



<b>Meeting of East Renfrewshire Health and Social Care Partnership</b>	Integration Joint Board
<b>Held on</b>	29 March 2017
<b>Agenda Item</b>	11
<b>Title</b>	Revenue Budget Monitoring Report 2016/17; position as at 2 February 2017
<p><b>Summary</b></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>	
<b>Presented by</b>	Lesley Bairden, Chief Financial Officer
<p><b>Action Required</b></p> <p>The Integration Joint Board is asked to note the projected outturn position of the 2016/17 revenue budget.</p>	
<p><b>Implications checklist – check box if applicable and include detail in report</b></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**

**29 March 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 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. The figures presented are as at 2 February 2017 and reflects any material items impacting on the projected outturn for the 2016/17 financial year.

**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 £0.853m, against a full year budget of £112.210m (0.76%). 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. The projected outturn position being reported reflects an improvement of £0.556M from that previously reported primarily due to a reduction in the cost of committed care packages.
5. Detailed monitoring of the 2016/17 revenue budget continues with regular meetings between accountants and operational managers; the 2016/17 budget will continue to be reviewed 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 position after accounting for £0.843m of non – recurring savings support in 2016/17 subject to the achievement of recurring savings of £1.152m in 2017/18. The balance of the savings in 2016/17 will be met from our agreed saving plans.
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 current projection is £0.080m underspend as at 2 February 2017. The General Manager continues to review the financial position in detail on a monthly basis. Any underspend will fund, in part, any transitional resource transfer costs incurred by other partnerships this financial year.
9. The implementation of the Living Wage continues to progress, with rate changes being implemented as appropriate with all known costs being included in the projected outturn as at 31 March 2017. The impact of the Living Wage and the cost of Sleepovers in 2016/17 will be fully accounted for as part of the year end accounts closure process.
10. The main projected variances are set out below; however remain subject to revision as the year progresses. The variance to date is the main basis of projection for the NHS budget in the current year, primarily reflecting turnover from vacant posts, which are offset against the savings target.
11. Children & Families - the projected underspend of £0.631m is primarily due to a reduction in the volume and cost of child placements and the investment in early intervention support services which have reduced the requirement for residential support. This continues the trend from 2015/16 and is offset in part by an increase in direct payments and adoption.
12. The IJB of 23 November 2016 approved the establishment of an earmarked reserve in recognition of the fluctuating nature of residential childcare and the significant financial impact this can have in any one financial year. It is estimated that this reserve may be up to £0.310m. This remains subject to the final outturn position for the HSCP as a whole.
13. Older Peoples Service - a projected overspend of £0.377m reported across the service. The main pressure areas include:-
  - Additional homecare and Bonnyton staff costs to provide the required level of care and meet statutory staffing ratios. This is a decrease in projected costs of £0.056m reflecting a reduction in overtime and agency costs to the year end.
  - Older people's care package cost projection has reduced by £0.261m based on the current client profile and assumed activity to the end of the financial year. Day care and the reablement service transport costs remain higher than budget based on current client numbers.
  - Higher than estimated expenditure on monthly charges in relation to the CM2000 system in homecare, which is activity based. This is routinely monitored and work is ongoing to ensure cost projections and budget levels reflect future demand.
14. Physical & Sensory Disability – the projected overspend of £0.138m largely reflects the current committed cost of care packages, reflecting a full year provision of high cost care packages. These high cost care packages are regularly reviewed and projections have been prepared on a prudent basis to allow for potential fluctuations in cost. A decrease in cost of £0.187m is reported based on the actual service provision against commitments.
15. Learning Disability – the projected underspend of £0.411m relates to a reduction in payments to other local authorities and care package commitments (a further reduction of £0.101m since previously reported due to ongoing review work including early achievement of 2017/18 savings).

16. Mental Health - the projected underspend of £0.273m reflects a reduction in the current cost of care packages along with turnover savings from vacancies including Adult Support and Protection costs due to staff movement and expected health board recharges.
17. Addictions & Substance Misuse – the projected underspend of £0.187m reflects staff vacancies including a Service Manager post and the residential budget remaining uncommitted to date, reflecting the nature of the service.
18. Management & Admin – the NHS unallocated savings sit within this budget – hence the projected overspend.
19. NHS - the projected outturn reflects a break even position as highlighted at paragraph 6. The major variances identified principally relate to the current level of vacant posts particularly in respect of district nursing posts within Adult community Services. It should be noted that recruitment is still ongoing with additional hours being utilised to operate this service in the short term.
20. There is work being undertaken to review the NHS budgets on a service by service basis. This will include allocation of all recurring savings in 2017/18 to the relevant service areas along with a full re-alignment exercise as required. This exercise will also identify any potential areas for savings consideration.
21. The year to date position is detailed at Appendix 4 and reflects an under spend of £2.496m. These variances are regarded as temporary and will not arise at the end of the financial year.

## **FINANCE AND EFFICIENCY**

22. 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 plans agreed to achieve full year savings in 2017/18.

## **CONSULTATION**

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

## **PARTNERSHIP WORKING**

24. 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**

25. The report reflects a projected under spend of £0.853m for the year to 31<sup>st</sup> March 2017.
26. Work remains ongoing to assess the part year impact of revised sleepover costs.

## CONCLUSIONS

27. Appendix 1 reports a projected £0.853m under spend for the year to 31<sup>st</sup> March 2017 on the consolidated revenue budget.

## RECOMMENDATIONS

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

## REPORT AUTHOR

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29 March 2017

## BACKGROUND PAPERS

Nil

## 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 2 February 2017

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	9,958,000	9,313,000	645,000	6.48%
Older Peoples Services	28,094,000	28,217,000	(123,000)	(0.44%)
Physical / Sensory Disability	3,914,000	4,052,000	(138,000)	(3.53%)
Learning Disability - Community	10,851,000	10,399,000	452,000	4.17%
Learning Disability - Inpatients	9,136,000	9,056,000	80,000	0.88%
Mental Health	3,865,000	3,460,000	405,000	10.48%
Addictions / Substance Misuse	1,482,000	1,387,000	95,000	6.41%
Family Health Services	21,356,000	21,356,000	-	-
Prescribing	15,558,000	15,558,000	-	-
Criminal Justice	45,000	59,000	(14,000)	(31.11%)
Planning & Health Improvement	489,000	455,000	34,000	6.95%
Management & Admin	7,462,000	8,045,000	(583,000)	(7.81%)
<b>Net Expenditure</b>	<b>112,210,000</b>	<b>111,357,000</b>	<b>853,000</b>	<b>0.76%</b>

Note 1; NHS & ERC figures quoted as at 2 February 2017

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 - accounts for NHS savings target being achieved in 2016/17 through application of non-recurring funds of £0.843m received from NHSGCC, in addition to local actions in year.

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## Council Monitoring Report

Projected Outturn Forecast as at 2 February 2017

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	20,243,000	20,814,000	(571,000)	(2.82%)
Property Costs	989,000	850,000	139,000	14.05%
Supplies & Services	2,594,000	2,465,000	129,000	4.97%
Transport Costs	168,000	267,000	(99,000)	(58.93%)
Third Party Payments	34,791,000	33,627,000	1,164,000	3.35%
Support Services	2,326,000	2,326,000	-	0.00%
Income	(15,016,000)	(15,107,000)	91,000	0.61%
<b>Net Expenditure</b>	<b>46,095,000</b>	<b>45,242,000</b>	<b>853,000</b>	<b>1.85%</b>

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Children & Families	8,185,000	7,554,000	631,000	7.71%
Older People	18,865,000	19,242,000	(377,000)	(2.00%)
Physical / Sensory Disability	3,696,000	3,834,000	(138,000)	(3.73%)
Learning Disability	7,641,000	7,230,000	411,000	5.38%
Mental Health	1,422,000	1,149,000	273,000	19.20%
Addictions / Substance Misuse	265,000	78,000	187,000	70.57%
Criminal Justice	45,000	59,000	(14,000)	(31.11%)
Service Strategy	784,000	832,000	(48,000)	(6.12%)
Support Service & Management	5,192,000	5,264,000	(72,000)	(1.39%)
<b>Net Expenditure</b>	<b>46,095,000</b>	<b>45,242,000</b>	<b>853,000</b>	<b>1.85%</b>

Note 1; ERC Figures quoted as at 2 February 2017

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

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## NHS Monitoring Report

Projected Outturn Forecast as at 2 February 2017

Subjective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	17,268,000	16,761,000	507,000	2.94%
Non-pay Expenditure	47,560,000	48,067,000	(507,000)	(1.07%)
Resource Transfer	5,501,000	5,501,000	-	-
Income	(4,214,000)	(4,214,000)	-	-
Net Expenditure	66,115,000	66,115,000	-	0.00%

Objective Analysis	Projected Outturn			
	Full Year Budget £	Projected Outturn Spend £	Variance (Over) / Under £	Variance (Over) / Under %
Childrens Services	1,687,000	1,673,000	14,000	0.83%
Adult Community Services	6,672,000	6,418,000	254,000	3.81%
Learning Disability - Community	415,000	374,000	41,000	9.88%
Learning Disability - Inpatients	9,136,000	9,056,000	80,000	0.88%
Mental Health - Community	1,254,000	1,192,000	62,000	4.94%
Mental Health - Older Adults	626,000	556,000	70,000	11.18%
Family Health Services	21,356,000	21,356,000	-	-
Prescribing	15,558,000	15,558,000	-	-
Addictions	707,000	799,000	(92,000)	(13.01%)
Planning & Health Improvement	489,000	455,000	34,000	6.95%
Integrated Care Fund	1,458,000	1,458,000	-	-
Management & Admin	1,256,000	1,719,000	(463,000)	(12.48%)
Resource Transfer	5,501,000	5,501,000	-	-
Net Expenditure	66,115,000	66,115,000	-	0.00%

Note 1; NHS Figures quoted as at 31 January 2017

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

Service Strategy	£ 94,000
Children & Families	£ 86,000
Older People	£ 1,100,000
Physical Disability	£ 218,000
Addictions	£ 511,000
Learning Disability	£ 2,795,000
Mental Health	£ 563,000
Support Service & Mgt	£ 136,000
	<u>£ 5,503,000</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 &amp; Admin includes unallocated savings target of £843k , with total savings target of £1,152k

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Year To Date Position as at 2 February 2017

Council Monitoring Report

Subjective Analysis	Year To Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	15,337,000	15,317,000	20,000	0.13%
Property Costs	662,000	450,000	212,000	32.02%
Supplies & Services	1,954,000	1,014,000	940,000	48.11%
Transport Costs	142,000	195,000	(53,000)	(37.32%)
Third Party Payments	22,798,000	21,431,000	1,367,000	6.00%
Support Services	13,000	8,000	5,000	38.46%
Income	(12,458,000)	(12,463,000)	5,000	0.04%
Net Expenditure	28,448,000	25,952,000	2,496,000	8.77%

NHS Monitoring Report

Subjective Analysis	Year to Date			
	Budget £	Actual £	Variance (Over) / Under £	Variance (Over) / Under %
Employee Costs	14,448,000	13,986,000	462,000	3.20%
Non-pay Expenditure	38,716,000	39,178,000	(462,000)	(0.82%)
Resource Transfer	4,840,000	4,840,000	-	-
Income	(3,546,000)	(3,546,000)	-	-
Net Expenditure	54,458,000	54,458,000	-	0.00%
<b>Total</b>	<b>82,906,000</b>	<b>80,410,000</b>	<b>2,496,000</b>	<b>3.01%</b>

## Notes

1. ERC year to date includes brought forward balances and accounting adjustments of £2.496m which will not arise as at 31 March 2017.
2. NHSGCC employee variances reflect vacant posts.
3. NHSGCC non pay overspend reflects year to date proportion of savings target.

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Funding Sources to the IJB	NHS £000	ERC £000	IJB £000	Total £000
<b>Original Budget Contributions</b>				
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
	<b>65,178</b>	<b>46,137</b>	<b>-</b>	<b>111,315</b>
<b>Subsequent Contribution Revisions</b>				
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 - Charges	630			630
Property Maintenance	(66)			(66)
Eastwood H&CC	728			728
Diabetes Nurse	40			40
Health Improvement	31			31
Non Recurring Savings Relief	843			843
LD Inpatients	1,115			1,115
Rates Adjustment	(158)			(158)
LD Community	(85)			(85)
Children Services - GIRFEC	18			18
M Health Adults - Drugs Uplift	6			6
Transfer from LD to M Health	(25)			(25)
Sensory Impairment Grant Redetermination		6		6
	<b>66,115</b>	<b>46,095</b>	<b>-</b>	<b>112,210</b>
<b>Funding Outwith Revenue Monitoring</b>				
Housing Aids & Adaptations *		632		632
Set Aside notional Budget	13,425			13,425
	<b>79,540</b>	<b>46,727</b>	<b>-</b>	<b>126,267</b>
<b>Directions to Partners</b>				
Revenue Budget Contribution	60,570	46,089		106,659
Integration Fund - budget 30 March		1,903		1,903
Integration Fund - Living wage		785		785
Integration Fund - charging thresholds		30		30
Integration Fund - balance			903	903
Integrated Care Fund	365	1,065		1,430
Delayed Discharge	165	335		500
	<b>61,100</b>	<b>50,207</b>	<b>903</b>	<b>112,210</b>
<b>Housing Aids &amp; Adaptations *</b>		<b>632</b>		<b>632</b>
<b>Set Aside notional Budget</b>	<b>13,425</b>			<b>13,425</b>
	<b>74,525</b>	<b>50,839</b>	<b>903</b>	<b>126,267</b>

\* includes capital spend

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	Brought Forward from 2015/16	New Funds	Total Funds	Projected Spend 2016/17	Projected Carry Forward to 2017/18	Comments
	£	£	£	£	£	
<b>Earmarked Reserves</b>						
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	36,000	4,000	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	147,000	3,000	
Children & Families Initiatives	50,000	-	50,000	50,000	-	
<b>Sub Total</b>	<b>390,000</b>	<b>-</b>	<b>390,000</b>	<b>273,000</b>	<b>117,000</b>	
<b>NHSGCC</b>						
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
<b>Sub Total</b>	<b>478,500</b>	<b>-</b>	<b>478,500</b>	<b>104,000</b>	<b>374,500</b>	
<b>Total All Earmarked Reserves</b>	<b>868,500</b>	<b>-</b>	<b>868,500</b>	<b>377,000</b>	<b>491,500</b>	
<b>General Reserves</b>						
East Renfrewshire Council	109,200	-	109,200	48,000	61,200	2015/16 underspend retained by Integration Joint Board.
NHSGCC	163,000	-	163,000	-	163,000	2015/16 underspend retained by Integration Joint Board.
<b>Total General Reserves</b>	<b>272,200</b>	<b>-</b>	<b>272,200</b>	<b>48,000</b>	<b>224,200</b>	
<b>Grand Total All Reserves</b>	<b>1,140,700</b>	<b>-</b>	<b>1,140,700</b>	<b>425,000</b>	<b>715,700</b>	

## 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.

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