

North Lanarkshire Council Report

Adult Health and Social Care Committee

approval noting

Ref LH/TOH

Date 07/11/19

H&SCP – North Lanarkshire (Adult Social Care & Housing) Revenue Monitoring Report Period 6: 01/04/2019 to 13/09/2019

From Margaret French, Interim Head of Adult Social Work Services

Email O'HaganT@northlan.gov.uk

Telephone Thomas O'Hagan,
01698 302839

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 13 September 2019 (Period 6). 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 £4.275m for the year ended 31 March 2020, representing a favourable movement of £0.025m from Period 5 position.

The 2019/20 budget reflects the transfer of activities linked to Children, Families and Justice Services which are now incorporated within 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 £1.583m. 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 £0.538m
- 2.1.3 Within Admin Costs, the Service is currently anticipating an underspend of £1.780m. 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 review of care/activity linked to 'Franks Law' is ongoing and will subsequently result in a realignment of 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 £117.7m of the annual budget. A forecast overspend of £3.955m 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 over-recovery of income of £0.045m. This is a result of recently agreed contributions from NHSL in relation to a SDS care package. This overrecovery is offset by under recoveries of budgeted funding within 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 6 the Service anticipates £3.232m (71%) of its approved savings will be delivered by the financial year-end.
- 2.3.2 Appendix 4 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
Health and Social Care NL

ADULT SOCIAL CARE & HOUSING - INTEGRATED
 Revenue Budget Monitoring Report - Subjective Analysis 01
 April 2019 - 13 September 2019

Period 6

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED VARIANCE (7)	OUTTURN % (8)	ANALYSIS (10)
EMPLOYEE COSTS	34,257,517	34,988,140	(730,623) ADV	82,357,990	83,941,009	(1,583,019) ADV	-1.9%	Cost pressures resulting from demand in Home support, partially offset by vacancies
PROPERTY COSTS	1,523,286	1,534,731	(11,445) ADV	3,341,020	3,365,818	(24,798) ADV	-0.7%	Delay in the achievement of savings linked to reconfiguration of Locality Support Services and Integrated Day Services
SUPPLIES & SERVICES	2,069,078	2,317,573	(248,495) ADV	4,479,411	5,017,817	(538,406) ADV	-12.0%	Increased demand for Equipment and Adaptations
TRANSPORT & PLANT	609,102	609,106	(4) ADV	2,149,931	2,149,939	(8) ADV	0.0%	Minor variance
ADMINISTRATION COSTS	1,051,589	229,650	821,939 FAV	3,717,195	1,936,327	1,780,868 FAV	47.9%	Frank's Law funding
PAYMENTS TO OTHER BODIES	43,026,534	44,851,926	(1,825,392) ADV	117,734,378	121,689,393	(3,955,015) ADV	-3.4%	Please refer to Appendix 2 for analysis
OTHER EXPENDITURE	90,137	90,116	21 FAV	147,380	147,335	45 FAV	0.0%	Minor underspend across various lines.
APPORTIONED EXPENSES	0	0	0	0	0	0	0.0%	
CFCR	0	0	0	0	0	0	0.0%	
CAPITAL EXPENDITURE	0	0	0	0	0	0	0.0%	
TOTAL EXPENDITURE	82,627,243	84,621,242	(1,993,999) ADV	213,927,305	218,247,638	(4,320,333) ADV	-2.0%	
NLC CONTRIBUTION	0	0	0	158,423,030	158,423,030	0	0.0%	
NLC CONTRIBUTION - HOUSING	0	0	0	1,970,000	1,970,000	0	0.0%	
INCOME FROM HEALTH	13,183,856	13,220,067	36,211 FAV	50,354,537	50,432,997	78,460 FAV	0.2%	Overrecovery reflects recent agreement regarding contribution to an SDS care package, this is partially offset by the underrecovery of budgeted funding within the Integrated Equipment & Adaptations Service.
FEES AND CHARGES	277,705	195,707	(81,998) ADV	605,529	427,866	(177,663) ADV	-29.3%	Underrecovery in Homecare Income
OTHER LOCAL AUTHORITIES	10,762	10,761	(1) ADV	36,000	36,000	0	0.0%	
USE OF IJB RESERVES	0	0	0	2,024,940	2,024,940	0	0.0%	
OTHER INCOME	273,974	340,554	66,580 FAV	513,269	657,526	144,257 FAV	28.1%	Overrecovery in relation to additional housing contributions for Response advisors coupled with returned private sector housing grants.
TOTAL INCOME	13,746,297	13,767,089	20,792 FAV	213,927,305	213,972,359	45,054 FAV	0.0%	
NET EXPENDITURE	68,880,946	70,854,153	(1,973,207) ADV	0	4,275,279	(4,275,279) ADV		

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 - 13 September 2019
Period 6

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)	TYPICAL AREAS OF EXPENDITURE/ANALYSIS OF VARIATIONS (10)
SDS (including Direct Payments and ILF)	21,291,464	22,098,558	(807,094) ADV	57,616,820	59,365,520	(1,748,700) ADV	-3.0%	Demand led growth in activity.
Independent Care Homes	13,490,029	15,049,297	(1,559,268) ADV	34,156,900	37,535,313	(3,378,413) ADV	-9.9%	Demand led growth in activity
Independent Homecare	4,651,013	4,476,421	174,592 FAV	14,149,214	13,770,932	378,282 FAV	2.7%	Fewer hours provided by Independent Sector than anticipated.
Payments to NHS Lanarkshire	133,934	133,934	0	1,596,887	1,596,887	0	0.0%	Balanced budget
Non Traditional Respite and Dem Supp	270,452	201,177	69,275 FAV	716,500	566,405	150,095 FAV	20.9%	Position reflects anticipated Locality demand
Other Local Authorities - General	82,838	52,529	30,309 FAV	256,464	190,794	65,670 FAV	25.6%	Position reflects anticipated in-year demand
Voluntary Organisations	1,821,714	1,823,013	(1,299) ADV	4,007,829	4,010,643	(2,814) ADV	-0.1%	Minor Variance
Payments to Other Bodies - General	158,117	75,998	82,119 FAV	891,742	713,818	177,924 FAV	20.0%	Position reflects demand trend to date
Housing Support (RSL's)	340,786	220,114	120,672 FAV	984,705	723,250	261,455 FAV	26.6%	Position reflects projected contract levels
Sectional Payments (Social Work Scotland Act)	185,959	193,479	(7,520) ADV	1,012,944	1,029,238	(16,294) ADV	-1.6%	Position reflects anticipated Locality demand
Locality Flexibility	77,873	46,665	31,208 FAV	275,369	207,752	67,617 FAV	24.6%	Position reflects anticipated Locality demand
Private Sector Housing Grants	159,588	132,192	27,396 FAV	1,150,000	1,090,643	59,357 FAV	5.2%	Position reflects level of demand for private sector adaptations
Medical Fees	85,822	85,887	(65) ADV	219,833	219,974	(141) ADV	-0.1%	Minor variance
Other	276,945	262,662	14,283 FAV	699,171	668,225	30,946 FAV	4.4%	Position reflects anticipated Locality demand
TOTAL EXPENDITURE	43,026,534	44,851,926	(1,825,392) ADV	117,734,378	121,689,393	(3,955,015) ADV	-3.4%	

FAV = Favourable variation, underspend etc

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

ADULT SOCIAL CARE & HOUSING - INTEGRATED
Earmarked Reserves Analysis
2018/2019

Period 6

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.
Motherwell Rehabilitation Team Leadership			0				0	A transitional arrangement to facilitate roll out of Rehab teams into the 6 localities. Expected that the service will be delivered within existing funded establishment once a review has taken place regarding the wider locality modeling structures.
Community Alarm Services		220,000	220,000	(220,000)			(220,000)	To address Care Inspectorate requirements to ensure adequate "minimum" 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 - 13 September 2019

Period 6

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	998	348			348	Temporary timing delay in implementation plan.
Reduce external care home placements	655		655			655	Ongoing demand for care home places.
Review eligiblity crieria for access to supports	300		300			300	Ongoing demand for care packages.
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	3,232	1,303		0	1,303	

71%