019 to 19 July 2019 (Period 4). The report illustrates the projected outturn as at 31 March 2020, with major outturn variances highlighted and explained per approved Financial Regulations.

H&SCP – North Lanarkshire (Adult Social Care & Housing) has a gross expenditure budget of £213.9m. The Service is currently projecting an overspend of £4.606m for the year ended 31 March 2020, representing a favourable movement of £0.393m from Period 3 position.

The 2019/20 budget reflects the transfer of activities linked to Children, Families and Justice Services which have been transferred to the Council's Education & Families directorate.

The forecast outturn position reflects demand led cost pressures within, Home Support, Independent Care Homes, Self-Directed Support (SDS) and the Integrated Equipment and Adaptations Service.

The Adult Social Care management team will continue to review and implement management action and initiatives, with the aim of reducing the projected overspend. This action will include vacancy management, curtailment of non-essential expenditure, and maximising income/grant. Furthermore in conjunction with partners there will be further assessment of options to mitigate demand led pressure.

Recommendations

It is recommended that the Adult Health and Social Care Committee:

- (1) Note the contents of this report.

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning

1. Background

- 1.1 The Council approved its General Revenue Fund Budget on 21 February 2019, and the Integrated Joint Board (IJB) approved its Financial Plan on 26 March 2019. The approved Gross Expenditure Budget for the H&SCP – North Lanarkshire (Adult Social Care and Housing) is £213.9m
- 1.2 Reflected within the current budget is an initial transfer of £19.2m to the Council's Education and Families directorate in respect of staff/resources who are fully aligned to children and justice activity. A future realignment of budgets will be implemented later in the financial year to reflect an allocation of support/HQ staff and resources to the Education and Families directorate.
- 1.3 The Council's Financial Regulations require the Chief Accountable Officer to remain within the approved budgetary provision and to report all significant deviations (defined as the higher of £100,000 or 5%) within budget monitoring reports. Where significant deviations are identified, the Chief Accountable Officer must provide explanatory commentary, outline the action required to rectify such deviations and, where relevant, must also highlight the impact this has on other budget headings.

2. Report

2.1 Analysis of Significant Variations

- 2.1.1 Within Employee Costs, the Service currently anticipates an overspend of £1.821m. This represents cost pressures resulting from demand for home support which are partially offset by vacancies across the Service.
- 2.1.2 Within Supplies and Services, demand for equipment and adaptations to help maintain independent living continues to outstrip budget availability, contributing to a projected overspend of £0.566m
- 2.1.3 Within Admin Costs, the Service is currently anticipating an underspend of £1.744m. The key reason for this underspend is linked to additional funding the Service has received in relation to 'Frank's Law'. This funding will be utilised across a range of care activities specifically aimed at clients aged under 65. The Service is currently undertaking a review of care/activity linked to 'Franks Law' and will subsequently realign this funding to the appropriate budget heads, for example SDS and Care Homes when this exercise has been completed.
- 2.1.4 Payments to Other Bodies are detailed in Appendix 2. This expenditure accounts for £117.8m of the annual budget. A forecast overspend of £3.669m is anticipated due to demand led pressure in activity such as Self Directed Support and Independent Care Homes, partially offset by reduced payments for independent homecare. The overspend will be further reduced following the realignment of resources linked to 'Franks Law' as described in paragraph 2.1.3.
- 2.1.5 The Service anticipates an under-recovery of Income of £0.245m. This is a result of projected under recoveries of external funding to the Integrated Equipment and Adaptations Service, and lower than budgeted homecare income.

2.2 Earmarked Reserves

- 2.2.1 The Integrated Joint Board have set aside reserves totalling £4.682m for specific Adult Social Care commitments. As expenditure within these areas is currently anticipated to be met from reserves, the totals shown within Appendix 3 are excluded from this outturn position.
- 2.2.2 It is anticipated that £4.465m of the earmarked reserves will be utilised during 2019/20, with £0.217m required in future years.

2.3 2019/20 Savings

- 2.3.1 The Integrated Joint Board approved savings within the Adult Social Care service of £4.535m. The Service uses a variety of information, records and processes to monitor achievement of its approved budget savings and as at Period 4 the Service anticipates £3.365m (74%) of its approved savings will be delivered by the financial year-end.
- 2.3.2 Appendix 5 provides further commentary regarding savings and the action being taken to address any funding gaps which have arisen.

3. Equality and Diversity

- 3.1 Fairer Scotland Duty
There are no specific impacts on Fairer Scotland Duty.
- 3.2 Equality Impact Assessment
There are no specific Equality Impact Assessments to note.

4. Implications

- 4.1 Financial Impact
The financial impact is contained within the body of the report
- 4.2 HR/Policy/Legislative Impact
There are no HR/Policy/Legislative impacts.
- 4.3 Environmental Impact
There are no environmental impacts.
- 4.4 Risk Impact
 - 4.4.1 All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy, Services manage these as part of their overall corporate and service planning processes. The current economic climate, in particular, has the potential to impact upon the Council's ability to provide quality services within approved budget levels.
 - 4.4.2 To minimise the risk this report has been prepared by service based Financial Solutions personnel in consultation with budget managers, in accordance with the Financial Regulations.
 - 4.4.3 The Service continues to face increasing demand pressures for provision within the home support, self-directed support and independent care home arenas. To help mitigate these pressures the Service reviews and considers data and trends in relation

to current and anticipated demand on an ongoing basis to underpin projections of need and cost, and to agree appropriate operational and management action.

5. Measures of success

5.1 The Service operates within approved budget resources.

6. Supporting documents

6.1 Appendices to this report:

Appendix 1	Revenue Budget Monitoring Report – Subjective Analysis
Appendix 2	Revenue Budget Monitoring Report – PTOB Analysis
Appendix 3	Earmarked Reserves Analysis
Appendix 4	2019/20 Savings Monitoring Report



Margaret French, Interim Head of Adult Social Work Services

ADULT SOCIAL CARE & HOUSING - INTEGRATED
Revenue Budget Monitoring Report - Subjective Analysis
01 April 2019 - 19 July 2019
Period 4

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (7)	% (8)	MOVEMENT (9)	ANALYSIS (10)
EMPLOYEE COSTS	21,568,534	22,128,803	(560,269) ADV	82,311,015	84,131,894	(1,820,879) ADV	-2.2%	95,094	Cost pressures resulting from demand in Home support, partially offset by staff vacancies.
PROPERTY COSTS	838,419	845,081	(6,662) ADV	3,344,114	3,365,766	(21,652) ADV	-0.6%	2,047	Timing delay in the achievement of savings linked to reconfiguration of Locality Support Services and Integrated Day Services.
SUPPLIES & SERVICES	1,198,422	1,372,681	(174,259) ADV	4,448,811	5,015,154	(566,343) ADV	-12.7%	10,514	Increased demand for Equipment and Adaptations.
TRANSPORT & PLANT	358,209	359,449	(1,240) ADV	2,173,731	2,177,763	(4,032) ADV	-0.2%	43	Minor variance.
ADMINISTRATION COSTS	841,936	305,423	536,513 FAV	3,645,901	1,902,237	1,743,664 FAV	47.8%	51,732	Projected underspend in development initiative budget line.
PAYMENTS TO OTHER BODIES	23,541,482	24,670,512	(1,129,030) ADV	117,884,378	121,553,726	(3,669,348) ADV	-3.1%	88,422	Please refer to Appendix 2 for analysis.
OTHER EXPENDITURE	52,781	59,458	(6,677) ADV	147,380	169,079	(21,699) ADV	-14.7%	14,623	Minor overspend across various lines.
APPORTIONED EXPENSES	0	0	0	0	0	0	0.0%	0	
CFCR	0	0	0	0	0	0	0.0%	0	
CAPITAL EXPENDITURE	0	0	0	0	0	0	0.0%	0	
TOTAL EXPENDITURE	48,399,783	49,741,407	(1,341,624) ADV	213,955,330	218,315,619	(4,360,289) ADV	-2.0%	262,475	
NLC CONTRIBUTION	0	0	0	158,423,030	158,423,030	0	0.0%	0	
NLC CONTRIBUTION - HOUSING	0	0	0	1,970,000	1,970,000	0	0.0%	0	
INCOME FROM HEALTH	597,566	549,765	47,801 ADV	50,357,607	50,202,254	155,353 ADV	0.3%	(85,797)	Underrecovery of budgeted funding within the Integrated Equipment & Adaptations Service
FEES AND CHARGES	170,753	124,592	46,161 ADV	605,529	455,508	150,021 ADV	24.8%	11,390	Underrecovery of Homecare Income
OTHER LOCAL AUTHORITIES	8,543	8,543	0	111,000	111,000	0	0.0%	0	
USE OF IJB RESERVES	0	0	0	2,024,940	2,024,940	0	0.0%	0	
OTHER INCOME	145,477	163,962	(18,485) FAV	463,224	523,299	(60,075) FAV	-13.0%	(56,164)	Position reflects income recovery from grant funded equipment and adaptations.
TOTAL INCOME	922,339	846,862	75,477 ADV	213,955,330	213,710,031	245,299 ADV	0.1%	(130,571)	
NET EXPENDITURE	47,477,444	48,894,545	(1,417,101) ADV	0	4,605,588	(4,605,588) ADV		393,046	

FAV = Favourable variation, underspend etc

ADV = Adverse variation, overspend, income under-recovery etc

ADULT SOCIAL CARE & HOUSING - INTEGRATED
Revenue Budget Monitoring Report - PTOB Analysis
01 April 2019 - 19 July 2019
Period 4

DESCRIPTION (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCES (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (7)	% (8)	MOVEMENT (9)	TYPICAL AREAS OF EXPENDITURE/ANALYSIS OF VARIATIONS (10)
SDS (including Direct Payments and ILF)	11,985,590	12,768,046	(782,456) ADV	56,874,082	59,365,551	(2,491,469) ADV	-4.4%	(2,002)	Demand led growth in activity.
Independent Care Homes	7,430,258	8,502,625	(1,072,367) ADV	34,156,900	37,642,092	(3,485,192) ADV	-10.2%	254,075	Demand led growth in activity.
Independent Homecare	2,298,473	1,828,211	470,262 FAV	14,891,952	13,363,601	1,528,351 FAV	10.3%	(117,687)	Fewer hours provided by Independent Sector than anticipated.
Payments to NHS Lanarkshire	107,837	107,837	0	1,671,887	1,671,887	0	0.0%	0	Balanced Budget.
Non Traditional Respite and Dem Supp	172,516	91,659	80,857 FAV	716,500	453,716	262,784 FAV	36.7%	0	Position reflects anticipated Locality demand.
Other Local Authorities - General	45,619	24,301	21,318 FAV	256,464	187,180	69,284 FAV	27.0%	12,018	Position reflects anticipated in-year demand.
Voluntary Organisations	832,222	833,088	(866) ADV	4,007,829	4,010,643	(2,814) ADV	-0.1%	(32,926)	Minor variance.
Payments to Other Bodies - General	93,264	33,465	59,799 FAV	966,742	772,395	194,347 FAV	20.1%	0	Position reflects demand trend to date.
Housing Support (RSL's)	203,064	136,462	66,602 FAV	984,705	768,250	216,455 FAV	22.0%	30,850	Position reflects projected contract levels.
Sectional Payments (Social Work Scotland Act)	113,046	116,984	(3,938) ADV	1,012,944	1,025,743	(12,799) ADV	-1.3%	(1,398)	Minor variance.
Locality Flexibility	27,798	13,147	14,651 FAV	275,369	227,752	47,617 FAV	17.3%	0	Projection reflects anticipated Locality demand
Private Sector Housing Grants	0	(17,057)	17,057 FAV	1,150,000	1,146,078	3,922 FAV	0.3%	(56,465)	Minor variance.
Medical Fees	48,405	48,405	0	219,833	219,833	0	0.0%	0	Balanced Budget.
Other	183,390	183,339	51 FAV	699,171	699,006	166 FAV	0.0%	1,957	Minor variance.
TOTAL EXPENDITURE	23,541,482	24,670,512	(1,129,030) ADV	117,884,378	121,553,727	(3,669,348) ADV	-3.1%	88,422	

FAV = Favourable variation, underspend etc
ADV = Adverse variation, overspend, income under-recovery etc

ADULT SOCIAL CARE & HOUSING - INTEGRATED
Earmarked Reserves Analysis
Period 4

Description of Earmarked Resource	Balance as at 31st March 2019	Additions during 2019/20	2018/19 Approved Reserve Total	2019/20	2020/21	Balance no longer required	Total	Comments
Adaptations Fund	242,868		242,868	(242,868)			(242,868)	Reserve to cover the potential commitment as a result of 2018/19 grant applications.
Financial Inclusion	205,326		205,326	(205,326)			(205,326)	Contribution to NLC's Financial Inclusion Service
SDS (including Direct Payments)	3,213,903		3,213,903	(3,213,903)			(3,213,903)	Contingency in relation to SDS providers (including Direct payments) in respect of the Scottish Living Wage, with particular regard to Sleepovers.
SDS Development	300,000		300,000	(300,000)			(300,000)	To accelerate and facilitate the SDS process for all care groups, in particular regard to Homesupport
Carers Act	35,000		35,000	(35,000)			(35,000)	Funding to support the implementation of Carers (Scotland) Act 2016.
Safer Walking Programme	30,000		30,000	(30,000)			(30,000)	Anticipated costs in relation to progressing the Safer Walking programme and other similar smart technologies, to support people live independently at home.
Social Care Contracting Staff within QA services	186,000		186,000	(93,000)	(93,000)		(186,000)	To support the anticipated increase in contracts requiring renewal in line with NLCs revised procurement process.
Social Care Contract Monitoring Staff	249,000		249,000	(125,000)	(124,000)		(249,000)	To address contract compliance requirements by increasing the staff resources available to monitor key contractual risks and ensure that service quality across purchased services is adequately monitored.
Community Alarm Services		220,000	220,000	(220,000)			(220,000)	To address Care Inspectorate requirements to ensure adequate staffing levels are in place to ensure a safe and timeous response to people who request assistance from the Community Alert Alarms Service
Totals	4,462,097	220,000	4,682,097	(4,465,097)	(217,000)	0	(4,682,097)	

ADULT SOCIAL CARE & HOUSING - INTEGRATED
2019/20 Savings Monitoring Report
01 April 2019 - 19 July 2019
Period 4

Description of Approved Saving	APPROVED SAVINGS			REPLACEMENT SAVING/FUNDING		Budget Gap	Commentary
	Target Value	Value Deliverable	Saving Gap	Description	Value		
	£000	£000	£000		£000	£000	
NHSL Resource Transfer uplift (2.5%)	1,207	1,207	0			0	
Review the level of Locality Support Services and Integrated Day Services	1,346	1,131	215			215	
Reduce external care home placements	655		655			655	
Review eligibility criteria for access to supports	300		300			300	
Additional Service review (social work secondee and admin review)	527	527	0			0	
Pool Cars	150	150	0			0	
Review of Equipment	20	20	0			0	
Review of Locality Flexibility payments	20	20	0			0	
Reduce supports to external providers	30	30	0			0	
Assessment, Planning and service delivery	280	280	0			0	
Totals	4,535	3,365	1,170		0	1,170	