



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	27 September 2017
Agenda Item	11
Title	Revenue Budget Monitoring Report 2017/18; position as at 18 August 2017
<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:</p> <ul style="list-style-type: none"> ▪ Note the projected outturn for the 2017/18 revenue budget ▪ Approve the budget virements included at Appendix 7. 	
<p>Implications checklist – check box if applicable and include detail in report</p> <p> <input checked="" type="checkbox"/> Finance/Efficiency <input type="checkbox"/> Policy <input type="checkbox"/> Legal <input type="checkbox"/> Equalities <input type="checkbox"/> Risk <input type="checkbox"/> Staffing <input type="checkbox"/> Property/Capital <input type="checkbox"/> Directions </p>	

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

27 September 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 2017/18 revenue budget.

RECOMMENDATIONS

2. The Integration Joint Board is asked to:
 - Note the projected outturn for the 2017/18 revenue budget
 - Approve the budget virements included at Appendix 7

BACKGROUND

3. This report forms part of the regular reporting cycle for ensuring that the HSCP financial governance arrangements are maintained.

REPORT

4. **2017/18 Revenue Budget:** The consolidated budget for 2017/18, and projected outturn position is reported in detail at Appendix 1. This shows a projected under spend of £0.2m, against a full year budget of £118.9m (0.18%). Any underspend will be carried forward within reserves, subject to our final year end position at 31 March 2018. Appendices 2 and 3 set out the operational position for each partner.
5. The NHS budget contribution is now agreed following approval by the IJB on 16 August 2017. To date three of the other five IJBs coterminous with NHSGGC have approved their NHS budget contributions. Our £0.2m non-recurring contribution to the £3.6m for the current year is included in reserves.
6. The total budget is net of £4.3m savings of which £1.6m relates to the Fit for the Future change programme, to be funded in part from the budget saving reserve as per our agreed strategy. Progress against all 2017/18 savings is as detailed at Appendix 8. Whilst the IJB were advised of progress against the Fit for the Future savings target at the financial planning seminar the detail is not included in this report. This information will be brought to the IJB in the November budget update.
7. The consolidated budget, and associated direction to our partners is detailed at Appendix 5. This will be reported to each IJB and will reflect the continued in year revisions to our funding.
8. The main projected variances are set out below, and are subject to revision as the year progresses.

9. **Children & Families £57k overspend** is mainly a result of the loss of funding for 3 health visitor posts, supplemented from social care monies in 2016/17. The service are working to contain this cost. In addition there is a shortfall in turnover in social care staff of £58k, a projected underspend in care costs (£0.228m) offset by a shortfall in income for sure start and schools outreach (£0.161m). The current projection includes a prudent provision to 31 March 2018 for an increase in residential placements and this will be refined once placement dates are confirmed.
10. **Older Peoples Services £474k underspend** which reflects the current projected cost of care packages (£0.450m). An allowance has been made for winter pressures. The broad reallocation of budgets in 2016/17 will be reviewed and may result in a virement request to transfer budget to Learning & Physical / Sensory Disabilities. The projected costs also include an under recovery of income for Bonnyton (£79k) and projected transport costs (£70k).
11. **Physical/Sensory Disability £114k overspend** from non-achievement of staff turnover (£35k) and the current cost of care packages (£107k).
12. **Learning Disability Community £188k overspend** primarily reflects the current cost of care packages (£204k).
13. **Learning Disability Specialist Services £94k underspend** reflects the part year impact of the ongoing redesign of the long stay beds. The final underspend will be ring fenced to the earmarked reserve to support the redesign, after local savings are applied. The service is also experiencing a continued period of enhanced and specialist observations with the additional staff costs, this is being mitigated as far as possible through maximising existing staff, care provider commitments and cross partnership working
14. **Mental Health £114k underspend** reflects current staff turnover and vacancies nursing, occupational therapy and social care.
15. **Addictions / Substance Misuse £25,000 underspend** is a result of current staffing and purchased care packages.
16. **Management & Admin £145,000 overspend** is a result of £68,000 unfunded pressures within NHS costs (such as a share of the CFO post) and will be addressed through the review of all budget lines and fit for the future redesign. In prior years these costs were contained in the bottom line. Within the social care costs there is a projected overspend of £89k which includes additional costs relating to transformation and finance support. Reserves funding was agreed however the costs can be maintained within the bottom line at present. The running cost of all buildings is under review now we have a year of data.
17. The 2017 pay award in respect of council employees resulted in additional costs of £0.068m over and above the 1% provided for within the 2017/18 budget. We are expecting additional funding however at this stage it is not known if this will be fully funded.
18. The year to date position is detailed at Appendix 4 and reflects an underspend of £0.1m. These variances are regarded as temporary and will not arise at the end of the financial year.

19. There remains a potential recovery of prior year costs incurred by the Council pending the conclusion of an ongoing legal case; any element relating to the live period of the IJB will only be recognised upon receipt.
20. Budget Risks; as previously reported there remain a number of risks which could impact on the current and future budget position; including
 - Agreeing 2017/18 NHSGGC contribution
 - Achieving all existing savings on a recurring basis
 - Redesign of sleepovers
 - Achieving turnover targets
 - Prescribing remaining within budget
 - Property and other running cost budgets
 - Winter pressures
21. The 2017/18 Budget as at 18 August 2017 reflects a number of financial adjustments and budget realignments, when compared to the budget approved by the IJB on 16 August 2017 (ERC contribution) as summarised at Appendix 7. The major item arising relates to the transfer of budgets (£0.105m) in regards IT software to ERC IT Services being offset by an increase in the central support cost budget.
22. The IJB is requested to approve these adjustments (budget virements) which allow us to reflect current care package commitments and operational requirements per the budget as included within this report.

FINANCE AND EFFICIENCY

23. Savings and efficiencies approved as part of the ERC budget setting of £4.028m exercise have been applied in full to the 2017/18 annual budget as have the NHSGGC savings of £0.235m from the current quantified flat cash cost pressures.

CONSULTATION AND PARTNERSHIP WORKING

24. The Chief Financial Officer has consulted with our partners.
25. 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

26. The report reflects a projected underspend of £0.205m for the year to 31 March 2018.

CONCLUSIONS

27. Appendix 1 reports a projected £0.205m underspend for the year to 31 March 2018 on the consolidated revenue budget, whilst recognising the early nature of this projection and the requirement to achieve our savings target on a recurring basis by 2018/19.

RECOMMENDATIONS

28. The Integration Joint Board is asked to:
- Note the projected outturn position of the 2017/18 revenue budget
 - Approve the budget virements included at Appendix 7

REPORT AUTHOR

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27 September 2017

BACKGROUND PAPERS

Revenue Monitoring Report, Integration Joint Board, 30 March 2017

Consolidated Monitoring Report

Projected Outturn Forecast as at 18 August 2017

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	9,613,000	9,670,000	(57,000)	(0.59%)
Older Peoples Services	27,826,000	27,352,000	474,000	1.70%
Physical / Sensory Disability	4,424,000	4,538,000	(114,000)	(2.58%)
Learning Disability - Community	12,011,000	12,199,000	(188,000)	(1.57%)
Learning Disability - Inpatients	8,563,000	8,469,000	94,000	(1.10%)
Mental Health	4,067,000	3,953,000	114,000	2.80%
Addictions / Substance Misuse	1,592,000	1,567,000	25,000	1.57%
Family Health Services	21,702,000	21,702,000	-	-
Prescribing	15,384,000	15,384,000	-	-
Criminal Justice	20,000	20,000	-	-
Planning & Health Improvement	363,000	361,000	2,000	0.55%
Management & Admin	7,942,600	8,087,600	(145,000)	(1.83%)
Fit For the Future Programme	(1,627,600)	(1,627,600)	-	-
Net Expenditure	111,880,000	111,675,000	205,000	0.18%

Notes:

- 1 NHS & ERC figures quoted as at August 2017
- 2 Resource Transfer and the Social Care Fund has been re allocated across client groups at the consolidated level.
- 3 Any contribution to reserves from the projected underspend will be confirmed as part of the 2017/18 year end closure process
- 4 Fit for the Future savings will be met from reserves as required as the savings are phased in during 2017/18

Council Monitoring Report

Projected Outturn Forecast as at 18 August 2017

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	20,749,000	20,617,000	132,000	0.64%
Property Costs	1,150,000	1,105,000	45,000	3.91%
Supplies & Services	1,600,000	1,530,000	70,000	4.38%
Transport Costs	173,000	244,000	(71,000)	(41.04%)
Third Party Payments	35,301,000	34,867,000	434,000	1.23%
Support Services	2,030,000	2,030,000	-	-
Income	(15,983,000)	(15,569,000)	(414,000)	(2.59%)
Net Expenditure	45,020,000	44,824,000	196,000	0.44%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	8,053,000	8,044,000	9,000	0.11%
Older People	18,772,000	18,312,000	460,000	2.45%
Physical / Sensory Disability	4,043,000	4,157,000	(114,000)	(2.82%)
Learning Disability	7,742,000	7,932,000	(190,000)	(2.45%)
Mental Health	1,466,000	1,393,000	73,000	4.98%
Addictions / Substance Misuse	302,000	267,000	35,000	11.59%
Criminal Justice	20,000	20,000	-	-
Service Strategy	929,600	917,600	12,000	1.29%
Support Service & Management	5,085,000	5,174,000	(89,000)	(1.75%)
Fit For the Future Programme	(1,392,600)	(1,392,600)	-	-
Net Expenditure	45,020,000	44,824,000	196,000	0.44%

Notes

1 Figures quoted as at 18 August 2017

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

3 Fit for the Future savings will be met from reserves as required as the savings are phased in during 2017/18

NHS Monitoring Report

Projected Outturn Forecast as at 18 August 2017

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	17,113,000	17,080,000	33,000	0.19%
Non-pay Expenditure	43,056,000	43,174,000	(118,000)	(0.27%)
Resource Transfer/Social Care Fund	10,925,000	10,925,000	-	-
Income	(4,234,000)	(4,234,000)	-	-
Net Expenditure	66,860,000	66,945,000	(85,000)	-0.13%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Childrens Services	1,462,000	1,528,000	(66,000)	(4.51%)
Adult Community Services	2,980,000	2,966,000	14,000	0.47%
Learning Disability - Community	431,000	429,000	2,000	0.46%
4 Learning Disability - Inpatients	8,563,000	8,469,000	94,000	1.10%
Mental Health - Community	1,245,000	1,241,000	4,000	0.32%
Mental Health - Older Adults	623,000	586,000	37,000	5.94%
Family Health Services	21,702,000	21,702,000	-	-
Prescribing	15,384,000	15,384,000	-	-
Addictions	696,000	706,000	(10,000)	(1.44%)
Planning & Health Improvement	363,000	361,000	2,000	0.55%
Integrated Care Fund	1,057,000	1,057,000	-	-
Management & Admin	1,664,000	1,732,000	(68,000)	(4.09%)
Resource Transfer/Social Care Fund	10,925,000	10,925,000	-	-
Fit For the Future Programme	(235,000)	(235,000)	-	-
Net Expenditure	66,860,000	66,851,000	9,000	0.01%

Notes

1 Figures quoted as at 31 July 2017, no material change as at August

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

Service Strategy	£	108,000
Children & Families	£	98,000
Older People	£	5,017,000
Physical Disability	£	381,000
Addictions	£	594,000
Learning Disability	£	3,838,000
Mental Health	£	733,000
Support Service & Mgt	£	156,000
	<u>£</u>	<u>10,925,000</u>

3 Fit for the Future savings will be met from reserves as required as the savings are phased in during 2017/18

4 Underspend ring-fenced to redesign reserve after savings applied

Year To Date Position as at 18 August 2017

Council Monitoring Report

Subjective Analysis	Year To Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	6,557,000	6,035,000	522,000	7.96%
Property Costs	452,000	233,000	219,000	48.45%
Supplies & Services	955,000	344,000	611,000	63.98%
Transport Costs	58,000	95,000	(37,000)	(63.79%)
Third Party Payments	9,903,000	9,388,000	515,000	5.20%
Support Services	-	4,000.00	(4,000)	0.00%
Income	(3,845,000)	(2,195,000)	(1,650,000)	(42.91%)
Net Expenditure	14,080,000	13,904,000	176,000	1.25%

NHS Monitoring Report

Subjective Analysis	Year to Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	5,724,000	5,615,000	109,000	1.90%
Non-pay Expenditure	14,679,000	14,840,000	(161,000)	(1.10%)
Resource Transfer	1,921,000	1,921,000	-	-
Income	(1,043,000)	(1,043,000)	-	-
Net Expenditure	21,281,000	21,333,000	(52,000)	(0.24%)
Total	35,361,000	35,237,000	124,000	0.35%

Notes

- ERC year to date includes brought forward balances and accounting adjustments of £1.926m which will not arise as at 31 March 2018.
- NHSGCC employee variances reflect vacant posts and non-pay reflects savings target

East Renfrewshire HSCP - Revenue Budget Monitoring 2017/18
Budget Reconciliation & Directions as at June 2017

Appendix 5

Funding Sources to the IJB	NHS £000	ERC £000	IJB £000	Total £000
Original Budget Contributions				
1 Revenue Budget contribution	66,860	45,020		111,880
Social Care Fund 2017/18	(1,540)	1,540		-
Social Care Fund 2016/17	(3,621)	3,621		-
Integrated Care Fund	(673)	673		-
Delayed Discharge	(264)	264		-
	<u>60,762</u>	<u>51,118</u>	-	<u>111,880</u>
Subsequent Contribution Revisions				
Budget transfer to IT		(105)		(105)
Increase in Central Support Cost Recharge		105		105
	<u>60,762</u>	<u>51,118</u>	-	<u>111,880</u>
Funding Outwith Revenue Monitoring				
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	14,561			14,561
	<u>75,323</u>	<u>51,750</u>	-	<u>127,073</u>
Directions to Partners				
Revenue Budget Contribution	60,762	45,020		105,782
Social Care Fund 2016/17				
Budget pressures (30 March paper)		1,903		1,903
Living wage		1,688		1,688
Social Care Fund - Charging Thresholds		30		30
Social Care Fund 2017/18				
DD & ICF Programmes		500		500
Sleepovers		500		500
Carer's Strategy		29		29
Veterans Pension Disregard		61		61
Balance for sustainability		-	450	450
Integrated Care Fund	-	673		673
Delayed Discharge	-	264		264
	<u>-</u>	<u>50,668</u>	<u>450</u>	<u>111,880</u>
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	14,561			14,561
	<u>14,561</u>	<u>51,300</u>	<u>450</u>	<u>127,073</u>

* includes capital spend

1 NHS letter advised £67,046k which includes prescribing adjustments still to be reflected in the ledger

Earmarked Reserves	Brought Forward from 2016/17	Projected Spend 2017/18	Projected Carry Forward to 2018/19	Comments
	£	£	£	
Integrating L&D Function	70,000	-	70,000	
Community Capacity Building	80,000	31,000	49,000	Part Year funding requirement 2017/18 & 2018/19
C&F - Residential Accommodation	460,000	-	460,000	Dependant on activity
C&F Childrens 1st	200,000	138,460	61,540	Part Year funding requirement 2017/18 & 2018/19
Learning Disability Specialist Services	635,200	129,650	505,550	Funding of LD Redesign 2017/18
District Nursing	75,000	37,500	37,500	Part Year funding requirement 2017/18 & 2018/19
Speech & Language Therapy	27,000	27,000	-	Funding of SLT 2017/18
Budget Savings Reserve	1,922,660	1,627,600	295,060	Maximum Funding of Fit for the Future Savings 2017/18
In Year Pressures Reserve	500,000	212,000	288,000	Dependant on activity; assumed £202k for our share of £3.6m
Barrhead Health & Care Centre	104,000	104,000	-	Funding of Barrhead HCC Refurbishment
Total All Earmarked Reserves	4,073,860	2,307,210	1,766,650	
General Reserves				
East Renfrewshire Council	109,200	-	109,200	2015/16 underspend retained by Integration Joint Board.
NHSGCC	163,000	-	163,000	2015/16 underspend retained by Integration Joint Board.
Total General Reserves	272,200	-	272,200	
Grand Total All Reserves	4,346,060	2,307,210	2,038,850	

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.

Subjective Analysis	2017/18 Budget Virement		
	P3 Revised 2017/18 Budget	P5 2017/18 Budget	Virement
	£	£	£
Employee Costs	20,508,000	20,749,000	241,000
Property Costs	1,158,000	1,150,000	(8,000)
Supplies & Services	1,654,000	1,600,000	(54,000)
Transport Costs	183,000	173,000	(10,000)
Third Party Payments	35,493,000	35,301,000	(192,000)
Support Services	1,925,000	2,030,000	105,000
Income	(15,901,000)	(15,983,000)	(82,000)
Net Expenditure	45,020,000	45,020,000	-

Objective Analysis	Projected Outturn		
	P3 Revised 2017/18 Budget	P5 2017/18 Budget	Virement
	£	£	£
Children & Families	8,057,000	8,053,000	(4,000)
Older People	18,861,000	18,772,000	(89,000)
Physical / Sensory Disability	4,043,000	4,043,000	-
Learning Disability	7,742,000	7,742,000	-
Mental Health	1,466,000	1,466,000	-
Addictions / Substance Misuse	268,000	302,000	34,000
Criminal Justice	20,000	20,000	-
Service Strategy	879,600	929,600	50,000
Support Service & Management	5,076,000	5,085,000	9,000
Net Expenditure	46,412,600	46,412,600	-

Ongoing Realignment of Budgets and Allocation of Savings:

- 1 Realignment of external homecare purchased costs to staffing within internal service
- 2 Transfer of IT licences to corporate and increase in support costs
- 3 Reallocation of addictions saving between staffing and resource transfer income
- 4 Reallocation of savings across relevant account codes

East Renfrewshire HSCP - Revenue Budget Monitoring 2017/18
Analysis of Savings Delivery

Appendix 8

Saving	2017/18 Savings Delivery		
	Approved Saving 2017/18 Budget £	Projected Saving P5 2017/18 £	Issues
Savings agreed as part of 2015-18 budget			
Fostering & Adoption Services	60,000	60,000	
C&F Residential Model	140,000	140,000	
C&F Youth Services	50,000	50,000	
Early Years Change Fund	100,000	100,000	
Learning Disability re design	505,000	505,000	
Jewish Care Redesign	21,000	21,000	
Care at Home	210,000	210,000	
Work Force Planning	417,000	460,600	
Health & Social Care Fund	336,000	336,000	
Day Services Redesign	60,000	60,000	
Essential Users Allowance	15,000	15,000	
Service Strategy - Employee Costs	66,000	75,500	
Bonnyton	600,000	600,000	Includes £425k non recurring support
Review of Charging	60,000	60,000	Being contained whilst policy developed
Sub Total	2,640,000	2,693,100	
Fit for the Future	1,627,600	1,627,600	will be achieved through part year and application of reserves
Grand Total All Savings	4,267,600	4,320,700	