

North Lanarkshire Council Report

Adult Health and Social Care Committee

approval noting

Ref RM/MD/TOH/LH

Date 17/11/20

Revenue & Capital Budget Monitoring Report: Adult Social Care Period 6: 01/04/2020 to 18/09/2020

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Executive Summary

This report provides a summary of both the revenue financial performance of the Health & Social Care Partnership (H&SCP) – North Lanarkshire (Adult Social Care & Housing) and the capital financial performance of the Social Work capital programme.

The report incorporates the period 1 April 2020 to 18 September 2020 (Accounting Period 6) and includes a projected outturn for the financial year ended 31 March 2021, with major outturn variances highlighted and explained per approved Financial Regulations.

H&SCP – North Lanarkshire (Adult Social Care & Housing) has a gross revenue expenditure budget of £206.6m and is currently projecting an overspend of £6.740m. The overall projected outturn position for the Service includes forecast net additional costs as a result of the COVID-19 pandemic of £8.122m, as detailed in Appendix 5. The underlying position, therefore, excluding the impact of the pandemic is a forecast underspend of £1.382m.

The Social Work capital programme has a total budget of £2.490m and is currently projecting an underspend of £0.535m.

Recommendations

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

- (1) Notes the revenue financial outturn position;
- (2) Notes the capital financial outturn position.

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 24 February 2020, and the Integrated Joint Board (IJB) approved its Financial Plan on 24 March 2020. The approved Gross Expenditure Budget for the H&SCP – North Lanarkshire (Adult Social Care and Housing) is £206.6m. Reflected within the revenue budget is the aggregate transfer of £36.6m to the Council's Education and Families directorate, in respect of staff/resources that are now fully aligned to children, families and justice activity.
- 1.2 2020/21 is the third year of the Council's five year capital investment programme. At the outset of the programme Social Work was allocated an approved budget of £2.390m for 2020/21. The Service reported an overall underspend in 2019/20 of £0.153m which has been re-profiled to 2020/21. Furthermore the Strategic Capital Delivery Group approved the transfer of £0.053m from the 2019/20 Accommodation Investment underspend to Enterprise & Communities, therefore the total net budget for 2020/21 is £2.490m. The Service's Capital Budget Movements are demonstrated within Appendix 6.
- 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 Revenue: Analysis of Significant Variations

- 2.1.1 Within Employee Costs, the Service currently anticipates an overspend of £5.118m. This relates to anticipated COVID costs of £3.933m linked to overtime and additional staffing, coupled with cost pressures resulting from demand within home support. These additional costs are partially offset by underspends as a result of vacancy management across the Service.
- 2.1.2 Within Supplies and Services, the Service currently anticipates an overspend of £1.983m. The majority of these costs (£1.813m) are a result of increased PPE expenditure to protect staff against COVID, coupled with demand for equipment and adaptations, and the IJB's contribution to the Financial Inclusion team.
- 2.1.3 Within Transport & Plant, the Service is currently anticipating an underspend of £0.168m. This is as a result of lower than anticipated staff travel costs and external hires.
- 2.1.4 Payments to Other Bodies are detailed in Appendix 2. This expenditure accounts for £126.6m of the annual budget and is forecast to be overspent by £4.415m. This is in relation to forecast COVID payments to external providers of £8.271m, offset by slippage in SDS, Independent Care Homes and Independent Home Care, due to lower than anticipated levels of demand in the period April through to July 2020.
- 2.1.5 The Service anticipates an over-recovery of income of £4.605m. This is a result of anticipated Scottish Government COVID funding of £6.382m, which is partly offset by the timing delay in implementing charges for Community Alarms.

2.2 Revenue: Earmarked Reserves

- 2.2.1 The Integrated Joint Board have set aside reserves totalling £4.749m 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. It is anticipated that £4.749m of the earmarked reserves will be utilised during 2020/21.

2.3 Revenue: 2020/21 Savings

- 2.3.1 The Integrated Joint Board approved savings within the Adult Social Care service of £5.604m. 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 £4.164m (74%) of its approved savings will be delivered by the financial year-end.
- 2.3.2 Appendix 4 provides further analysis of the savings. The budget gap of £1.440m has been offset, during the current year, by management action in other budget lines including Payments to other Bodies.

2.4 Revenue: COVID-19

- 2.4.1 The overall outturn position of the Service is an overspend of £6.740m. This includes net additional costs as a result of the COVID-19 pandemic of £8.122m as detailed in Appendix 5. The underlying position of the Service excluding the impact of the pandemic is therefore an underspend of £1.382m.
- 2.4.2 The IJB reports expenditure incurred as a result of the COVID-19 pandemic, to the Scottish Government on a periodic basis. Appendix 5 reflects the costs which are included within the most recent return which was submitted on 27 July.
- 2.4.3 The Scottish Government is in ongoing discussions with H&SCP's with respect to providing additional funding streams to address additional costs and reduced income incurred as a result of the pandemic. To date North Lanarkshire has been advised two tranches of £3.191m Scottish Government funding is available. The receipt of this funding is subject to meeting grant award criteria and verification processes. Future reports will include further updates in respect the national funding allocated/received by North Lanarkshire in response to the pandemic.

2.5 Capital: Analysis of Significant Variations

- 2.5.1 Within the Integrated Equipment and Adaptation (IEAS) programme, the total budget of £2.346m is aggregated from the 2020/21 approved budget of £2.200m and the 2019/20 carry forward of £0.146m. The Service is currently projecting a full year underspend of £0.535m. This underspend is primarily due to the effect Covid has had on previously anticipated demand levels and the ability to undertake house visits, assessments and installations. Whilst demand has gradually increased and the restrictions on house visits has recently eased, it is not expected the programme will fully catch up by financial year end.

In addition there has been a focus this year on reducing the expenditure on specialist seating by recycling or reconfiguring existing stock. In a typical year provision of specialist seating would account for approximately 20% of capital spend.

There remains heightened uncertainties in respect of capital expenditure both in relation to Covid restrictions, increased promotion of assistive technology, and the roll out of the Single Handed Care Programme.

- 2.5.2 The total budget for Mobile/Agile/Flexible theme is £0.143m. This is aggregated from the approved 2020/21 budget of £0.190m coupled with the brought forward overspend from 2019/20 of £0.047m. This programme is reflecting a break even position as the budget will be fully utilised to purchase kits for Home Support workers as outlined in the Home Support redesign/centralisation project.
- 2.5.3 Appendix 7 and 8 outline the Service's total capital budget, outturn position and current contractual commitments.

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 overspends. This action will include vacancy management, curtailment of non-essential expenditure, and maximising income/grant.
 - 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 demands and restrictions resulting from Covid and 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.
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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 – Subjective Analysis
Appendix 2	Revenue Budget Monitoring – PTOB Analysis
Appendix 3	Revenue Budget Monitoring - Earmarked Reserves Analysis
Appendix 4	Revenue Budget Monitoring - 2020/21 Savings Monitoring Report
Appendix 5	Revenue Budget Monitoring – COVID 19 Costs
Appendix 6	Capital Budget Monitoring – Budget Movements 2020/21
Appendix 7	Capital Budget Monitoring – Summary Expenditure by Thematic
Appendix 8	Capital Budget Monitoring – Summary Expenditure by Division



Morag Dendy, Head of Planning, Performance and Quality Assurance

ADULT SOCIAL CARE & HOUSING - INTEGRATED
Revenue Budget Monitoring Report: Subjective Analysis
01 April 2020 - 18 September 2020
Period 6

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	28,258,727	30,620,776	(2,362,049) ADV	69,855,520	74,973,294	(5,117,774) ADV	-7.3%	Slippage from Vacancies offset by Cost pressures in Homesupport from increased demand and also anticipated staff costs relating to COVID of £3.9m
PROPERTY COSTS	1,003,340	1,001,620	1,720 FAV	2,829,773	2,826,046	3,727 FAV	0.1%	
SUPPLIES & SERVICES	2,095,641	3,010,924	(915,283) ADV	4,284,398	6,267,512	(1,983,114) ADV	-46.3%	Demand in IEAS; Contributions to the Financial Inclusion Service and also anticipated PPE costs relating to COVID of £1.8m
TRANSPORT & PLANT	475,888	398,318	77,570 FAV	1,669,884	1,501,815	168,069 FAV	10.1%	
ADMINISTRATION COSTS	186,064	168,106	17,958 FAV	1,327,188	1,288,282	38,906 FAV	2.9%	Lower than anticipated general admin costs.
PAYMENTS TO OTHER BODIES	47,977,096	50,014,779	(2,037,683) ADV	126,596,894	131,011,874	(4,414,980) ADV	-3.5%	Please refer to Appendix 2 for analysis
OTHER EXPENDITURE	17,919	36,330	(18,411) ADV	38,818	78,708	(39,890) ADV	-102.8%	Anticipated ancillary costs relating to COVID of £0.057m
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	80,014,675	85,250,853	(5,236,178) ADV	206,602,475	217,947,531	(11,345,056) ADV	-5.5%	
NLC CONTRIBUTION	68,500,619	68,500,619	0	148,430,378	148,430,378	0	0.0%	Underrecovery of budgeted funding with regard to the Integrated Equipment & Adaptations Service, offset by Contributions from NHSL regarding an SDS package
NLC CONTRIBUTION - HOUSING	929,534	929,534	0	1,970,000	1,970,000	0	0.0%	
INCOME FROM HEALTH	13,015,489	12,987,503	(27,986) ADV	52,061,937	52,001,302	(60,635) ADV	-0.1%	
FEES AND CHARGES	573,285	49,905	(523,380) ADV	1,860,943	726,953	(1,133,990) ADV	-60.9%	Underrecovery in relation to the delay in implementing the Community Alarms Charge, coupled with anticipated under-recovery of Homecare and Integrated Day Services income as a result of COVID of £0.430m
OTHER LOCAL AUTHORITIES	11,568	11,568	0	30,000	30,000	0	0.0%	Partially funded by use of earmarked reserves Overrecovery in relation to returned private sector housing grants, coupled with confirmed (and assumed) funding regarding COVID of £6.382m
USE OF IJB RESERVES	308,352	0	(308,352) ADV	1,882,000	1,213,903	(668,097) ADV	-35.5%	
OTHER INCOME	169,471	3,154,600	2,985,129 FAV	367,217	6,834,998	6,467,781 FAV	1761.3%	
TOTAL INCOME	83,508,318	85,633,729	2,125,411 FAV	206,602,475	211,207,534	4,605,059 FAV	2.2%	
NET EXPENDITURE	(3,493,643)	(382,876)	(3,110,767) ADV	0	6,739,997	(6,739,997) 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 2020 - 18 September 2020
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)	ANALYSIS OF VARIATIONS (9)
SDS (including Direct Payments and ILF)	24,281,849	23,375,784	906,066 FAV	66,396,678	64,433,537	1,963,141 FAV	3.0%	Demand led activity.
Independent Care Homes	15,724,370	15,502,705	221,664 FAV	36,539,283	36,059,010	480,273 FAV	1.3%	Demand led activity.
Independent Homecare	4,821,489	4,399,446	422,043 FAV	14,347,903	13,433,476	914,427 FAV	6.4%	Position reflects anticipated Locality demand
Payments to NHS Lanarkshire	94,498	85,599	8,899 FAV	1,624,635	1,605,354	19,281 FAV	1.2%	Position reflects anticipated in year payments
Non Traditional Respite and Dem Supp	99,082	123,769	(24,687) ADV	416,500	469,989	(53,489) ADV	-12.8%	Position reflects anticipated Locality demand
Other Local Authorities - General	95,283	39,189	56,094 FAV	206,464	84,927	121,537 FAV	58.9%	Position reflects anticipated in-year demand
Voluntary Organisations	1,586,507	1,617,534	(31,027) ADV	3,925,760	3,992,986	(67,226) ADV	-1.7%	Position reflects anticipated in-year demand
Payments to Other Bodies - General	428,475	4,179,730	(3,751,255) ADV	928,439	9,056,159	(8,127,720) ADV	-875.4%	Position reflects payments to external providers (including SDS, Care Homes and Care at Home providers) in relation to COVID
Housing Support (RSL's)	249,803	187,455	62,348 FAV	834,705	699,618	135,087 FAV	16.2%	Position reflects projected contract levels
Sectional Payments	14,557	12,932	1,625 FAV	19,263	15,742	3,521 FAV	18.3%	Position reflects anticipated Locality demand
Locality Flexibility	122,113	44,601	77,512 FAV	282,251	114,308	167,943 FAV	59.5%	Position reflects anticipated Locality demand
Private Sector Housing Grants	439,523	426,487	13,036 FAV	952,378	924,133	28,245 FAV	3.0%	Position reflects level of demand for private sector adaptations
Medical Fees	19,548	19,548	0 FAV	122,635	122,635	0	0.0%	Position reflects the Service's approach in dealing with absence management
Other	0	0	0	0	0	0	0.0%	Position reflects anticipated Locality demand
TOTAL EXPENDITURE	47,977,096	50,014,779	(2,037,683) ADV	126,596,894	131,011,874	(4,414,980) ADV	-3.5%	

FAV = Favourable variation, underspend etc

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

ADULT SOCIAL CARE & HOUSING - INTEGRATED
Revenue Budget Monitoring Report: Earmarked Reserves Analysis
2020/2021
Period 6

Description of Earmarked Reserve	Balance as at 31st March 2020	Additions during 2020/21	2020/21 Approved Reserve Total	2020/21	2021/22	Balance no longer required	Total	Comments
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	251,594		251,594	251,594			251,594	To accelerate and facilitate the SDS process for all care groups, in particular regard to Homesupport
Social Care Contracting Staff within QA services	107,810		107,810	107,810			107,810	To support the anticipated increase in contracts requiring renewal in line with NLCs revised procurement process
Social Care Contract Monitoring Staff	140,478		140,478	140,478			140,478	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	169,690		169,690	169,690			169,690	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
Adaptations Fund	285,639		285,639	285,639			285,639	Reserve to cover the potential commitment as a result of 2019/20 grant applications. The reserve assumes an adjustment in relation to the likelihood of the application materialising, based on historical trends.
Waiving of Charges	580,000		580,000	580,000			580,000	Reserve to cover the potential risk of financial commitment, as a result of the implementation of the Carers Act 2018, in relation to the Waiving of Charges
			0				0	
Totals	4,749,114	0	4,749,114	4,749,114	0	0	4,749,114	

ADULT SOCIAL CARE & HOUSING - INTEGRATED
 Revenue Budget Monitoring Report: 2020/21 Savings Monitoring Report
 01 April 2020 - 18 September 2020
 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	
Review provision from the Independent Sector	170	103	67		67	0	The Service has offsetting underspends within Payments to Other Bodies.
LA Service changes - Home support	385	385	0		0	0	
LA Service changes - Integrated Day Service & Locality Support Service	39	39	0		0	0	
LA Service changes - Respite	300	300	0		0	0	
LA Service changes - Registered Social Landlords	150	150	0		0	0	
First point of Contact	300	300	0		0	0	
Indep Care Homes, Home Support, EAS	150	150	0		0	0	
Review of Management configuration	165	165	0		0	0	
Charge for Community Alarms (£3.40)	1,410	705	705		705	0	
Inflation increase from NHSL on Resource transfer and Social Care Funding	653	653	0		0	0	
Re-Profile of Cost Pressure Provision	1,882	1,214	668		668	0	
Totals	5,604	4,164	1,440		1,440	0	

ADULT SOCIAL CARE & HOUSING - INTEGRATED
 Revenue Budget Monitoring Report: COVID-19 Costs
 01 April 2020 - 18 September 2020
 Period 6

AREA	Budget £'000	Projected Outturn £'000	Projected Outturn Variance £'000	Period Movement £'000	COMMENT
Mobilisation Costs	0	14,504	(14,504)	0	LMP return (27 July 2020) £15.263m, discounting burden from unmet savings (£1.098m) and some cost reductions (£0.339m) already accounted for in Service's position
Other		(6,382)	6,382	0	* 12 May 2020 - initial funding £50m for Scotland: NLC £3.191m * 3 August 2020 - additional funding up to £50m: assumed NLC equal to previous £3.191m
Service Specific Total	0	8,122	(8,122)	0	
Project Costs					
TOTAL ADDITIONAL COSTS	0	8,122	(8,122)	0	

Social Work Capital Programme
 Capital Budget Monitoring Report: Budget Movements 2020/21
 01 April 2020 - 18 September 2020
 Period 6

APPROVED BUDGET **2,390,000**

Movements to budget	Period	Division	Thematic category	Theme	
Reprofiling from 2019/20	53,097	Included in opening budget	Social Work	Building asset expenditure	Accommodation Investment
Reprofiling from 2019/20	146,483	Included in opening budget	Social Work	Key Ambition	Integrated equipment & adaptations
Overspend from 2019/20	(46,587)	Included in opening budget	Social Work	Key Ambition	Mobile/agile/flexible working
Transferred to Enterprise & Communities	(53,097)	Period 4	Social Work	Building asset expenditure	Accommodation Investment
 Sub Total of Budget Movements	 99,896				
REVISED BUDGET TOTAL	<u>2,489,896</u>				

Social Work Capital Programme
 Capital Budget Monitoring Report: Summary Expenditure by Thematic Category
 01 April 2020 - 18 September 2020
 Period 6

Thematic Category	Budget £	YTD					OUTTURN	
		Actual £	Actual %	Committed £	Committed %	Uncommitted £	Final Outturn £	Outturn variance £
Key Ambition	2,489,896	414,483	16.65%	557,400	22.39%	1,397,642	1,955,042	534,854
Total	2,489,896	414,483	16.65%	557,400	22.39%	1,397,642	1,955,042	534,854

Social Work Capital Programme
 Capital Budget Monitoring Report: Summary Expenditure by Division
 01 April 2020 - 18 September 2020
 Period 6

Theme	Budget £	YTD			OUTTURN	
		Actual £	Committed £	Uncommitted £	Final Outturn £	Outturn variance £
SOCIAL WORK						
Integrated equipment & adaptations	2,346,483	414,483	557,400	1,254,229	1,811,629	534,854
Mobile/agile/flexible working	143,413	0	0	143,413	143,413	0
TOTAL SOCIAL WORK	2,489,896	414,483	557,400	1,397,642	1,955,042	534,854