

North Lanarkshire Council Report

Adult Health and Social Care Committee

approval noting

Ref LH/TOH

Date 18/02/20

H&SCP – North Lanarkshire (Adult Social Care & Housing) Revenue Monitoring Report Period 10: 01/04/2019 to 03/01/2020

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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 3 January 2020 (Period 10). 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 £212.5m. The Service is currently projecting an overspend of £1.662m for the year ended 31 March 2020, representing a favourable movement of £2.613m from the previous position (Period 6) reported to committee.

The current budget reflects the transfer of activities linked to Children, Families and Justice Services which have been 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.

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 £212.5m
- 1.2 Reflected within the current budget is the aggregate transfer of £21m to the Council's Education and Families directorate, in respect of staff/resources that are fully aligned to children, families and justice activity. A future realignment of budgets will be considered and implemented at a later date, 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 £0.249m. This represents cost pressures resulting from demand for home support which are partially offset by vacancies across the Service.
- 2.1.2 Within Property Costs, there has been a temporary delay in the achievement of full year savings, linked to the reconfiguration of Locality Support Services and Integrated Day Service. This has led to an anticipated overspend of £0.039m.
- 2.1.3 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 £0.608m
- 2.1.4 Within Administration Costs, the Service is currently anticipating an underspend of £2.294m. 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 'Frank's 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.
- 2.1.5 Payments to Other Bodies are detailed in Appendix 2. This expenditure accounts for £116m of the annual budget. A forecast overspend of £4.462m is anticipated due to demand led pressure in activity such as Self Directed Support, Independent Care Homes and Independent Homecare. The overspend will be reduced following the realignment of resources linked to 'Frank's Law' as described in paragraph 2.1.4.
- 2.1.6 The Service anticipates an over-recovery of income of £1.282m. This is predominantly as a result of additional one-off income received from another local authority following the resolution of an ongoing ordinary residence case. In this example North Lanarkshire Council has successfully recovered the historic costs of providing services to an individual who was found to be "ordinarily resident" in another local authority area.

It has also been agreed that the ongoing recurring care costs will now be met by the host authority. In addition, the over-recovery reflects agreed contributions from NHSL in relation to SDS care packages involving significant medical care elements. These over-recoveries are offset by under recoveries of budgeted funding with regard 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 £4.233m of the earmarked reserves will be utilised during 2019/20, with £0.448m 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 10 the Service anticipates £3.501m (77%) 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 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.

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



Morag Dendy, Head of Planning, Performance and Quality Assurance

ADULT SOCIAL CARE & HOUSING - INTEGRATED
Revenue Budget Monitoring Report - Subjective Analysis
01 April 2019 - 03 January 2020
Period 10

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)	ANALYSIS (9)
EMPLOYEE COSTS	59,746,254	59,937,999	(191,745) ADV	82,499,909	82,749,178	(249,269) ADV	-0.3%	Cost pressures resulting from demand in Home support, partially offset by vacancies Delay in the achievement of savings linked to reconfiguration of Locality Support Services and Integrated Day Services Increased demand for Equipment and Adaptations Lower than anticipated mileage costs and vehicle contract hires. Additional grant (Frank's Law funding) Please refer to Appendix 2 for analysis Minor overspend across various lines.
PROPERTY COSTS	1,596,354	1,626,620	(30,266) ADV	3,341,020	3,380,366	(39,346) ADV	-1.2%	
SUPPLIES & SERVICES	3,217,175	3,685,507	(468,332) ADV	4,543,079	5,151,910	(608,831) ADV	-13.4%	
TRANSPORT & PLANT	1,251,564	1,155,131	96,433 FAV	2,150,331	2,024,968	125,363 FAV	5.8%	
ADMINISTRATION COSTS	2,198,188	433,570	1,764,618 FAV	3,717,195	1,423,191	2,294,004 FAV	61.7%	
PAYMENTS TO OTHER BODIES	74,695,062	78,127,154	(3,432,092) ADV	116,103,330	120,565,050	(4,461,720) ADV	-3.8%	
OTHER EXPENDITURE	127,378	130,928	(3,550) ADV	147,380	151,995	(4,615) ADV	-3.1%	
APPORTIONED EXPENSES CFCR	0 0	0 0	0 0	0 0	0 0	0 0	0.0% 0.0%	
CAPITAL EXPENDITURE	0	0	0	0	0	0	0.0%	
TOTAL EXPENDITURE	142,831,975	145,096,909	(2,264,934) ADV	212,502,244	215,446,658	(2,944,414) ADV	-1.4%	
NLC CONTRIBUTION	0	0	0	156,583,826	156,583,826	0	0.0%	Overrecovery reflects agreements regarding contribution to two SDS care packages, this is partially offset by the underrecovery of budgeted funding with regard to the Integrated Equipment & Adaptations Service.
NLC CONTRIBUTION - HOUSING	0	0	0	1,970,000	1,970,000	0	0.0%	
INCOME FROM HEALTH	37,820,229	38,030,229	210,000 FAV	50,552,938	50,825,938	273,000 FAV	0.5%	
FEES AND CHARGES	456,429	332,705	(123,724) ADV	605,529	444,688	(160,841) ADV	-26.6%	
OTHER LOCAL AUTHORITIES	245,661	983,643	737,982 FAV	36,000	995,377	959,377 FAV	2664.9%	
USE OF IJB RESERVES OTHER INCOME	0 420,550	0 582,609	0 162,059 FAV	2,024,940 729,011	2,024,940 939,688	0 210,677 FAV	0.0% 28.9%	
TOTAL INCOME	38,942,869	39,929,186	986,317 FAV	212,502,244	213,784,457	1,282,213 FAV	0.6%	
NET EXPENDITURE	103,889,106	105,167,723	(1,278,617) ADV	0	1,662,201	(1,662,201) 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 - 03 January 2020
Period 10

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 (9)
SDS (including Direct Payments and ILF)	38,279,375	40,809,997	(2,530,622) ADV	57,672,850	60,962,659	(3,289,809) ADV	-5.7%	Demand led growth in activity.
Independent Care Homes	23,478,337	25,099,972	(1,621,635) ADV	34,156,900	36,265,026	(2,108,126) ADV	-6.2%	Demand led growth in activity
Independent Homecare	7,654,971	7,624,363	30,608 FAV	14,149,214	14,109,423	39,791 FAV	0.3%	Position reflects anticipated Locality demand
Payments to NHS Lanarkshire	177,951	192,872	(14,921) ADV	1,596,887	1,616,284	(19,397) ADV	-1.2%	Position reflects anticipated in year payments
Non Traditional Respite and Dem Supp	460,540	337,886	122,654 FAV	716,500	557,050	159,450 FAV	22.3%	Position reflects anticipated Locality demand
Other Local Authorities - General	164,288	113,885	50,403 FAV	256,464	190,940	65,524 FAV	25.5%	Position reflects anticipated in-year demand
Voluntary Organisations	2,672,201	2,648,626	23,575 FAV	3,932,982	3,902,335	30,647 FAV	0.8%	Position reflects anticipated in-year demand
Payments to Other Bodies - General	303,723	161,858	141,865 FAV	907,008	722,583	184,425 FAV	20.3%	Position reflects demand trend to date
Housing Support (RSL's)	635,890	431,106	204,784 FAV	984,705	718,486	266,219 FAV	27.0%	Position reflects projected contract levels
Sectional Payments	27,991	24,226	3,765 FAV	39,263	34,369	4,894 FAV	12.5%	Position reflects anticipated Locality demand
Locality Flexibility	189,413	85,291	104,122 FAV	278,751	143,392	135,359 FAV	48.6%	Position reflects anticipated Locality demand
Private Sector Housing Grants	485,552	454,377	31,175 FAV	1,150,000	1,109,473	40,527 FAV	3.5%	Position reflects level of demand for private sector adaptations
Medical Fees	132,542	141,393	(8,851) ADV	219,833	231,339	(11,506) ADV	-5.2%	Position reflects the Service's approach in dealing with absence management
Other	32,288	1,302	30,986 FAV	41,973	1,691	40,282 FAV	96.0%	Position reflects anticipated Locality demand
TOTAL EXPENDITURE	74,695,062	78,127,154	(3,432,092) ADV	116,103,330	120,565,050	(4,461,720) ADV	-3.8%	

FAV = Favourable variation, underspend etc

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

ADULT SOCIAL CARE & HOUSING - INTEGRATED
Earmarked Reserves Analysis
2019/2020
Period 10

Description of Earmarked Reserve	Balance as at 31st March 2019	Additions during 2019/20	2019/20 Approved Reserve Total	2019/20	2020/21	Balance no longer required	Total	Comments
Adaptations Fund	242,868		242,868	(242,868)			(242,868)	Reserve reflects 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)	Anticipated costs in relation to SDS providers (including Direct payments) with regard to the Scottish Living Wage, with particular regard to Sleepovers. With continuing uncertainty over case law linked to sleepover rates it is not anticipated that this will be utilised in full in the current financial year
SDS Development	300,000		300,000	(100,000)	(200,000)		(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	(78,146)	(107,854)		(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	(108,432)	(140,568)		(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)	Additional staffing to support the Community Alert Alarms Service
Totals	4,682,097	0	4,682,097	(4,233,675)	(448,422)	0	(4,682,097)	

ADULT SOCIAL CARE & HOUSING - INTEGRATED
2019/20 Savings Monitoring Report
01 April 2019 - 03 January 2020
Period 10

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	1,267	79			79	Temporary timing delay in implementation plan
Reduce external care home placements	655		655			655	Ongoing demand for care home places.
Review eligibility criteria for access to supports	300		300			300	Ongoing demand for equipment
Additional Service reviews (Social Work Seconded 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	3,501	1,034		0	1,034	

77%