



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board	
Held on	12 August 2020	
Agenda Item	10	
Title	Revenue Budget Monitoring Report 2020/21; position as at 30 June 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 projected outturn for the 2020/21 revenue budget.		
Directions	Implications	
<input type="checkbox"/> No Directions Required	<input checked="" type="checkbox"/> Finance	<input checked="" type="checkbox"/> Risk
<input type="checkbox"/> Directions to East Renfrewshire Council (ERC)	<input type="checkbox"/> Policy	<input type="checkbox"/> Legal
<input type="checkbox"/> Directions to NHS Greater Glasgow and Clyde (NHSGGC)	<input type="checkbox"/> Workforce	<input type="checkbox"/> Infrastructure
<input checked="" type="checkbox"/> Directions to both ERC and NHSGGC	<input type="checkbox"/> Equalities	<input type="checkbox"/> Fairer Scotland Duty

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

12 August 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. This projection is based on information as at 30 June 2020.

RECOMMENDATIONS

2. The Integration Joint Board is asked to note 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 second report for the financial year 2020/21 and it is still relatively early in the financial year; projected costs against budget will continue to be refined as the year progresses.
4. 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.
5. The costs included in the 2020/21 revenue budget are c£9 million and are reviewed on a monthly basis. 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 continue to be reported to the IJB throughout the year.
6. 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 to the IJB if these costs are not funded in full.
7. The HSCP share of the £50 million allocated to date is £0.886 million and we have received a further £0.157m to contribute to the costs of fair work practices. Another tranche of funding, up to £50m, was announced on 3 August 2020 and our allocation will be confirmed in due course.

REPORT

8. The consolidated budget for 2020/21, and projected outturn position is reported in detail at Appendix 1. This shows a potential projected overspend of £0.238 million against a full year budget of £125.8 million (0.19%).
9. This is a reduction in projected costs of £0.402 million since the very early projection based on the period 2 position to 31 May and the movement is a result of refining staffing and care package cost projections.
10. The IJB will note that the current year savings are included within the COVID-19 cost pressures given the lack of capacity to progress; it is important to our ongoing sustainability that we can commence work on savings delivery as we move towards recovery to ensure we start 2021/22 in a balanced position. As part of our recovery work our Change Programme will recommence and the project to support the redesign of overnight support along with establishing a working group to review the individual budget calculator are key to delivering our current year savings.
11. 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.
12. The main projected variances are set out below and also show the movement since last reported. The projected costs are based on known care commitments, vacant posts and other supporting information as at 30 June 2020.
13. **Children & Families Public Protection £386k underspend;** The projected underspend is due mainly to the current level of staff turnover and the current expected costs of care packages; this is a further underspend of £207k.
14. **Adult Localities £133k underspend;** This reflects the current committed costs of care packages and staff turnover; this a reduction in projected costs of £397k mainly due to refinement of care costs expected for the year and some reallocation of cot to intensive services.
15. **Intensive Services £882k overspend;** The main cost pressure remains within Care at Home (both purchased and the in-house service) which is offset in part by staff turnover within day services; the cost increase of £359k reflects revised income projections and increased care costs. Detailed monitoring of Care at Home will take place throughout the year and it is expected that some costs may reduce as a result of recent recruitment.
16. **Recovery Services Mental Health & Addictions £11k overspend;** This reflects the current expected cost of care packages and staff turnover; an increase in costs of £33k.
17. **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, there is usually a two to three month time lag in the consolidation of data.
18. The prescribing volumes show that in April 254k items were prescribed and in May this reduced to 233k items, however a number of drugs are in short supply and there have been price increases. A template is being finalised for prescribing reporting for IJBs and I would hope to include this in future reports.

19. **Finance & Resources £116k underspend;** this budget meets the cost of a number HSCP wide costs, including recharges for prior year pension costs and a prudent projection is included; the reduction in costs of £190k reflects turnover not reported at period 2.
20. **Primary Care Improvement Plan and Mental Health Action 15;** The usual financial monitoring appendices for these areas will be included in future reports as routine reporting is re-established for these funds. 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 £0.238 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. There may be some slippage in projects as a result of capacity during the COVID-19 response.

IMPLICATIONS OF THE PROPOSALS

Finance

23. 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.
24. Once the implications from COVID-19 are clearer our Medium-Term Financial plan will be reviewed.
25. The COVID-19 funding received to date £1.043 million with a further £25k expected to support the Chief Social Work Officers within each HSCP. A further funding announcement of up to £50 million was announced by the Scottish Government on 3 August.
26. We have made sustainability payments to our partner providers, in line with nationally agreed principles and we continue to review requests for additional costs incurred.

Risk

27. The significant risk to the IJB is that all COVID-19 related costs are not funded in full. Our current cost estimate through to March 2021 is £9 million. The funding to date is just over £1 million and could around £2 million if our share of the new funding announced is similar to tranche 1.
28. There are several further risks which could impact on the current and future budget position; including:
 - 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

29. The running budget reconciliation which forms part of financial directions to our partners is included at Appendix 4.
30. The report reflects a projected breakeven position after the potential contribution of £0.238 million from reserves for the year to 31 March 2020.

CONSULTATION AND PARTNERSHIP WORKING

31. The Chief Financial Officer has consulted with our partners.
32. 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

33. Appendix 1 reports a potential projected overspend of £0.238 million for the year to 31 March 2021 being funded from reserves, as required. This is subject to all COVID-19 costs being fully funded. There is some discussion ongoing regarding the presentation of COVID-19 costs versus income expected; the presentation of the next report may be revised if required.

RECOMMENDATIONS

34. 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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3 August 2020

Chief Officer, IJB: Julie Murray

BACKGROUND PAPERS

IJB 24.06.2020 – Revenue Budget Monitoring Report

https://www.eastrenfrewshire.gov.uk/media/1403/Integration-Joint-Board-Item-09-24-June-2020/pdf/Integration_Joint_Board_Item_09_-_24_June_2020.pdf?m=637284227752900000

IJB 18.03.2020 – Revenue Budget Monitoring Report

https://www.eastrenfrewshire.gov.uk/media/1415/Integration-Joint-Board-Item-07-18-March-2020/pdf/Integration_Joint_Board_Item_07_-_18_March_2020.pdf?m=637284278222670000

IJB 29.01.2020 – Revenue Budget Monitoring Report

https://www.eastrenfrewshire.gov.uk/media/1437/Integration-Joint-Board-Item-15-29-January-2020/pdf/Integration_Joint_Board_Item_15_-_29_January_2020.pdf?m=637284294613870000

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	12,511,000	12,125,000	386,000	3.09%
Public Protection - Criminal Justice	9,000	9,000	-	0.00%
Adult Localities Services				
Older People	19,103,000	19,196,000	(93,000)	(0.49%)
Physical & Sensory Disability	5,296,000	5,322,000	(26,000)	(0.49%)
Learning Disability - Community	13,860,000	13,608,000	252,000	1.82%
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	10,643,000	11,525,000	(882,000)	(8.29%)
Recovery Services - Mental Health	4,726,000	4,762,000	(36,000)	(0.76%)
Recovery Services - Addictions	1,503,000	1,478,000	25,000	1.66%
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	9,283,000	9,167,000	116,000	1.25%
Net Expenditure	125,767,000	126,005,000	(238,000)	(0.19%)
Contribution to / (from) Reserve	-	(238,000)	238,000	-
Net Expenditure	125,767,000	125,767,000	-	-

Figures quoted as at 30 June 2020

Net Contribution To / (From) Reserves	£ (238,000)
Analysed by Partner; NHS	224,000
Council	<u>(462,000)</u>
Net Contribution To / (From) Reserves	<u>(238,000)</u>

Additional information - Adult Localities

Objective Analysis	Full Year			
	Budget £	Projected Outturn £	Variance (Over) / Under £	Variance (Over) / Under %
Localities Services - Barrhead	15,083,000	13,949,000	1,134,000	7.52%
Localities Services - Eastwood	23,176,000	24,177,000	(1,001,000)	(4.32%)
Net Expenditure	38,259,000	38,126,000	133,000	0.35%

Council Monitoring Report

Projected Outturn Position to 31st March 2021

Subjective Analysis	Full Year			
	Budget	Projected	Variance	Variance
	£	Outturn	(Over) / Under	(Over) / Under
			£	%
Employee Costs	23,025,000	22,903,000	122,000	0.53%
Property Costs	944,000	966,000	(22,000)	(2.33%)
Supplies & Services	1,880,000	2,430,000	(550,000)	(29.26%)
Transport Costs	230,000	210,000	20,000	8.70%
Third Party Payments	38,933,000	45,676,000	(6,743,000)	(17.32%)
Support Services	2,354,000	2,354,000	-	0.00%
Income	(16,053,000)	(22,764,000)	6,711,000	(41.81%)
Net Expenditure	51,313,000	51,775,000	(462,000)	(0.90%)

Contribution to / (from) Reserve	-	(462,000)	462,000	-
Net Expenditure	51,313,000	51,313,000	-	-

Objective Analysis	Full Year			
	Budget	Projected	Variance	Variance
	£	Outturn	(Over) / Under	(Over) / Under
			£	%
Public Protection - Children & Families	9,615,000	9,289,000	326,000	3.39%
Public Protection - Criminal Justice	9,000	9,000	-	0.00%
Adult Localities Services			-	
Older People	11,665,000	11,776,000	(111,000)	(0.95%)
Physical & Sensory Disability	4,708,000	4,734,000	(26,000)	(0.55%)
Learning Disability	8,145,000	7,948,000	197,000	2.42%
Intensive Services	9,669,000	10,551,000	(882,000)	(9.12%)
Recovery Services - Mental Health	1,547,000	1,703,000	(156,000)	(10.08%)
Recovery Services - Addictions	300,000	280,000	20,000	6.67%
Finance & Resources	5,655,000	5,485,000	170,000	3.01%
Net Expenditure	51,313,000	51,775,000	(462,000)	(0.90%)

Contribution to / (from) Reserve	-	(462,000)	462,000	
Net Expenditure	51,313,000	51,313,000	-	

Notes

1 Figures quoted as at 30 June 2020

2 The projected underspend / (overspend) will be taken to/(from) reserves at year end.

3 Contribution To Reserves is made up of the following transfer;

Contribution from In Year Pressures Reserve	£ <u>(462,000)</u>
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4 Additional information - Adult Localities

Objective Analysis	Full Year			
	Budget	Projected	Variance	Variance
	£	Outturn	(Over) / Under	(Over) / Under
			£	%
Localities Services - Barrhead	8,523,000	7,453,000	1,070,000	12.55%
Localities Services - Eastwood	15,995,000	17,005,000	(1,010,000)	(6.31%)
Net Expenditure	24,518,000	24,458,000	60,000	(0.24%)

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	19,513,000	20,394,000	(881,000)	(4.51%)
Non-pay Expenditure	48,366,000	48,776,000	(410,000)	(0.85%)
Resource Transfer/Social Care Fund	10,896,000	10,896,000	-	0.00%
Income	(4,321,000)	(5,836,000)	1,515,000	(35.06%)
Net Expenditure	74,454,000	74,230,000	224,000	0.30%

Contribution to / (from) Reserve	-	224,000	(224,000)	-
Net Expenditure	74,454,000	74,454,000	-	-

Objective Analysis	Full Year			
	Full Year Budget	Projected Outturn	Variance (Over) / Under	Variance (Over) / Under
	£	£	£	%
Childrens Services	2,800,000	2,740,000	60,000	2.14%
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	2,321,000	120,000	4.92%
Recovery Services - Addictions	713,000	708,000	5,000	0.70%
Planning & Health Improvement	171,000	171,000	-	0.00%
Finance & Resources	3,254,000	3,308,000	(54,000)	(1.66%)
Resource Transfer	11,102,000	11,102,000	-	0.00%
Net Expenditure	74,454,000	74,230,000	224,000	0.30%

Contribution to / (from) Reserve	-	224,000	(224,000)	0.00%
Net Expenditure	74,454,000	74,454,000	-	0.00%

Notes

1 Figures quoted as at 30 June 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

£
224,000

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
Covid-19 Fair Work Funding	157			157
	74,454	51,313	-	125,767
Funding Outwith Revenue Contribution				
1 Housing Aids & Adaptations *		550		550
Set Aside Budget	31,674			31,674
Total IJB Resources	106,128	51,863	-	157,991
Directions to Partners				
Revenue Budget	74,454	51,313	-	125,767
Criminal Justice Grant Funded Expenditure		606		606
Criminal Justice Grant		(606)		(606)
2 Resource Transfer	(12,012)	12,012		0
Social Care Fund	(5,132)	5,132		0
Carers Information	58	(58)		0
	57,368	68,399	-	125,767
Housing Aids & Adaptations *		550		550
Set Aside Budget	31,674			31,674
	89,042	68,949	-	157,991

* includes capital spend

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

2 Adjusted to show allocation of COVID funding received through NHSGGC contribution

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	238,000	669,000	Assume £238k 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	238,000	1,162,000	
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	0	Assume applied in year, may be some slippage due to COVID
School Counselling	311,000	311,000	0	Assume applied in year, may be some slippage due to COVID
Continuing Care / Child Healthy Weight	50,000	50,000	0	Assume applied in year, may be some slippage due to COVID
Children & Families	1,021,000	561,000	460,000	
Transitional Funding				
Learning Disability Specialist Services	1,039,000	50,000	989,000	To support redesign and use determined by community placement by other HSCPs. 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	1,360,000	2,974,000	
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	1,360,000	3,246,200	

* 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. Non Recurring in 2020/21.
Sub Total	128	128	
Total HSCP Saving Challenge	2,522	2,522	

Note; capacity to deliver savings impacted by COVID response.