



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	15 February 2017
Agenda Item	11
Title	Revenue Budget Monitoring Report 2016/17; position as at 9 December 2016
<p>Summary</p> <p>To provide the Integration Joint Board with financial monitoring information in relation to the revenue budget, as part of the agreed financial governance arrangements.</p>	
Presented by	Lesley Bairden, Chief Financial Officer
<p>Action Required</p> <p>The Integration Joint Board is asked to note the projected outturn position of the 2016/17 revenue budget.</p>	
<p>Implications checklist – check box if applicable and include detail in report</p> <p> <input checked="" type="checkbox"/> Financial <input type="checkbox"/> Policy <input type="checkbox"/> Legal <input type="checkbox"/> Equalities <input type="checkbox"/> Staffing <input type="checkbox"/> Property <input type="checkbox"/> IT <input type="checkbox"/> Efficient Government </p>	

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD**15 February 2017****Report by Lesley Bairden, Chief Financial Officer****REVENUE BUDGET MONITORING REPORT****PURPOSE OF REPORT**

1. To advise the Board of the projected outturn position of the 2016/17 revenue budget.

RECOMMENDATIONS

2. The Integration Joint Board is asked to note the projected outturn position of the 2016/17 revenue budget

BACKGROUND

3. This report forms part of the regular reporting cycle for ensuring that the HSCP financial governance arrangements are maintained. The figures presented are as at 9 December 2016 and reflects any material items impacting on the projected outturn arising as at 6 January 2017.

REPORT

4. **2016/17 Revenue Budget:** The consolidated budget for 2016/17, and projected outturn position is reported in detail at Appendix 1. This shows a provisional forecast under spend of £0.297m, against a full year budget of £112.229m (0.26%). The projected underspend will be carried forward as a free reserve, subject to our final year end position at 31 March 2017. Appendices 2 & 3 set out the operational position for each partner.
5. Detailed monitoring of the 2016/17 revenue budget continues with regular meetings between accountants and operational managers; the 2016/17 budget will be realigned as accountants work with services in order to accurately and timeously reflect operational commitments and align budgets to activity.
6. As previously highlighted the NHSGGC operational budget is projected as break even position after accounting for £0.843m of non – recurring savings support in 2016/17 subject to the achievement of recurring savings of £1.152m in 2017/18. The balance of the savings in 2016/17 will be met from our agreed saving plans.
7. The consolidated budget, and associated direction to our partners is detailed at Appendix 5. This reflects the continued in year revisions to our funding.
8. The Learning Disability Inpatient Services budget and projected outturn for 2016/17 reflects the elimination of the historic overspend inherited in 2015/16 mainly due to securing funding for the high cost of area placement, combined with a detailed review of all expenditure budgets. The current position for this service is £0.041m underspend as at 9 December 2016. The General Manager continues to review the financial position in detail on a monthly basis. Any underspend will fund, in part, any transitional resource transfer costs incurred by other partnerships this financial year.

9. The implementation of the Living Wage continues to progress, with rate changes being implemented as appropriate with costs being included in the projected outturn as at 31 March 2017.
10. The main projected variances are set out below; however remain subject to revision as the year progresses. Within the NHS budgets it is difficult to accurately project an outturn per service as this will be impacted significantly by the allocation of savings targets and non-recurring funding, therefore the variance to date is the main basis of projection, primarily reflecting turnover from vacant posts, which are offset against the savings target in the current financial year.
11. Children & Families - the projected underspend of £0.533m is primarily due to a reduction in the volume and cost of child placements and the investment in early intervention support services which have reduced the requirement for residential support. This continues the trend from 2015/16 and is offset in part by an increase in direct payments and adoption.
12. The IJB of 23 November 2016 approved the establishment of an earmarked reserve in recognition of the fluctuating nature of residential childcare and the significant financial impact this can have in any one financial year. It is estimated that this reserve may be up to £0.297m, as detailed at paragraph 4 above. This remains subject to the final outturn position for the HSCP as a whole.
13. Older Peoples Service - a projected overspend of £0.262m is reported across the service. The main pressure areas include:-
 - Additional homecare and Bonnyton staff costs in order to provide the required level of care and meet statutory staffing ratios.
 - Older people's care packages. The projected cost of care packages has been prepared on a prudent basis and includes a provision for future additional placements arising from winter planning.
 - Day care and the reablement service transport costs due to higher than budgeted hire charges.
 - Higher than estimated expenditure on monthly charges in relation to the CM2000 system in homecare.
14. These main pressure areas are partially offset by vacancies across the service, a reduction in spend on homecare private providers, a reduction in supporting people housing support payments and an allocation of the Integrated Care Fund contribution.
15. Physical & Sensory Disability – the projected overspend of £0.298m largely reflects the current committed cost of care packages, reflecting a full year provision of high cost care packages. These high cost care packages will be kept under review and again projections have been prepared on a prudent basis to allow for potential fluctuations in cost.
16. Learning Disability – the projected overspend of £0.126m relates to a reduction in income from the Independent Living Fund which has been decreasing over the last few years. Staff cost pressures are also being experienced within the day centres due to additional costs arising from detriment payments as a result of previous re-structures. These pressures are partially offset by a reduction in payments to other local authorities and care package commitments.
17. Mental Health - the projected underspend of £0.301m reflects a reduction in the current cost of care packages along with turnover savings from vacancies including Adult Support and Protection.

18. Addictions & Substance Misuse – the projected underspend of £0.139m reflects staff vacancies, including a Service Manager post, the residential budget remaining uncommitted to date and a reduction in property rental costs.
19. Management & Admin – the unallocated savings sit within this budget – hence the projected overspend of £0.243m. On receipt of non-recurring funding the savings will be re-aligned.
20. NHS - the projected outturn reflects a break even position as highlighted at paragraph 6. The major variances identified principally relate to the current level of vacant posts particularly in respect of district nursing posts within Adult community Services. It should be noted that recruitment is ongoing with additional hours being utilised to operate this service in the short term. The variance identified in regards Management & Admin reflects the treatment of savings within the 2016/17 financial year. Work has commenced to allocated the savings across the relevant services to ensure these are reflected in the recurring opening budget for 2017/18.
21. The year to date position is detailed at Appendix 4 and reflects an under spend of £0.951m. These variances are regarded as temporary and will not arise at the end of the financial year.

FINANCE AND EFFICIENCY

22. Savings and efficiencies approved as part of the ERC budget setting of £1.575m exercise have been applied in full to the 2016/17 annual budget. The NHSGGC savings target of £1.152m is projected to be achieved in 2016/17 (inclusive of £0.843m non-recurring support), with proposals to achieve recurring financial balance identified in the budget report to the IJB.

CONSULTATION

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

PARTNERSHIP WORKING

24. 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.

IMPLICATIONS

25. The report reflects a projected under spend of £0.297m for the year to 31st March 2017.
26. Work remains ongoing to assess the part year impact of revised sleepover costs.

CONCLUSIONS

27. Appendix 1 reports a projected £0.297m under spend for the year to 31st March 2017 on the consolidated revenue budget, whilst recognising the significant caveats relating to NHSGGC savings target.

RECOMMENDATIONS

28. The Integration Joint Board is asked to note the projected outturn position of the 2016/17 revenue budget.

REPORT AUTHOR

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25 January 2017

BACKGROUND PAPERS

Nil

KEY WORDS

A report outlining the projected outturn position of the 2016-17 revenue budget.

Key Words: HSCP, financial monitoring, financial position, financial governance, budgetary control

Consolidated Monitoring Report

Projected Outturn Forecast as at 9 December 2016

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	10,064,000	9,409,000	655,000	6.51%
Older Peoples Services	30,337,000	30,296,000	41,000	0.14%
Physical / Sensory Disability	3,908,000	4,206,000	(298,000)	(7.63%)
Learning Disability - Community	10,590,000	10,665,000	(75,000)	(0.71%)
Learning Disability - Inpatients	9,162,000	9,121,000	41,000	0.45%
Mental Health	3,890,000	3,458,000	432,000	11.11%
Addictions / Substance Misuse	1,482,000	1,429,000	53,000	3.58%
Family Health Services	21,356,000	21,356,000	-	-
Prescribing	15,558,000	15,558,000	-	-
Criminal Justice	45,000	45,000	-	-
Planning & Health Improvement	489,000	456,000	33,000	6.75%
Management & Admin	5,348,000	5,933,000	(585,000)	(10.94%)
Net Expenditure	112,229,000	111,932,000	297,000	0.26%

Note 1; NHS & ERC figures quoted as at 9 December 2016

Note 2; Resource Transfer has been re allocated across client groups at the consolidated level.

Note 3; Any contribution to reserves in regards Council funding , from the projected underspend will be confirmed as part of the 2016/17 year end closure process.

Note 4 ; Management & Admin includes NHS unallocated savings target.

Note 5 ; Caveat - accounts for NHS savings target being achieved in 2016/17 through application of non-recurring funds of £0.843m received from NHSGCC, in addition to local actions in year.

Council Monitoring Report

Projected Outturn Forecast as at 9 December 2016

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	20,190,000	20,363,000	(173,000)	(0.86%)
Property Costs	989,000	896,000	93,000	9.40%
Supplies & Services	2,644,000	2,682,000	(38,000)	(1.44%)
Transport Costs	168,000	269,000	(101,000)	(60.12%)
Third Party Payments	34,658,000	33,657,000	1,001,000	2.89%
Support Services	2,326,000	2,323,000	3,000	0.13%
Income	(14,886,000)	(14,398,000)	(488,000)	(3.28%)
Net Expenditure	46,089,000	45,792,000	297,000	0.64%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	8,291,000	7,647,000	644,000	7.77%
Older People	21,057,000	21,319,000	(262,000)	(1.24%)
Physical / Sensory Disability	3,690,000	3,988,000	(298,000)	(8.08%)
Learning Disability	7,380,000	7,506,000	(126,000)	(1.71%)
Mental Health	1,447,000	1,146,000	301,000	20.80%
Addictions / Substance Misuse	265,000	126,000	139,000	52.45%
Criminal Justice	45,000	45,000	-	-
Service Strategy	765,000	790,000	(25,000)	(3.27%)
Support Service & Management	3,149,000	3,225,000	(76,000)	(2.41%)
Net Expenditure	46,089,000	45,792,000	297,000	0.64%

Note 1; ERC Figures quoted as at 9 December 2016

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

NHS Monitoring Report

Projected Outturn Forecast as at 9 December 2016

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	17,190,000	16,734,000	456,000	2.65%
Non-pay Expenditure	47,612,000	48,068,000	(456,000)	(0.96%)
Resource Transfer	5,503,000	5,503,000	-	-
Income	(4,165,000)	(4,165,000)	-	-
Net Expenditure	66,140,000	66,140,000	-	-

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Childrens Services	1,687,000	1,676,000	11,000	0.65%
Adult Community Services	6,723,000	6,420,000	303,000	4.51%
Learning Disability - Community	415,000	364,000	51,000	12.29%
Learning Disability - Inpatients	9,162,000	9,121,000	41,000	0.45%
Mental Health - Community	1,254,000	1,196,000	58,000	4.63%
Mental Health - Older Adults	626,000	553,000	73,000	11.66%
Family Health Services	21,356,000	21,356,000	-	-
Prescribing	15,558,000	15,558,000	-	-
Addictions	706,000	792,000	(86,000)	(12.18%)
Planning & Health Improvement	489,000	456,000	33,000	6.75%
Integrated Care Fund	1,457,000	1,457,000	-	-
Management & Admin	1,204,000	1,688,000	(484,000)	(12.48%)
Resource Transfer	5,503,000	5,503,000	-	-
Net Expenditure	66,140,000	66,140,000	-	-

Note 1; NHS Figures quoted as at 30 November 2016

Note 2; Resource Transfer is re allocated across client groups at the consolidated level as detailed below;

Service Strategy	£ 94,000
Children & Families	£ 86,000
Older People	£ 1,100,000
Physical Disability	£ 218,000
Addictions	£ 511,000
Learning Disability	£ 2,795,000
Mental Health	£ 563,000
Support Service & Mgt	£ 136,000
	<u>£ 5,503,000</u>

Note 3 ; - The break even projected outturn position assumes the in year achievement of savings through the application of non recurring funds from both NHSGCC and local actions.

Note 4 ; Management & Admin includes unallocated savings target of £843k , with total savings target of £1,152k

Year To Date Position as at 9 December 2016

Council Monitoring Report

Subjective Analysis	Year To Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	12,311,000	12,388,000	(77,000)	(0.63%)
Property Costs	565,000	388,000	177,000	31.33%
Supplies & Services	1,658,000	841,000	817,000	49.28%
Transport Costs	116,000	158,000	(42,000)	(36.21%)
Third Party Payments	17,987,000	16,351,000	1,636,000	9.10%
Support Services	10,000	7,000	3,000	30.00%
Income	(9,735,000)	(8,172,000)	(1,563,000)	(16.06%)
Net Expenditure	22,912,000	21,961,000	951,000	4.15%

NHS Monitoring Report

Subjective Analysis	Year to Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	11,539,000	11,055,000	484,000	4.19%
Non-pay Expenditure	31,936,000	32,420,000	(484,000)	(0.82%)
Resource Transfer	3,668,000	3,668,000	-	-
Income	(2,822,000)	(2,822,000)	-	-
Net Expenditure	44,321,000	44,321,000	-	-
Total	67,233,000	66,282,000	951,000	1.41%

Notes

1. ERC year to date includes brought forward balances and accounting adjustments of £1.021m which will not arise as at 31 March 2017.
2. NHSGCC employee variances reflect vacant posts.
3. NHSGCC non pay overspend reflects year to date proportion of savings target.

Funding Sources to the IJB	NHS £000	ERC £000	IJB £000	Total £000
Original Budget Contributions				
Revenue Budget contribution	59,627	46,137		105,764
Integration Fund	3,621			3,621
Integrated Care Fund	1,430			1,430
Delayed Discharge	500			500
	65,178	46,137	-	111,315
Subsequent Contribution Revisions				
Prescribing	866			866
Family Health Services	(211)			(211)
Auto Enrolment	29			29
Early Years Change Fund		(48)		(48)
Learning Disability	(2,867)			(2,867)
District Nursing	43			43
Family Health Services - Charges	630			630
Property Maintenance	(66)			(66)
Eastwood H&CC	728			728
Diabetes Nurse	40			40
Health Improvement	31			31
Non Recurring Savings Relief	843			843
LD Inpatients	1,115			1,115
Rates Adjustment	(158)			(158)
LD Community	(85)			(85)
Children Services - GIRFEC	18			18
M Health Adults - Drugs Uplift	6			6
	66,140	46,089	-	112,229
Funding Outwith Revenue Monitoring				
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	13,425			13,425
	79,565	46,721	-	126,286
Directions to Partners				
Revenue Budget Contribution	60,589	46,089		106,678
Integration Fund - budget 30 March		1,903		1,903
Integration Fund - Living wage		785		785
Integration Fund - charging thresholds		30		30
Integration Fund - balance			903	903
Integrated Care Fund	365	1,065		1,430
Delayed Discharge	165	335		500
	61,119	50,207	903	112,229
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	13,425			13,425
	74,544	50,839	903	126,286

* includes capital spend

	Brought Forward from 2015/16	New Funds	Total Funds	Projected Spend 2016/17	Projected Carry Forward to 2017/18	Comments
	£	£	£	£	£	
Earmarked Reserves						
East Renfrewshire Council						
Integrating L&D Function	70,000	-	70,000	-	70,000	To meet cost of project post for 18 months , current year spend will be dependent on start date
Community Capacity Building	80,000	-	80,000	40,000	40,000	To build community capacity and inform future service redesign
Child Protection Training	40,000	-	40,000	36,000	4,000	Training programme to support new structure implemented part way through 2015/16. Funding for Foster Carer Recruitment Campaign and further Children & Families Inclusive Support.
Foster Care Recruitment Campaign	150,000	-	150,000	147,000	3,000	
Children & Families Initiatives	50,000	-	50,000	50,000	-	
Sub Total	390,000	-	390,000	273,000	117,000	
NHSGCC						
Learning Disability Specialist Services	374,500	-	374,500	-	374,500	NHS funding contribution agreed with NHS and met from transitional funding and cross boundary income , for future staff redeployment training, future care package costs , double running costs of transitional period for individuals moving from continuing to community care.
Barrhead Health & Care Centre	104,000	-	104,000	104,000	-	Agreed NHS funding contribution agreed towards refurbishment of Barrhead Health & Care Centre
Sub Total	478,500	-	478,500	104,000	374,500	
Total All Earmarked Reserves	868,500	-	868,500	377,000	491,500	
General Reserves						
East Renfrewshire Council	109,200	-	109,200	48,000	61,200	2015/16 underspend retained by Integration Joint Board.
NHSGCC	163,000	-	163,000	-	163,000	2015/16 underspend retained by Integration Joint Board.
Total General Reserves	272,200	-	272,200	48,000	224,200	
Grand Total All Reserves	1,140,700	-	1,140,700	425,000	715,700	

Notes;

1. Reserves exclude CFCR projects or any balance sheets funds relating solely to timing differences.
2. The timing of earmarked spend will be revised as plans are refined.