



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	5 October 2016
Agenda Item	12
Title	Revenue Budget Monitoring Report 2016/17; position as at 19 August 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:-</p> <ul style="list-style-type: none"> ▪ The final outturn position for the 2015/16 revenue budget ▪ The projected outturn position of the 2016/17 revenue budget 	
<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

5 October 2016

Report by Lesley Bairden, Chief Financial Officer

REVENUE BUDGET MONITORING REPORT

PURPOSE OF REPORT

1. To advise the Board of the final outturn for 2015/16 and projected outturn position of the 2016/17 revenue budget.

RECOMMENDATIONS

2. The Integration Joint Board is asked to note:-
 - The final outturn for the 2015/16 revenue budget
 - 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.

REPORT

4. **2015/16 Revenue Outturn:** The 2015/16 Annual Report and Accounts have been audited and there is no change to the figures previously reported to the IJB. Accordingly Appendix 6 details the reserves brought forward to 2016/17, of which £0.868m reflects planned investment in specific projects.
5. **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 £0.335m, against a full year budget of £111.982m (0.3%). 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.
6. Detailed budget monitoring of the 2016/17 revenue budget has commenced with regular meetings between accountants and operational managers scheduled throughout the financial year; the 2016/17 budget will be realigned as accountants work with services in order to accurately and timeously reflect operational commitments.
7. As previously highlighted the NHSGGC operational budget is projected as break even however this must be heavily caveated as the budget includes £1.152m of savings. Our partner NHSGCC have confirmed that non – recurring support to achieve financial balance in 2016/17 subject to implementing plans to achieve recurring savings in 2017/18. Further detail is included in the budget update report.

8. NHSGGC has identified in its financial plan that £32.0m of non-recurring relief is potentially available to offset the in-year shortfall against savings targets. Discussions are underway to determine how non-recurring funding will be allocated to Partnerships for the current year shortfall against savings targets.
9. 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.
10. 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 £0.056m underspend as at 19 August 2016. The General Manager continues to review the financial position in detail on a monthly basis.
11. The impact of the Living Wage continues to be assessed and will be included in future reports, reflecting the part year impact effective from 1 October. Similarly decisions relating to the application of the Integration Fund will be reported as they crystallise.
12. 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 will be offset against the savings target in the current financial year.
13. Children & Families – the projected underspend of £0.603m principally reflects continuation in 2016/17 of a reduction in the volume and cost of child placements, as previously highlighted in 2015/16 (Fostering £357k, Kinship Care £ 75k and Residential care £309k). This is offset by a continuing higher level of expenditure in regards adoption (£52k). The projected outturn identified includes a provision for an under recovery of income in regards Sure start (£55k).
14. Physical & Sensory Disability – the projected overspend largely reflects the current committed cost of care packages, reflecting a full year provision of high cost care packages.
15. Mental Health - the projected underspend reflects the current cost of care packages along with turnover savings from vacancies.
16. Older Peoples Service - the projected overspend reflects the current cost of care packages being offset by turnover savings from vacancies. 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.
17. Management & Admin – the unallocated savings sit within this budget – hence the projected overspend.
18. The year to date position is detailed at Appendix 4 and reflects an under spend of £1.723m. However within this figure there are a of number accounting adjustments including funding carried forward from 2015/16. These variances (£1.403m) 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.

FINANCE AND EFFICIENCY

20. 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 on a non-recurring basis in 2016/17, with work ongoing to achieve recurring financial balance. Again this must be heavily caveated given the uncertainty of the level of non-recurring funding from NHSGGC.

CONSULTATION

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

PARTNERSHIP WORKING

22. 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

23. The report reflects a projected under spend of £0.335m for the year to 31st March 2017.

CONCLUSIONS

24. Appendix 1 reports a projected £0.335m 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

25. The Integration Joint Board is asked to note:-
- The final outturn position for the 2015/16 revenue budget
 - The projected outturn position of the 2016/17 revenue budget.

REPORT AUTHOR

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20 September 2016

BACKGROUND PAPERS

Revenue Monitoring Report, Integration Joint Board, 30 March 2016

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 19 August 2016

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	9,972,000	9,368,500	603,500	6.05%
Older Peoples Services	30,334,000	30,389,100	(55,100)	(0.18%)
Physical / Sensory Disability	3,917,000	4,144,000	(227,000)	(5.80%)
Learning Disability - Community	10,376,000	10,476,700	(100,700)	(0.97%)
Learning Disability - Inpatients	11,264,000	11,208,400	55,600	0.49%
Mental Health	3,933,000	3,793,800	139,200	3.54%
Addictions / Substance Misuse	1,489,000	1,387,100	101,900	(6.84%)
Family Health Services	20,703,000	20,703,000	-	-
Prescribing	15,555,000	15,555,000	-	-
Criminal Justice	25,000	27,000	(2,000)	(8.00%)
Planning & Health Improvement	377,000	370,700	6,300	(1.67%)
Management & Admin	4,037,000	4,223,700	(186,700)	(4.62%)
Net Expenditure	111,982,000	111,647,000	335,000	0.30%

Note 1; NHS & ERC figures quoted as at 19 August 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 - assumes NHS savings target will be achieved in year through application of non-recurring funds from both NHSGCC and local actions.

Council Monitoring Report

Projected Outturn Forecast as at 19 August 2016

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	19,793,000	19,822,000	(29,000)	(0.15%)
Property Costs	991,000	874,000	117,000	11.81%
Supplies & Services	2,600,000	2,472,000	128,000	4.92%
Transport Costs	168,000	239,000	(71,000)	(42.26%)
Third Party Payments	34,303,000	33,321,000	982,000	2.86%
Support Services	2,326,000	2,323,000	3,000	0.13%
Income	(14,091,000)	(13,296,000)	(795,000)	(5.64%)
Contribution to Reserves	-	-	-	0.00%
Net Expenditure	46,090,000	45,755,000	335,000	0.73%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	8,234,000	7,646,000	588,000	7.14%
Older People	21,112,000	21,243,000	(131,000)	(0.62%)
Physical / Sensory Disability	3,695,000	3,922,000	(227,000)	(6.14%)
Learning Disability	7,412,000	7,506,000	(94,000)	(1.27%)
Mental Health	1,455,000	1,363,000	92,000	6.32%
Addictions / Substance Misuse	263,000	141,000	122,000	46.39%
Criminal Justice	25,000	27,000	(2,000)	(52.00%)
Service Strategy	810,000	797,000	13,000	(1.60%)
Support Service & Management	3,084,000	3,110,000	(26,000)	0.00%
Net Expenditure	46,090,000	45,755,000	335,000	0.73%

Note 1; ERC Figures quoted as at 19 August 2016

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

NHS Monitoring Report

Projected Outturn Forecast as at 19 August 2016

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	18,578,000	18,315,000	263,000	1.42%
Non-pay Expenditure	45,554,000	45,817,000	(263,000)	(0.58%)
Resource Transfer	5,605,000	5,605,000	-	-
Income	(3,845,000)	(3,845,000)	-	-
Net Expenditure	65,892,000	65,892,000	-	0.00%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Childrens Services	1,651,000	1,635,000	16,000	0.97%
Adult Community Services	6,644,000	6,568,000	76,000	1.14%
Learning Disability - Community	117,000	124,000	(7,000)	(5.98%)
Learning Disability - Inpatients	11,264,000	11,208,000	56,000	0.50%
Mental Health - Community	1,278,000	1,254,000	24,000	1.88%
Mental Health - Older Adults	626,000	603,000	23,000	3.67%
Family Health Services	20,703,000	20,703,000	-	-
Prescribing	15,555,000	15,555,000	-	-
Addictions	706,000	726,000	(20,000)	(2.83%)
Planning & Health Improvement	378,000	371,000	7,000	1.85%
Integrated Care Fund	1,457,000	1,457,000	-	-
Management & Admin	(92,000)	83,000	(175,000)	(12.48%)
Resource Transfer	5,605,000	5,605,000	-	-
Net Expenditure	65,892,000	65,892,000	-	0.00%

Note 1; NHS Figures quoted as at 19 August 2016

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

Service Strategy	£ 96,000
Children & Families	£ 87,000
Older People	£ 1,120,000
Physical Disability	£ 222,000
Addictions	£ 520,000
Learning Disability	£ 2,847,000
Mental Health	£ 574,000
Support Service & Mgt	£ 139,000
	<u>£ 5,605,000</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 19 August 2016

Council Monitoring Report

Subjective Analysis	Year To Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	6,356,000	6,194,000	162,000	2.55%
Property Costs	244,000	267,000	(23,000)	(9.43%)
Supplies & Services	958,000	51,000	907,000	94.68%
Transport Costs	65,000	75,000	(10,000)	(15.38%)
Third Party Payments	8,703,000	6,697,000	2,006,000	23.05%
Support Services	6,000	4,000	2,000	33.33%
Income	(4,741,000)	(3,653,000)	(1,088,000)	(0.00%)
Net Expenditure	11,591,000	9,635,000	1,956,000	16.88%

NHS Monitoring Report

Subjective Analysis	Year to Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	6,235,000	5,971,000	264,000	4.23%
Non-pay Expenditure	14,283,000	14,780,000	(497,000)	(0.82%)
Resource Transfer	1,945,000	1,945,000	-	-
Income	1,363,000	1,363,000	-	-
Net Expenditure	23,826,000	24,059,000	(233,000)	-(0.98%)
Total	35,417,000	33,694,000	1,723,000	4.86%

Notes

1. ERC year to date includes brought forward balances and accounting adjustments of £1.403m.
2. NHSGCC employee variances reflect vacant posts.
3. NHSGCC non pay overspend reflects year to date proportion of savings target.

East Renfrewshire HSCP - Revenue Budget Monitoring 2016/17
Budget Reconciliation & Directions as at 19 August 2016

Appendix 5

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)
Health Improvement	31			31
	65,893	46,089	-	111,982
Funding Outwith Revenue Monitoring				
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	13,425			13,425
	79,318	46,721	-	126,039
Directions to Partners				
Revenue Budget Contribution	60,342	46,089		106,431
Integration Fund - budget 30 March		1,903		1,903
Integration Fund - living wage			935	935
Integration Fund - charging thresholds		30		30
Integration Fund - balance			753	753
Integrated Care Fund	365	1,065		1,430
Delayed Discharge	165	335		500
	60,872	49,422	1,688	111,982
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	13,425			13,425
	74,297	50,054	1,688	126,039

* 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	80,000	-	To build community capacity and inform future service redesign
Child Protection Training	40,000	-	40,000	40,000	-	Training programme to support new structure implemented part way through 2015/16. Funding for Foster Carer Recruitment Campaign and further Children & Families Initiatives.
Foster Care Recruitment Campaign	150,000	-	150,000	150,000	-	
Children & Families Initiatives	50,000	-	50,000	50,000	-	
Sub Total	390,000	-	390,000	320,000	70,000	
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	424,000	444,500	
General Reserves						
East Renfrewshire Council	109,200	-	109,200	101,900	7,300	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	101,900	170,300	
Grand Total All Reserves	1,140,700	-	1,140,700	525,900	614,800	

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.