



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	23 November 2016
Agenda Item	12
Title	Revenue Budget Monitoring Report 2016/17; position as at 14 October 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

23 November 2016

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.

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 £0.262m, against a full year budget of £110.490m (0.24%). 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 inclusive of £1.152m savings. Our partner NHSGCC have confirmed non – recurring support of £0.843m, to achieve financial balance in 2016/17 subject to implementing our plans to achieve recurring savings in 2017/18. The balance of savings will be met from our agreed saving plans in the current year. Further detail is included in the budget update report.
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 £0.013m overspend as at 14 October 2016. The General Manager continues to review the financial position in detail on a monthly basis.

9. The impact of the Living Wage continues to progress and costs will be included in future reports, as rate changes are implemented.
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 remains primarily due to the volume and cost of child placements, continuing the trend from 2015/16, offset in part by direct payments and adoption costs.
12. The budget update report requests the IJB consider approval of a new earmarked reserve recognising that fluctuation in residential childcare can have significant financial impact year on year.
13. Physical & Sensory Disability – the projected overspend of £0.219m largely reflects the current committed cost of care packages, reflecting a full year provision of high cost care packages.
14. Mental Health - the projected underspend of £0.393m reflects the current cost of care packages along with turnover savings from vacancies.
15. Older Peoples Service - the projected overspend of £0.249m 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.
16. 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.
17. The year to date position is detailed at Appendix 4 and reflects an under spend of £2.968m. This is primarily due to an administrative delay in the receipt of invoices for processing and payment. These variances are regarded as temporary and will not arise at the end of the financial year.
18. 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

19. 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

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

PARTNERSHIP WORKING

21. 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

22. The report reflects a projected under spend of £0.262m for the year to 31st March 2017.

CONCLUSIONS

23. Appendix 1 reports a projected £0.262m 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

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

REPORT AUTHOR

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23 November 2016

BACKGROUND PAPERS

None

KEY WORDS

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

HSCP; financial monitoring; financial position; financial governance; budgetary control

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Consolidated Monitoring Report

Projected Outturn Forecast as at 14 October 2016

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	10,045,200	9,512,400	532,800	5.30%
Older Peoples Services	30,337,000	30,586,200	(249,200)	(0.82%)
Physical / Sensory Disability	3,908,000	4,127,000	(219,000)	(5.60%)
Learning Disability - Community	10,675,000	10,691,400	(16,400)	(0.15%)
Learning Disability - Inpatients	8,055,500	8,068,500	(13,000)	(0.16%)
Mental Health	3,896,600	3,503,600	393,000	10.09%
Addictions / Substance Misuse	1,482,000	1,430,400	51,600	3.48%
Family Health Services	21,356,300	21,356,300	-	-
Prescribing	15,558,300	15,558,300	-	-
Criminal Justice	45,000	43,000	2,000	4.44%
Planning & Health Improvement	479,800	456,600	23,200	4.84%
Management & Admin	4,651,200	4,894,200	(243,000)	(5.22%)
Net Expenditure	110,489,900	110,227,900	262,000	0.24%

Notes:

- 1 NHS & ERC figures quoted as at 14 October 2016
- 2 Resource Transfer has been re allocated across client groups at the consolidated level.
- 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.
- 4 Management & Admin includes NHS unallocated savings target.
- 5 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 14 October 2016

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	20,190,000	20,400,000	(210,000)	(1.04%)
Property Costs	989,000	922,000	67,000	6.77%
Supplies & Services	2,644,000	2,580,000	64,000	2.42%
Transport Costs	168,000	255,000	(87,000)	(51.79%)
Third Party Payments	34,658,000	33,668,000	990,000	2.86%
Support Services	2,326,000	2,322,000	4,000	0.17%
Income	(14,886,000)	(14,320,000)	(566,000)	(3.80%)
Net Expenditure	46,089,000	45,827,000	262,000	0.57%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	8,291,000	7,772,000	519,000	6.26%
Older People	21,057,000	21,388,000	(331,000)	(1.57%)
Physical / Sensory Disability	3,690,000	3,909,000	(219,000)	(5.93%)
Learning Disability	7,380,000	7,423,000	(43,000)	(0.58%)
Mental Health	1,447,000	1,173,000	274,000	18.94%
Addictions / Substance Misuse	265,000	137,000	128,000	48.30%
Criminal Justice	45,000	43,000	2,000	4.44%
Service Strategy	765,000	789,000	(24,000)	(3.14%)
Support Service & Management	3,149,000	3,193,000	(44,000)	(1.40%)
Net Expenditure	46,089,000	45,827,000	262,000	0.57%

Notes:

1 ERC Figures quoted as at 14 October 2016

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

NHS Monitoring Report

Projected Outturn Forecast as at 14 October 2016

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	15,814,500	15,577,000	237,500	1.50%
Non-pay Expenditure	46,926,800	47,164,300	(237,500)	(0.51%)
Resource Transfer	5,502,000	5,502,000	-	-
Income	(3,842,400)	(3,842,400)	-	-
Net Expenditure	64,400,900	64,400,900	-	0.00%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Childrens Services	1,668,200	1,654,400	13,800	0.83%
Adult Community Services	6,723,600	6,641,800	81,800	1.22%
Learning Disability - Community	500,000	473,400	26,600	5.32%
Learning Disability - Inpatients	8,055,500	8,068,500	(13,000)	(0.16%)
Mental Health - Community	1,260,500	1,205,700	54,800	4.35%
Mental Health - Older Adults	626,100	561,900	64,200	10.25%
Family Health Services	21,356,300	21,356,300	-	-
Prescribing	15,558,300	15,558,300	-	-
Addictions	706,000	782,400	(76,400)	(10.82%)
Planning & Health Improvement	479,800	456,600	23,200	4.84%
Integrated Care Fund	1,457,400	1,457,400	-	-
Management & Admin	507,200	682,200	(175,000)	(12.48%)
Resource Transfer	5,502,000	5,502,000	-	-
Net Expenditure	64,400,900	64,400,900	-	0.00%

Notes:

1 NHS Figures quoted as at 14 October 2016

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>

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.

4 Management & Admin includes unallocated savings target of £843k , with total savings target of £1,152k. This will be re-aligned on receipt of non recurring support of £843k.

Year To Date Position as at 14 October 2016

Council Monitoring Report

Subjective Analysis	Year To Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	9,561,000	9,339,000	222,000	2.32%
Property Costs	467,000	313,000	154,000	32.98%
Supplies & Services	1,430,000	657,000	773,000	54.06%
Transport Costs	90,000	112,000	(22,000)	(24.44%)
Third Party Payments	13,881,000	11,635,000	2,246,000	16.18%
Support Services	8,000	4,000	4,000	50.00%
Income	(7,514,000)	(7,105,000)	(409,000)	(5.44%)
Net Expenditure	17,923,000	14,955,000	2,968,000	16.56%

NHS Monitoring Report

Subjective Analysis	Year to Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	8,149,900	7,747,300	402,600	4.94%
Non-pay Expenditure	26,159,300	26,561,900	(402,600)	(0.82%)
Resource Transfer	2,904,300	2,904,300	-	-
Income	(3,842,400)	(3,842,400)	-	-
Net Expenditure	33,371,100	33,371,100	-	0.00%
Total	51,294,100	48,326,100	2,968,000	5.79%

Notes

- 1 ERC year to date due to invoice timing delays
- 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	630			630
Property Maintenance	(66)			(66)
Eastwood H&CC	728			728
Diabetes Nurse	40			40
Health Improvement	31			31
	64,401	46,089	-	110,490
Funding Outwith Revenue Monitoring				
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	13,425			13,425
	77,826	46,721	-	124,547
Directions to Partners				
Revenue Budget Contribution	58,850	46,089		104,939
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
	59,380	49,422	1,688	110,490
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	13,425			13,425
	72,805	50,054	1,688	124,547

* includes capital spend

Earmarked Reserves	Brought Forward from 2015/16	New Funds	Total Funds	Projected Spend 2016/17	Projected Carry Forward to 2017/18	Comments
	£	£	£	£	£	
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	12,000	28,000	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	-	150,000	
Children & Families Initiatives	50,000	-	50,000	25,000	25,000	
Sub Total	390,000	-	390,000	77,000	313,000	
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	181,000	687,500	
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	282,900	857,800	

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.