



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	16 August 2017
Agenda Item	12
Title	Revenue Budget Monitoring Report 2017/18; position as at 23 June 2017 and provisional outturn 2016/17
<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 provisional outturn for the 2016/17 revenue budget ▪ Note the projected outturn position of the 2017/18 revenue budget ▪ Approve the budget virements for 2017/18 	
<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>	

BLANK PAGE

EAST RENFREWSHIRE INTEGRATION JOINT BOARD**16 August 2017****Report by Lesley Bairden, Chief Financial Officer****REVENUE BUDGET MONITORING REPORT****PURPOSE OF REPORT**

1. To advise the Board of the provisional outturn for 2016/17 and the projected outturn position of the 2017/18 revenue budget.

RECOMMENDATIONS

2. The Integration Joint Board is asked to:
 - Note the provisional outturn for the 2016/17 revenue budget
 - Note the projected outturn position of the 2017/18 revenue budget
 - Approve the budget virements for 2017/18

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 Outturn:** this is the provisional position as reflected in the Annual Report and Accounts for the Integration Joint Board, covering the period 1 April 2016 to 31 March 2017 and is subject to any adjustments resulting from the audit of the IJB accounts and those of our partners. We ended the year with an under spend of £1.520m (1.3% of our £112.3m annual budget).
5. The final year end underspend was a further underspend of £0.67m from the last reported position at period 11, with £0.3m social care (property costs of £0.1m and care packages and other costs £0.2m) and £0.47m health costs reflecting turnover and running costs underspends. The IJB will recall we recognised this underspend but projected health costs to budget in year as 16/17 was not a typical year given the volume of non-recurring funding and acknowledging the underspend would be taken to reserves.
6. As reported to the Performance and Audit Committee and the IJB in June our earmarked reserves increased by £1.925m in line with our strategy.

Reserve	£million
Learning Disability Redesign, to support transitional costs	0.260
District Nursing, to support staffing	0.075
Speech & Language Therapy, timing of the project	0.027
Children's Residential Care, smoothing reserve as agreed	0.460
Family Wellbeing Pilot, preventative pilot	0.200
Budget Savings to allow phased implementation	0.903

7. The consolidated full year outturn per service is:

Service	Budget £m	Outturn £m	Variance (Over) / Under £m	Variance %
Children & Families & Criminal Justice	10.000	9.463	0.537	5.37
Older People	25.218	25.366	0.148	0.06
Physical & Sensory Disability	4.057	4.337	(0.280)	(6.90)
Learning Disability – Community	12.693	11.706	0.987	7.77
Learning Disability – Specialist Services	8.884	8.884	-	-
Mental Health	4.209	3.816	0.393	9.34
Addictions / Substance Misuse	1.814	1.691	0.123	6.78
Family Health Services	21.591	21.591	-	-
Prescribing	15.451	15.451	-	-
Planning & Health Improvement	0.487	0.448	0.039	8.09
CJS	0.045	0.032	0.013	28.88
Management & Admin	7.824	7.968	(0.144)	(1.84)
Total Net Expenditure	112.272	110.752	1.520	1.3

8. The main variances remained in line with previous reporting and relate to:
- Children & Families principally due to reduction in the volume and cost of child placements allied to the investment in early intervention initiatives including the establishment of the Intensive Services for Child and Family Support team, the PACE Champions Group to improve performance from the start of a child's journey, and Intensive Support for Young People which aims to reduce the number of looked after children
 - Older People / Learning Disability Community / Physical & Sensory Disabilities variances reflect a reduction in the cost of care commitments
 - Mental Health was spend reflects a reduction in client numbers
 - Management & Admin primarily relates to redundancy and staff costs, and the non- achievement of staff turnover
9. The finance team have undertaken a detailed analysis of both the provisional outturn and the movement in projection from period 11. This will be used to inform and refine budget monitoring for 2017/18.
10. **2017/18 Revenue Budget:** The consolidated budget for 2017/18, and projected outturn position is reported in detail at Appendix 1. This shows a provisional forecast under spend of £0.028m, against a full year budget of £110.652m (0.03%). The projected underspend will be carried forward within reserves, subject to our final year end position at 31 March 2018. Appendices 2 & 3 set out the operational position for each partner.
11. 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 per our agreed strategy. Progress against all savings will be included in all monitoring reports going forward.
12. 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.
13. The main projected variances are set out below, however at this early stage in the year these are subject to revision as the year progresses.

14. Children & Families - the projected overspend of £0.019m is not material although this includes an under recovery of income in respect of sure start & schools outreach (£0.161m) being offset primarily by lower than estimated spend on third party payments (£0.130m) and staff costs (£0.030m). The impact of the Health Visitor system wide redesign will be reported once confirmed and in the meantime a prudent staff cost projection is included.
15. Older Peoples Services - the projected underspend of £0.012m reflects the current cost of care packages (£0.238m) being offset by an under recovery of income in regards Bonnyton (£0.128m) and projected higher staff and transport costs (£0.07m). An overspend on equipment of £0.04m is also projected and we are reviewing all activity drivers and funding sources for equipment.
16. Physical/Sensory Disability - the projected overspend of £0.042m primarily reflects the non-achievement of staff turnover (£0.039m).
17. Learning Disability–Community - the projected overspend (£0.036m) reflects the current staff profile with increased costs at Barrhead and Thornliebank Day Centres (£0.093m) being offset by vacancies within community teams.
18. Learning Disability Inpatient Services - is currently projected to budget as whilst the service is currently underspent by £0.3m reflecting the impacts of the ongoing redesign of the long stay beds the underspend will be required to fund in year resource transfer. The service is also experiencing a period of enhanced and specialist observations which will result in significant staff costs, this is being mitigated as far as possible through maximising existing staff, care provider commitments and cross partnership working
19. Mental Health - the projected underspend (£0.198m) reflects current staff turnover savings from vacancies including nursing, OT and support posts.
20. Addictions / Substance Misuse - the underspend of £0.015m reflects current level of staffing and care package costs.
21. Management & Admin - the projected overspend of £0.098m primarily relates to the current level of property costs such as phones, maintenance and security and assumes the year to date position will continue for the year,. This is being reviewed on a line by line basis but at this early stage the most prudent position has been assumed.
22. The year to date position is detailed at Appendix 4 and reflects an under spend of £1.926m. However within this figure there are a number accounting adjustments including funding carried forward from 2016/17. These variances are regarded as temporary and will not arise at the end of the financial year.
23. 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.
24. Budget Risks - There are 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

Budget Virement

25. The 2017/18 Budget as at 23 June 2017 reflects a number of financial adjustments and budget realignments, when compared to the opening budget (ERC contribution) as summarised at Appendix 7.
26. 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. For future years any such realignment will be reflected in the opening budget and only any in year movement will require virement approval
27. The net reduction in the budget of £0.462m from that previously approved by the IJB reflects the inclusion of Criminal Justice specific grant funding within the 2017/18 budget. This is a change in accounting treatment and does not impact on the resource available.

FINANCE AND EFFICIENCY

28. 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

29. The Chief Financial Officer has consulted with our partners.
30. 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

31. The report reflects a projected under spend of £0.028m for the year to 31st March 2018.

CONCLUSIONS

32. Appendix 1 reports a projected £0.028m under spend for the year to 31st 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

33. The Integration Joint Board is asked to:
- Note the provisional outturn for the 2016/17 revenue budget
 - Note the projected outturn position of the 2017/18 revenue budget
 - Approve the budget virements for 2017/18

REPORT AUTHOR

HSCP Chief Financial Officer: Lesley Bairden

Ian Arnott, Finance Business Partner
ian.arnott@eastrenfrewshire.gov.uk
0141 577 6108

16 August 2017

BACKGROUND PAPERS

Revenue Monitoring Report, Integration Joint Board, 30 March 2017

BLANK PAGE

Consolidated Monitoring Report

Projected Outturn Forecast as at 23 June 2017

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	9,616,680	9,635,870	(19,190)	(0.20%)
Older Peoples Services	27,829,920	27,817,730	12,190	0.04%
Physical / Sensory Disability	4,420,000	4,462,000	(42,000)	(0.95%)
Learning Disability - Community	11,975,860	12,012,100	(36,240)	(0.30%)
Learning Disability - Inpatients	8,498,860	8,498,860	-	0.00%
Mental Health	4,061,870	3,863,470	198,400	4.88%
Addictions / Substance Misuse	1,553,330	1,537,910	15,420	0.99%
Family Health Services	21,437,300	21,437,300	-	-
Prescribing	15,450,560	15,450,560	-	-
Criminal Justice	20,000	20,000	-	(0.00%)
Planning & Health Improvement	362,330	364,410	(2,080)	(0.57%)
Management & Admin	7,053,190	7,151,690	(98,500)	(1.40%)
Fit For the Future Programme	(1,627,600)	(1,627,600)	-	-
Net Expenditure	110,652,300	110,624,300	28,000	0.03%

Notes:

- 1 NHS & ERC figures quoted as at June 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 23 June 2017

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	20,508,000	20,434,000	74,000	0.36%
Property Costs	1,158,000	1,134,000	24,000	2.07%
Supplies & Services	1,654,000	1,656,000	(2,000)	(0.12%)
Transport Costs	183,000	234,000	(51,000)	(27.87%)
Third Party Payments	35,493,000	35,168,000	325,000	0.92%
Support Services	1,925,000	1,925,000	-	0.00%
Income	(15,901,000)	(15,559,000)	(342,000)	(2.15%)
Net Expenditure	45,020,000	44,992,000	28,000	0.06%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	8,057,000	8,057,000	-	0.00%
Older People	18,861,000	18,809,000	52,000	0.28%
Physical / Sensory Disability	4,043,000	4,085,000	(42,000)	(1.04%)
Learning Disability	7,742,000	7,789,000	(47,000)	(0.61%)
Mental Health	1,466,000	1,424,000	42,000	2.86%
Addictions / Substance Misuse	268,000	245,000	23,000	8.58%
Criminal Justice	20,000	20,000	-	(0.00%)
Service Strategy	879,600	879,600	-	(0.00%)
Support Service & Management	5,076,000	5,076,000	-	(0.00%)
Fit For the Future Programme	(1,392,600)	(1,392,600)	-	0.00%
Net Expenditure	45,020,000	44,992,000	28,000	0.06%

Notes:

1 ERC Figures quoted as at 23 June 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 23 June 2017

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	17,006,180	16,788,900	217,280	1.28%
Non-pay Expenditure	41,954,440	42,171,720	(217,280)	(0.52%)
Resource Transfer/Social Care Fund	10,825,010	10,825,010	-	-
Income	(4,153,330)	(4,153,330)	-	-
Net Expenditure	65,632,300	65,632,300	-	0.00%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Childrens Services	1,462,680	1,481,870	(19,190)	(1.31%)
Adult Community Services	2,940,480	2,980,290	(39,810)	(1.35%)
Learning Disability - Community	430,860	420,100	10,760	2.50%
Learning Disability - Inpatients	8,498,860	8,498,860	-	0.00%
Mental Health - Community	1,245,350	1,221,030	24,320	1.95%
Mental Health - Older Adults	623,510	491,430	132,080	21.18%
Family Health Services	21,437,300	21,437,300	-	-
Prescribing	15,450,560	15,450,560	-	-
Addictions	696,330	703,910	(7,580)	(1.09%)
Planning & Health Improvement	362,330	364,410	(2,080)	(0.57%)
Integrated Care Fund	1,057,440	1,057,440	-	-
Management & Admin	836,590	935,090	(98,500)	(12.48%)
Resource Transfer/Social Care Fund	10,825,010	10,825,010	-	-
Fit For the Future Programme	(235,000)	(235,000)	-	-
Net Expenditure	65,632,300	65,632,300	-	0.00%

Notes:

1 NHS Figures quoted as at 30 May 2017

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

Service Strategy	£ 107,000
Children & Families	£ 97,000
Older People	£ 4,971,000
Physical Disability	£ 377,000
Addictions	£ 589,000
Learning Disability	£ 3,803,000
Mental Health	£ 727,010
Support Service & Mgt	£ 154,000
	<u>£ 10,825,010</u>

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

Year To Date Position as at 23 June 2017

Council Monitoring Report

Subjective Analysis	Year To Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	3,358,000	3,066,000	292,000	8.70%
Property Costs	289,000	164,000	125,000	43.25%
Supplies & Services	501,000	123,000	378,000	75.45%
Transport Costs	31,000	46,000	(15,000)	(48.39%)
Third Party Payments	4,600,000	3,775,000	825,000	17.93%
Support Services	-	4,000	(4,000)	0.00%
Income	(1,459,000)	(1,784,000)	325,000	22.28%
Net Expenditure	7,320,000	5,394,000	1,926,000	26.31%

NHS Monitoring Report

Subjective Analysis	Year to Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	2,870,000	2,750,000	120,000	4.18%
Non-pay Expenditure	7,138,000	7,258,000	(120,000)	(1.68%)
Resource Transfer	998,000	998,000	-	-
Income	(415,000)	(415,000)	-	-
Net Expenditure	10,591,000	10,591,000	-	0.00%
Total	17,911,000	15,985,000	1,926,000	10.75%

Notes

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

Funding Sources to the IJB	NHS £000	ERC £000	IJB £000	Total £000
Original Budget Contributions				
Revenue Budget contribution		45,020		45,020
Integration Fund		-		-
Integrated Care Fund		-		-
Delayed Discharge		-		-
	-	45,020	-	45,020
Funding Outwith Revenue Monitoring				
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	13,425			13,425
	13,425	45,652	-	59,077
Directions to Partners				
Revenue Budget Contribution	-	45,020		45,020
Integration Fund - budget 30 March		1,903		1,903
Integration Fund - Living wage		1,688		1,688
Integration Fund - Charging Thresholds		30		30
Integration Fund - sleepovers		-		-
Integration Fund - balance		-	1,551	1,551
Integrated Care Fund	-	1,065		1,065
Delayed Discharge	-	264		264
	-	49,970	1,551	51,521
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	13,425			13,425
	13,425	50,602	1,551	65,578

* includes capital spend

NB NHSGGC budget contribution for 2017/18 still to be confirmed

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 Accomodation	460,000	-	460,000	
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	Phased implementation of Fit for the Future Savings 2017/18
In Year Pressures Reserve	500,000		500,000	
Barrhead Health & Care Centre	104,000	104,000	-	Funding of Barrhead HCC Refurbishment
Total All Earmarked Reserves	4,073,860	2,095,210	1,978,650	
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	2,095,210	2,250,850	

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.

Council Monitoring Report

Budget Virement

Subjective Analysis	2017/18 Budget Virement		
	Original 2017/18 Budget £	P3 2017/18 Budget £	Virement £
Employee Costs	18,712,000	20,508,000	(1,796,000)
Property Costs	1,113,000	1,158,000	(45,000)
Supplies & Services	2,396,000	1,654,000	742,000
Transport Costs	142,000	183,000	(41,000)
Third Party Payments	36,559,000	35,493,000	1,066,000
Support Services	1,925,000	1,925,000	-
Income	(15,365,000)	(15,901,000)	536,000
Net Expenditure	45,482,000	45,020,000	462,000

Objective Analysis	Projected Outturn		
	Original 2017/18 Budget £	P3 2017/18 Budget £	Virement £
Children & Families	8,075,000	8,057,000	18,000
Older People	17,272,000	18,861,000	(1,589,000)
Physical / Sensory Disability	4,027,000	4,043,000	(16,000)
Learning Disability	7,894,000	7,742,000	152,000
Mental Health	1,453,000	1,466,000	(13,000)
Addictions / Substance Misuse	273,000	268,000	5,000
Criminal Justice	510,000	20,000	490,000
Service Strategy	829,000	(513,000)	1,342,000
Support Service & Management	5,149,000	5,076,000	73,000
Net Expenditure	45,482,000	45,020,000	462,000

Notes

- 1 Reflects budget re-alignment from published original budget and revised treatment of Criminal Justice Grant Funding

BLANK PAGE