



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	30 March 2016
Agenda Item	10
Title	Revenue Budget Monitoring Report 2015/16, to 31 January 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 2015/16 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

30 March 2016

Report by Julie Murray, Chief Officer

REVENUE BUDGET MONITORING REPORT

PURPOSE OF REPORT

1. To advise the Board of the projected outturn position of the 2015/16 revenue budget.

RECOMMENDATIONS

2. The Integration Joint Board is asked to note the projected outturn position of the 2015/16 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. The consolidated budget for 2015/16, and projected outturn position is reported in Appendix A. This shows a provisional forecast under spend of £0.235m, against a full year budget of £110.705m (0.21%), a favourable movement of £0.021m since that last reported.
5. The consolidated budget has decreased marginally from that previously reported reflecting additional funding in respect of Kinship Care and Criminal Justice being offset by an adjustment to payroll inflation, as detailed at Appendix E.
6. The Learning Disability Inpatient Services budget includes a £0.290m non recurring budget allocation to allow actions to be undertaken taken bring costs in line with the budget. Since this transitional was agreed cross boundary income has now been realised and through negotiation NHSGCC has agreed to treat this as a contribution to a transition fund to be created to facilitate the ongoing redesign of the service. This will allow £0.365m to be earmarked for future staff redeployment training, funding care package costs, and double running costs of transitional period individuals moving from continuing care to community care.
7. The projected outturn for the Council includes anticipated future commitments to 31 March 2016 and will continue to be reviewed on a prudent basis for the last two months of the financial year. Any movement in the volume and or cost of future anticipated commitments during that period will impact on the projected outturn for the Council. This assumes that the Council will continue to make placements in order meet the assessed care needs of an individual, ensuring that no such individual is left at an unacceptable level of risk.
8. The individual elements of the HSCP position are detailed in Appendices B & C, reporting the position for the Council and NHS respectively.

9. Children & Families – The projected outturn position reports an under spend of £0.547m reflecting the current level of posts pending a restructure of the service. The projection has been updated to take reflect a change in accounting treatment of the costs associated with the Foster Carer Recruitment Campaign, with £0.150m of expenditure now being carried forward as part of the reserve. The projection takes full account of the implementation of Kinship Care Allowances, with effect from 1 October 2015.
10. Older People –The Council is currently reviewing and re-classifying individual care packages as appropriate across older people, learning disability and physical disability as part of the data migration to Care Finance and as part of the construction individual cost centre budgets which will align operational activity more closely with devolved budgets.

The projected outturn position for older people reports an under spend of £0.447m, being due to favourable variances within the Council, as detailed below;

- an under spend in salary costs (£0.131m);
 - an over spend in supplies and services and third party payments (£0.138m),
 - and, an over recovery of income (£0.454m)
11. Learning Disability-Community– The projected outturn position reports an over spend of £0.335m reflecting the current trend in demand for learning disability care packages. As highlighted above at paragraph 10 the classification of individual care packages is currently being reviewed.
 12. Physical & Sensory Disability- The projected outturn position reports an over spend of £0.006m reflecting the current trend for such packages. As highlighted above at paragraph 10 the classification of individual care packages is currently being reviewed.
 13. Addictions – The projected outturn position reports an under spend of £0.066m due to favourable payroll variances.
 14. Criminal Justice – The projected outturn position highlights an over spend of £0.049m due to adverse payroll variances.
 15. Management & Admin and Health Improvement – The projected outturn position reports an over spend of £0.204m, and is primarily due to a lower level of grant funding than anticipated.
 16. Prescribing- The projected outturn position reflects a break even position under the terms of the risk sharing arrangement. As at January 2016 East Renfrewshire was £0.066m overspent (0.7%) with all other partnerships similarly over spent. This is due, in part, to continued price increases such as antibacterial, musculoskeletal and stoma supplies. Whilst a break even position is currently being projected, as the intention is to maintain the risk sharing arrangement and not to pass any overspends to partnerships, this will be kept under review in light of the Boards financial position.
 17. The year to date position is as detailed at Appendix D and reflects an under spend of £3.254m. However within this figure there are a of number accounting adjustments, including funding carried forward from 2014/5. These variances (£2.057m) are regarded as temporary and will not arise at the end of the financial year. In addition the budgeted year to date expenditure profile no longer fully reflects the actual pattern of payments being incurred, resulting in a temporary year to date timing variance (£1.197m).

18. Contribution to Reserves

The projected under spend includes a number of existing projects and initiatives where funding will be transferred to the HSCP reserve for 2016/17, as detailed at Appendix F. The final reserves contribution will be confirmed as part of the year end closure process for 2015/16. The indicative allocation of the projected under spend pre and post 7 October 2015 currently reflects a 26 week time split.

There remains a potential recovery of costs incurred by the Council pending conclusion of an ongoing legal case, with any such monies being accounted for and recognised upon receipt

FINANCE AND EFFICIENCY

19. Savings and efficiencies approved as part of the budget setting exercise have been applied in full to the published annual budget.

CONSULTATION

20. The Chief Financial Officer continues to develop more detailed reporting to the Board.

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 £0.235m for the year to 31st March 2016. It is assumed that £0.117m will be returned to East Renfrewshire Council and £0.118m will be retained by the Integrated Joint Board, this being confirmed as part of the 2015/16 year end closure process.

CONCLUSIONS

23. Appendix A reports a projected £0.235m under spend for the year to 31st March 2016 on the consolidated revenue budget.

RECOMMENDATIONS

24. The Integration Joint Board is asked to note the projected outturn position of the 2015/16 revenue budget.

REPORT AUTHOR

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15 March 2016

BACKGROUND PAPERS

Revenue Monitoring Report, Integration Joint Board, 17 February 2016

KEY WORDS

A report outlining the projected outturn position of the 2015-16 revenue budget.

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

Consolidated Monitoring Report

Projected Outturn Forecast as at 31 January 2016

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	9,763,600	9,216,600	547,000	5.60%
Older Peoples Services	27,152,600	26,705,600	447,000	1.65%
Physical / Sensory Disability	3,488,000	3,494,000	(6,000)	-0.17%
Learning Disability - Community	9,495,400	9,830,400	(335,000)	(3.53%)
Learning Disability - Inpatients	11,446,100	11,446,100	-	-
Mental Health	4,053,200	3,895,200	158,000	3.90%
Addictions / Substance Misuse	1,535,000	1,468,400	66,600	4.34%
Family Health Services	21,159,300	21,159,300	-	-
Prescribing	14,688,700	14,688,700	-	-
Criminal Justice	68,000	117,000	(49,000)	(72.06%)
Planning & Health Improvement	522,300	522,300	-	(0.00%)
Management & Admin	7,332,500	7,536,500	(204,000)	(2.78%)
Contribution to Reserves	-	390,000	(390,000)	-
Net Expenditure	110,704,700	110,470,100	234,600	0.21%

Note 1; NHS & ERC figures quoted as at 31 January 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 2015/16 year end closure process.

It is assumed that £0.117m will be returned to East Renfrewshire Council and £0.118m will be retained by the integrated Joint Board, this being confirmed as part of the 2015/16 year end closure process. The indicative allocation of the projected underspend pre and post 7 October 2015 currently reflects a 26 week time split.

Council Monitoring Report

Projected Outturn Forecast as at 31 January 2016

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	19,321,000	19,152,000	169,000	0.87%
Property Costs	904,000	877,000	27,000	2.99%
Supplies & Services	2,673,000	2,817,000	(144,000)	(5.39%)
Transport Costs	168,000	240,000	(72,000)	(42.86%)
Third Party Payments	33,493,000	32,662,000	831,000	2.48%
Support Services	2,604,000	2,602,000	2,000	0.08%
Income	(12,107,000)	(11,917,000)	(190,000)	1.57%
Contribution to Reserves	-	390,000	(390,000)	-
Net Expenditure	47,056,000	46,823,000	233,000	0.50%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	8,070,000	7,523,000	547,000	6.78%
Older People	21,651,000	21,204,000	447,000	2.06%
Physical / Sensory Disability	3,263,000	3,269,000	(6,000)	(0.18%)
Learning Disability	6,552,000	6,873,000	(321,000)	(4.90%)
Mental Health	1,654,000	1,496,000	158,000	9.55%
Addictions / Substance Misuse	258,000	207,000	51,000	19.77%
Criminal Justice	68,000	117,000	(49,000)	(72.06%)
Service Strategy	207,000	219,000	(12,000)	(5.80%)
Support Service & Management	5,333,000	5,525,000	(192,000)	(3.60%)
Contribution to Reserves	-	390,000	(390,000)	-
Net Expenditure	47,056,000	46,823,000	233,000	0.50%

Note 1; ERC Figures quoted as at 31 January 2016

Note 2; Any further contribution to reserves in regards Council funding , from the projected underspend will be confirmed as part of the 2015/16 year end closure process.

It is assumed that £0.117m will be returned to East Renfrewshire Council and £0.116m will be retained by the Integrated Joint Board, this being confirmed as part of the 2015/16 year end closure process. The indicative allocation of the projected underspend pre and post 7 October 2015 currently reflects a 26 week time split.

NHS Monitoring Report

Projected Outturn Forecast as at 31 January 2016

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	17,796,300	17,550,000	246,300	1.38%
Non-pay Expenditure	43,980,200	44,224,900	(244,700)	(0.56%)
Resource Transfer	5,511,500	5,511,500	-	-
Income	(3,639,300)	(3,639,300)	-	-
Contribution to Reserves	-	-	-	-
Net Expenditure	63,648,700	63,647,100	1,600	0.00%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Childrens Services	1,613,600	1,613,600	-	(0.50%)
Adult Community Services	3,087,200	3,087,200	-	0.00%
Learning Disability - Community	111,400	125,400	(14,000)	(10.71%)
Learning Disability - Inpatients	11,446,100	11,446,100	-	-
Mental Health - Community	1,255,900	1,255,900	-	0.00%
Mental Health - Older Adults	616,300	616,300	-	0.00%
Family Health Services	21,159,300	21,159,300	-	-
Prescribing	14,688,700	14,688,700	-	-
Addictions	794,000	778,400	15,600	1.96%
Planning & Health Improvement	522,300	522,300	-	0.00%
Integrated Care Fund	1,448,400	1,448,400	-	-
Management & Admin	1,394,000	1,394,000	-	(12.48%)
Resource Transfer	5,511,500	5,511,500	-	-
Contribution to Reserves	-	-	-	-
Net Expenditure	63,648,700	63,647,100	1,600	0.00%

Note 1; NHS Figures quoted as at 31 January 2016

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

Service Strategy	£ 189,000
Mental Health - Community	£ 80,000
Older People	£ 966,000
Physical Disability	£ 225,000
Addictions	£ 483,000
Learning Disability	£ 2,833,000
Mental Health	£ 527,000
Support Service & Mgt	£ 208,000
	<u>£ 5,511,000</u>

East Renfrewshire HSCP - Revenue Budget Monitoring 2015/16

Appendix D/1

Consolidated Monitoring Report

Year To Date Position as at 31 January 2016

Objective Analysis	Year To Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	7,791,700	6,457,300	1,334,400	17.13%
Older Peoples Services	20,454,800	19,132,100	1,322,700	6.47%
Physical / Sensory Disability	2,816,000	2,841,000	(25,000)	(0.89%)
Learning Disability - Community	5,777,800	6,881,500	(1,103,700)	(19.10%)
Learning Disability - Inpatients	9,371,100	9,370,800	300	0.00
Mental Health	3,247,800	2,890,300	357,500	11.01%
Addictions / Substance Misuse	1,211,800	1,107,000	104,800	8.65%
Family Health Services	17,482,700	17,482,700	0	-
Prescribing	12,363,100	12,363,100	0	-
Criminal Justice	162,000	118,000	44,000	27.16%
Planning & Health Improvement	430,700	424,200	6,500	1.51%
Management & Admin	3,803,500	2,590,600	1,212,900	31.89%
Net Expenditure	84,913,000	81,658,600	3,254,400	3.83%

Note 1; NHS & ERC figures quoted as at 31 January 2016

Council Monitoring Report

Year To Date Position as at 31 January 2016

Subjective Analysis	Year To Date			Variance
	Budget £	Actual £	Variance (Over) / Under £	(Over) / Under %
Employee Costs	15,069,000	14,723,000	346,000	2.30%
Property Costs	531,000	493,000	38,000	7.16%
Supplies & Services	2,002,000	1,088,000	914,000	45.65%
Transport Costs	127,000	178,000	(51,000)	(40.16%)
Third Party Payments	23,212,000	21,962,000	1,250,000	5.39%
Support Services	13,000	9,000	4,000	30.77%
Income	(8,364,000)	(9,116,000)	752,000	(8.99%)
Net Expenditure	32,590,000	29,337,000	3,253,000	9.98%

Objective Analysis	Year To Date			Variance
	Budget £	Actual £	Variance (Over) / Under £	(Over) / Under %
Children & Families	6,422,000	5,122,000	1,300,000	20.24%
Older People	16,176,000	14,908,000	1,268,000	7.84%
Physical / Sensory Disability	2,628,000	2,653,000	(25,000)	(0.95%)
Learning Disability	3,326,000	4,408,000	(1,082,000)	(32.53%)
Mental Health	1,249,000	1,064,000	185,000	14.81%
Addictions / Substance Misuse	168,000	86,000	82,000	48.81%
Criminal Justice	162,000	118,000	44,000	(393.75%)
Service Strategy	615,000	524,000	91,000	14.80%
Support Service & Management	1,844,000	454,000	1,390,000	75.38%
Net Expenditure	32,590,000	29,337,000	3,253,000	9.98%

Note 1 ;ERC Figures quoted as at 31 January 2016

Note 2 ; As highlighted in the report the year to date variance highlights a number of accounting adjustments which are regarded as temporary in conjunction with a change in the actual payment profile as compared to the budgeted year to expenditure profile.

East Renfrewshire HSCP - Revenue Budget Monitoring 2015/16

Appendix D/3

NHS Monitoring Report

Year To Date Position as at 31 January 2016

Subjective Analysis	Year to Date			
	Budget	Actual	Variance	Variance
	£	£	(Over) / Under £	(Over) / Under %
Employee Costs	14,972,900	14,707,170	265,730	1.77%
Non-pay Expenditure	36,060,810	36,325,140	(264,330)	(0.82%)
Resource Transfer	4,590,600	4,590,600	-	-
Income	(3,302,710)	(3,302,710)	-	-
Net Expenditure	52,321,600	52,320,200	1,400	0.00%

Objective Analysis	Year to Date			
	Budget	Actual	Variance	Variance
	£	£	(Over) / Under £	(Over) / Under %
Childrens Services	1,302,700	1,268,300	34,400	(1.21%)
Adult Community Services	2,637,400	2,582,700	54,700	2.99%
Learning Disability - Community	92,800	114,500	(21,700)	(25.53%)
Learning Disability - Inpatients	9,371,100	9,370,800	300	(0.00%)
Mental Health - Community	1,046,000	965,700	80,300	7.68%
Mental Health - Older Adults	513,800	421,600	92,200	17.94%
Family Health Services	17,482,700	17,482,700	-	-
Prescribing	12,363,100	12,363,100	-	-
Addictions	641,800	619,000	22,800	3.55%
Planning & Health Improvement	430,700	424,200	6,500	1.51%
Integrated Care Fund	836,400	836,400	-	-
Management & Admin	1,012,500	1,280,600	(268,100)	(30.00%)
Resource Transfer	4,590,600	4,590,600	-	-
Net Expenditure	52,321,600	52,320,200	1,400	(0.00%)

Notes;

NHS Figures quoted as at 31 January 2016

East Renfrewshire HSCP - Revenue Budget Monitoring 2015/16

Appendix E

Consolidated Budget Movement

Year To Date Position as at 31 January 2016

	Full Year			
	Annual Budget P10 £	Annual Budget P11 £	Movement increase/ (reduction) £	Movement increase/ (reduction) %
NHS Greater Glasgow & Clyde	63,643,100	63,649,100	6,000	0.01%
East Renfrewshire Council	47,068,000	47,056,000	(12,000)	-0.03%
Net Expenditure	110,711,100	110,705,100	(6,000)	-0.01%
Being ;				
NHS Greater Glasgow & Clyde - Advocacy			(6,000)	
East Renfrewshire Council -			(12,000)	
Grant Redetermination - Kinship Care			62,000	
Grant Redetermination - Criminal Justice			50,000	
Payroll Inflation - budget provided for 2% award when actual 2015/16 uplift was £1.5%			(124,000)	
Net Expenditure			(6,000)	

Note ; ERC & NHS Figures quoted as at 31 January 2016

East Renfrewshire HSCP - Indicative Reserves 2015/16

Appendix F

Earmarked Reserves	Brought Forward from 2014/15	New Funds	Total Funds	Projected Spend 2015/16	Projected Carry Forward to 2016/17	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	-	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
Foster Care Recruitment Campaign		150,000	150,000	-	150,000	part way through 2015/16. Funding for Foster Carer Recruitment Campaign and further Children & Families Initiatives.
Children & Families Initiatives		50,000	50,000	-	50,000	
Total	-	390,000	390,000	-	390,000	
NHSGCC						
Learning Disability Specialist Services		365,000	365,000	-	365,000	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.
Total		365,000	365,000		365,000	
Total		755,000	755,000	-	755,000	

Reserves exclude CFR projects or any balance sheets funds relating solely to timing differences