



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	24 June 2020
Agenda Item	9
Title	Revenue Budget Monitoring Report 2020/21; position as at 31 May 2020
Summary	
To provide the Integration Joint Board with financial monitoring information in relation to the revenue budget, as part of the agreed financial governance arrangements.	
Presented by	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)
Action Required	
The Integration Joint Board is asked to note the early indication of the projected outturn for the 2020/21 revenue budget.	
Directions	Implications
<input type="checkbox"/> No Directions Required <input type="checkbox"/> Directions to East Renfrewshire Council (ERC) <input type="checkbox"/> Directions to NHS Greater Glasgow and Clyde (NHSGGC) <input checked="" type="checkbox"/> Directions to both ERC and NHSGGC	<input checked="" type="checkbox"/> Finance <input type="checkbox"/> Policy <input type="checkbox"/> Workforce <input type="checkbox"/> Equalities <input checked="" type="checkbox"/> Risk <input type="checkbox"/> Legal <input type="checkbox"/> Infrastructure <input type="checkbox"/> Fairer Scotland Duty

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

24 June 2020

Report by Chief Financial Officer

REVENUE BUDGET MONITORING REPORT

PURPOSE OF REPORT

1. To advise the Integration Joint Board of the projected outturn position of the 2020/21 revenue budget.

RECOMMENDATIONS

2. The Integration Joint Board is asked to note the early indication of the projected outturn for the 2020/21 revenue budget.

BACKGROUND

3. This report forms part of the regular reporting cycle for ensuring that the HSCP financial governance arrangements are maintained. This is the first report for the financial year 2020/21 and is earlier than revenue budget reporting would normally commence.

4. Given the current situation around COVID-19 and the associated financial uncertainty it is important the IJB have early sight of our current financial position and take some assurance on the amount of work that is taking place.

5. The HSCP costs related to COVID-19 activity are reported to the Scottish Government via NHS Greater Glasgow and Clyde as the health boards are the leads on this reporting. The HSCP provides detailed estimated and actual costs across a number of categories including; staffing additional hours and absence cover for both the HSCP and our partner providers, sustainability of our partner providers, PPE (personal protective equipment) and other equipment, unachievable savings and prescribing impacts.

6. The costs are c£9 million for the 13 months from March 2020 to March 2021 and include many assumptions and scenarios as we continue to work our way through the emergency response and as we move toward what the 'new normal' may look like.

7. There is no doubt that these costs will change as we move from high level assumptions, to more refined estimates as activity becomes clearer and through to actual costs incurred; the financial impacts and implications will be reported to the IJB throughout the year.

8. The current estimated costs are included in our overall financial position and the bottom line is a nil impact as the current planning assumption is that all costs will be fully funded. The sustainability costs supporting the social care market are supported nationally by an agreed set of principles. Clearly there is a risk should there be any change from all costs being funded in full.

9. The HSCP share of the £50 million allocated to date is £0.886 million.

REPORT

10. The consolidated budget for 2020/21, and projected outturn position is reported in detail at Appendix 1. This shows a potential projected overspend of £0.640 million against a full year budget of £125.6 million (0.5%).
11. The normal reporting timetable would not include projected cost variances at such an early stage in the financial year. The main elements of projected overspend are care packages and staffing.
12. The consolidated budget and associated financial direction to our partners is detailed at Appendix 4. This is reported to each Integration Joint Board and reflects in year revisions to our funding contributions and associated directions.
13. The main projected variances as set out below with projected costs based on known care commitments at April 2020 and estimated recruitment timescales for vacant posts.
14. **Children & Families Public Protection £179k underspend;** The projected underspend is due mainly to the current level of staff turnover; this will be subject to change as the year progresses.
15. **Adult Localities £264k overspend;** This reflects the current committed costs of care packages, offset in part by staff turnover.
16. **Intensive Services £523k overspend;** The main cost pressure is £667k in Care at Home (both purchased and the in-house service) and this is offset in part by staff turnover within day services. As with all care package costs this is an early indication and will continue to be closely monitored.
17. **Recovery Services Mental Health & Addictions £22k underspend;** This reflects the current expected cost of care packages and staff turnover.
18. **Prescribing Nil Variance;** The costs assumed to relate to COVID-19 are assumed fully funded. The costs associated with prescribing are being analysed in detail on a monthly basis and future reports will include more detail.
19. **Finance & Resources £74k overspend;** this budget meets the cost of a number HSCP wide costs, including recharges for prior year pension costs and a prudent projection is included.
20. **Primary Care Improvement Plan and Mental Health Action 15;** The usual financial monitoring appendices for these areas will be included in future reports. The IJB can take assurance that costs related to these functions are part of ring-fenced funding.
21. The current projected revenue budget overspend of £0.640 million will be funded from our budget savings reserve as required.
22. The reserves position is reported at Appendix 5 and is subject to audit, therefore provisional. The spending plans against reserves will be refined as we move through the year.
23. The provisional outturn for 2019/20 of £185k overspend is detailed in the annual report and accounts. This was an improvement on the projected overspend of £479k based on the expected costs as at January 2020.

IMPLICATIONS OF THE PROPOSALS

Finance

24. The savings agreed by the IJB as part of the budget set in March 2020 are set out at Appendix 6. Our capacity to deliver these savings in year is significantly impacted as we work through COVID-19. Progress on savings delivery along with any implications from our recovery programme will be reported to the IJB during the year.

25. Once the implications from COVID-19 are clearer our Medium-Term Financial plan will be reviewed.

26. The Scottish Government have recently confirmed additional funding to meet the costs of Fair Work Practices and our share of this funding (£157k) will offset some of the cost pressures of the 3.3% uplift agreed for 2020/21.

Risk

27. There are several risks which could impact on the current and future budget position; including:

- COVID-19 related additional costs not being fully funded
- Maintaining capacity to deliver our services
- Achieving all existing savings on a recurring basis
- The impact of COVID-19 on our partner providers and the care service market
- Prescribing costs exceeding budget and reserve
- Observation and Out of Area costs within Learning Disability Specialist Services
- Brexit implications

DIRECTIONS

28. The running budget reconciliation which forms part of financial directions to our partners is included at Appendix 4.

29. The report reflects a projected breakeven position after the potential contribution of £0.640 million from reserves for the year to 31 March 2020.

CONSULTATION AND PARTNERSHIP WORKING

30. The Chief Financial Officer has consulted with our partners.

31. This revenue budget reflects the consolidation of funding from both East Renfrewshire Council and NHS Greater Glasgow and Clyde. The HSCP operates under the Financial Regulations as approved by the Performance and Audit Committee on 18 December 2015 and reviewed March 2020.

CONCLUSIONS

32. Appendix 1 reports a potential projected overspend of £0.640 million for the year to 31 March 2021 being funded from reserves, as required.

RECOMMENDATIONS

33. The Integration Joint Board is asked to note the early indication of the projected outturn position of the 2020/21 revenue budget.

REPORT AUTHOR

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14 June 2020

Chief Officer, IJB: Julie Murray

BACKGROUND PAPERS

IJB 29.01.2020 – Revenue Budget Monitoring Report
<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=25576&p=0>

IJB 27.11.2019 – Revenue Budget Monitoring Report
<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=25554&p=0>

IJB 25.09.2019 – Revenue Budget Monitoring Report
<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=25150&p=0>

IJB 14.08.2019 – Revenue Budget Monitoring Report
<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=24915&p=0>

IJB 01.05. 2019 - Revenue Budget Monitoring Report
<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=24320&p=0>

Consolidated Monitoring Report

Projected Outturn Position to 31st March 2021

Objective Analysis	Full Year			
	Budget £	Projected Outturn £	Variance (Over) / Under £	Variance (Over) / Under %
Public Protection - Children & Families	12,495,000	12,316,000	179,000	1.43%
Public Protection - Criminal Justice	9,000	9,000	-	0.00%
Adult Localities Services				
Older People	19,073,000	19,038,000	35,000	0.18%
Physical & Sensory Disability	5,310,000	5,233,000	77,000	1.45%
Learning Disability - Community	13,407,000	13,783,000	(376,000)	(2.80%)
Learning Disability - Inpatients	8,432,000	8,412,000	20,000	0.24%
Augmentative and Alternative Communication	71,000	71,000	0	0.00%
Intensive Services	11,147,000	11,670,000	(523,000)	(4.69%)
Recovery Services - Mental Health	4,736,000	4,766,000	(30,000)	(0.63%)
Recovery Services - Addictions	1,501,000	1,449,000	52,000	3.46%
Family Health Services	24,110,000	24,110,000	0	0.00%
Prescribing	16,049,000	16,049,000	0	0.00%
Planning & Health Improvement	171,000	171,000	0	0.00%
Finance & Resources	9,099,000	9,173,000	(74,000)	(0.81%)
Net Expenditure	125,610,000	126,250,000	(640,000)	(0.51%)
Contribution to / (from) Reserve	-	(640,000)	640,000	-
Net Expenditure	125,610,000	125,610,000	-	-

Note: ERC & NHS figures for the month ended 31 May 2020

Net Contribution To / (From) Reserves	£ (640,000)
Analysed by Partner;	
NHS	-
Council	(640,000)
Net Contribution To / (From) Reserves	(640,000)

Additional information - Adult Localities

Objective Analysis	Full Year			
	Budget £	Projected Outturn £	Variance (Over) / Under £	Variance (Over) / Under %
Localities Services - Barrhead	14,630,000	14,826,000	(196,000)	(1.34%)
Localities Services - Eastwood	23,160,000	23,228,000	(68,000)	(0.29%)
Net Expenditure	37,790,000	38,054,000	(264,000)	(0.70%)

Council Monitoring Report

Projected Outturn Position to 31st March 2021

Subjective Analysis	Full Year			
	Budget £	Projected Outturn £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	23,133,000	22,818,000	315,000	1.36%
Property Costs	947,000	1,042,000	(95,000)	(10.03%)
Supplies & Services	1,895,000	2,364,000	(469,000)	(24.75%)
Transport Costs	230,000	216,000	14,000	6.09%
Third Party Payments	38,807,000	46,716,000	(7,909,000)	(20.38%)
Support Services	2,354,000	2,354,000	-	0.00%
Income	(16,053,000)	(23,557,000)	7,504,000	(46.75%)
Net Expenditure	51,313,000	51,953,000	(640,000)	(1.25%)

Contribution to / (from) Reserve	-	(640,000)	640,000	-
Net Expenditure	51,313,000	51,313,000	-	-

Objective Analysis	Full Year			
	Budget £	Projected Outturn £	Variance (Over) / Under £	Variance (Over) / Under %
Public Protection - Children & Families	9,639,000	9,441,000	198,000	2.05%
Public Protection - Criminal Justice	9,000	9,000	-	0.00%
Adult Localities Services				
Older People	11,635,000	11,618,000	17,000	0.15%
Physical & Sensory Disability	4,722,000	4,645,000	77,000	1.63%
Learning Disability	7,692,000	8,123,000	(431,000)	(5.60%)
Intensive Services	10,173,000	10,696,000	(523,000)	(5.14%)
Recovery Services - Mental Health	1,557,000	1,587,000	(30,000)	(1.93%)
Recovery Services - Addictions	298,000	246,000	52,000	17.45%
Finance & Resources	5,588,000	5,588,000	-	0.00%
Net Expenditure	51,313,000	51,953,000	(640,000)	(1.25%)

Contribution to / (from) Reserve	-	(640,000)	640,000	-
Net Expenditure	51,313,000	51,313,000	-	-

Notes

- Figures quoted as at 31 May 2020
- The projected underspend / (overspend) will be taken to/(from) reserves at year end.
- Contribution To Reserves is made up of the following transfer;

Contribution from In Year Pressures Reserve	£ <u>(640,000)</u>
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4 Additional information - Adult Localities

Objective Analysis	Full Year			
	Budget £	Projected Outturn £	Variance (Over) / Under £	Variance (Over) / Under %
Localities Services - Barrhead	8,070,000	8,330,000	(260,000)	(3.22%)
Localities Services - Eastwood	15,979,000	16,056,000	(77,000)	(0.48%)
Net Expenditure	24,049,000	24,386,000	(337,000)	(1.40%)

NHS Monitoring Report

Projected Outturn Position to 31st March 2021

Subjective Analysis	Full Year			
	Full Year Budget £	Projected Outturn £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	19,464,000	20,102,000	(638,000)	(3.28%)
Non-pay Expenditure	48,249,000	48,730,000	(481,000)	(1.00%)
Resource Transfer/Social Care Fund	10,896,000	10,896,000	-	0.00%
Income	(4,312,000)	(5,431,000)	1,119,000	(25.95%)
Net Expenditure	74,297,000	74,297,000	-	0.00%

Contribution to / (from) Reserve	-	-	-	-
Net Expenditure	74,297,000	74,297,000	-	-

Objective Analysis	Full Year			
	Full Year Budget £	Projected Outturn £	Variance (Over) / Under £	Variance (Over) / Under %
Childrens Services	2,760,000	2,779,000	(19,000)	(0.69%)
Adult Community Services	4,241,000	4,223,000	18,000	0.42%
Learning Disability - Community	1,070,000	1,015,000	55,000	5.14%
Learning Disability - Inpatient	8,432,000	8,412,000	20,000	0.24%
Augmentative and Alternative Communication	71,000	71,000	-	0.00%
Family Health Services	24,110,000	24,110,000	-	0.00%
Prescribing	16,049,000	16,049,000	-	0.00%
Recovery Services - Mental Health	2,441,000	2,441,000	-	0.00%
Recovery Services - Addictions	713,000	713,000	-	0.00%
Planning & Health Improvement	171,000	171,000	-	0.00%
Finance & Resources	3,137,000	3,211,000	(74,000)	(2.36%)
Resource Transfer	11,102,000	11,102,000	-	0.00%
Net Expenditure	74,297,000	74,297,000	-	0.00%

Contribution to / (from) Reserve	-	-	-	0.00%
Net Expenditure	74,297,000	74,297,000	-	0.00%

Notes

1 Figures quoted as at 31 May 2020

2 Resource Transfer and the Social Care Fund is re allocated across client groups at the consolidated level as detailed below;

£

Public Protection - Children & Families	96,000
Adult Localities Services	
Older People	3,197,000
Physical & Sensory Disability	588,000
Learning Disability	4,645,000
Intensive Services	974,000
Recovery Services - Mental Health	738,000
Recovery Services - Addictions	490,000
Finance & Resources	374,000
	<u>11,102,000</u>

Localities Services - Barrhead 4,785,000

Localities Services - Eastwood 3,645,000

£

3 Total Contribution to / (from) Reserves -

4 Additional information - Adult Localities

Objective Analysis	Full Year			
	Full Year Budget £	Projected Outturn £	Variance (Over) / Under £	Variance (Over) / Under %
Localities Services - Barrhead	1,775,000	1,711,000	64,000	3.61%
Localities Services - Eastwood	3,536,000	3,527,000	9,000	0.25%
Net Expenditure	5,311,000	5,238,000	73,000	1.37%

East Renfrewshire HSCP - Revenue Budget Monitoring 2019/20
Budget Reconciliation & Directions

Appendix 4

	NHS £000	ERC £000	IJB £000	Total £000
Funding Sources to the IJB				
1 Original Revenue Budget Contributions	72,135	51,313		123,448
Criminal Justice Grant Funded Expenditure		606		606
Criminal Justice Grant		(606)		(606)
FHS / GMS budget adjustments	1,147			1,147
Adjustments to opening recurring budget	129			129
Covid-19 Funding	886			886
	74,297	51,313	-	125,610
Funding Outwith Revenue Contribution				
1 Housing Aids & Adaptations *		550		550
Set Aside Budget	31,674			31,674
Total IJB Resources	105,971	51,863	-	157,834
Directions to Partners				
Revenue Budget	72,135	51,313	-	123,448
Criminal Justice Grant Funded Expenditure		606		606
Criminal Justice Grant		(606)		(606)
Resource Transfer	(11,102)	11,102		0
Social Care Fund	(5,132)	5,132		0
Carers Information	58	(58)		0
	55,959	67,489	-	123,448
Housing Aids & Adaptations *		550		550
Set Aside Budget	31,674			31,674
	87,633	68,039	-	155,672

* includes capital spend

1 Subject to final budget confirmation following UK budget and associated partner approval

Earmarked Reserves	Reserve Carry Forward to 2020/21* £	2020/21 Projected spend £	Projected balance 31/03/21 £	comment
Scottish Government Funding				
Mental Health - Action 15	0		0	
Alcohol & Drugs Partnership	83,000	83,000	0	Assume applied in year
Speech & Language Therapy			0	Applied in year
Barrhead Health & Care Centre			0	Applied in year
Primary Care Improvement	102,000	102,000	0	Assume applied in year
Primary Care Transition Fund	68,000	68,000	0	Assume applied in year
GP Premises Fund	78,000	78,000	0	Assume applied in year
Scottish Government Funding	331,000	331,000	0	
Bridging Finance				
Budget Savings Reserve	907,000	640,000	267,000	Assume £640k needed to meet projected overspend
In Year Pressures Reserve	271,000		271,000	To support Bonnyton House decant as required
Prescribing	222,000		222,000	To smooth prescribing pressures
Bridging Finance	1,400,000	640,000	760,000	
Children & Families				
Residential Accommodation	460,000		460,000	To smooth the impact of high cost residential placements
Health Visitors	100,000	100,000	0	To support capacity and training
Home & Belonging	100,000		100,000	2019/20 part year funding requirement
School Counselling	311,000	311,000	0	Assume applied in year
Continuing Care / Child Healthy Weight	50,000	50,000	0	Assume applied in year
Children & Families	1,021,000	461,000	560,000	
Transitional Funding				
Learning Disability Specialist Services	1,039,000	50,000	989,000	Will fund Challenging Behaviour Manager post for 2 years
Total Transitional Funding	1,039,000	50,000	989,000	
Projects				
District Nursing	100,000	100,000	0	To support capacity and training
Augmentative & Alternative Communication	101,000		101,000	As required to meet specialist equipment needs
Projects	201,000	100,000	101,000	
Repairs & Renewals				
Repairs, Furniture and Specialist Equipment	100,000	30,000	70,000	Environmental works approved by IJB in 2019/20, delayed
Repairs & Renewals	100,000	30,000	70,000	
Capacity				
Partnership Strategic Framework	150,000	50,000	100,000	To fund post. Timing of other use being reviewed
Organisational Learning & Development	92,000		92,000	Timing of use being reviewed
Capacity	242,000	50,000	192,000	
Total All Earmarked Reserves	4,334,000	1,662,000	2,672,000	
General Reserves				
East Renfrewshire Council	109,200	0	109,200	
NHSGCC	163,000	0	163,000	
Total General Reserves	272,200	0	272,200	
Grand Total All Reserves	4,606,200	1,662,000	2,944,200	

* Provisional; subject to Audit

East Renfrewshire HSCP - Revenue Budget Monitoring 2020/21

Appendix 6

Analysis of Savings Delivery

Saving	Approved Saving 2020/21 Budget £	Projected Saving 2020/21 £	Comments
New savings to meet Social Care Pressures			
Adult Care packages	100	100	Reflected cost profile
Interim Income	100	100	Based on expected achievable income
Inflation revision	160	160	Saving expected from actual v's planned cost pressure
Discretionary spend moratorium	120	120	Saving assumed achieved. Review ongoing
Digital Efficiencies	250	250	Carried over from 2019/20, part of change programme
Individual Budget Calculator	1,664	1,664	Saving to be applied to all non residential care budgets
Sub Total	2,394	2,394	
New savings to meet NHS Pressures			
Non Pay Inflation	28	28	Saving assumed achieved. Review ongoing
LD Redesign - Non Recurring	100	100	Saving assumed achieved. Review ongoing
		-	
Sub Total	128	128	
Total HSCP Saving Challenge	2,522	2,522	