
To: Renfrewshire Integration Joint Board

On: 25 November 2016

Report by: Chief Finance Officer

Heading: Financial Report 1st April 2016 to 30th September 2016

1. Purpose

1.1. The purpose of this report is to advise the Integration Joint Board (IJB) of the Revenue and Capital Budget current year position as at 16 September (Social Work) and 30 September 2016 (Health), and to provide an update on:

- Proposed 2016/17 savings in respect of the Health Board Contribution to the IJB
 - Implementation of the Living Wage
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2. Recommendation

It is recommended that the IJB note:

- The financial position to date is an overspend of £686k with a potential full year adverse variance of £1.378m;
- The forecast position for the remainder of the financial year assumes the overspend position will continue unless service changes and cost reductions are achieved; and
- The progress of the Living Wage Implementation Project;

It is recommended that the IJB approve:

- The 2016/17 savings proposals to achieve recurring financial budget balance to the Health budget in 2016/17 to be fully implemented by 1 April 2017/18, and, submitted to the Director of Finance for NHSGGC to release the available non-recurring funding to offset the in-year shortfall.
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3. Summary

3.1. The overall revenue position for the HSCP at 30 September 2016 is an overspend of £686k as detailed in the table below (and Appendix 1), with a projected year-end adverse variance of £1.378m.

Division	Current Reported Position	Previously Reported Position
Social Work – Adult Services	£5k underspend	Breakeven
Renfrewshire Health Services	£691k over spend	Breakeven
Total Renfrewshire HSCP	£686k overspend	Breakeven

3.2. The key pressures are highlighted in section 4 and 5.

- 3.3. Appendix 3 and 4 provide a reconciliation of the main budget adjustments applied this current financial year to bring us to the net budget as reported.
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4. Social Work – Adult Services

Current Position:	Net underspend £5k
Previously Reported:	Net underspend £2k

4.1 Older People

Current Position:	Net underspend of £279k
Previously Reported:	Net underspend of £79k

Currently, the position within Older People is an overall underspend. As previously reported, there are however significant and increasing pressures within the care at home service, which is currently projecting a £1.4m overspend in 2016/17.

The overall underspend within Older People services is due to a combination of: the application of Social Care Integration monies; and underspends due to vacancies within our own Local Authority run Care Homes which are actively being recruited to.

4.2 Physical Disabilities

Current Position:	Net overspend of £143k
Previously Reported:	Net overspend of £121k

The overspend within Physical Disabilities relates to pressures within the Adult Placement budget reflecting both the impact of increasing demand and SDS.

4.3 Learning Disabilities

Current Position:	Net overspend of £88k
Previously Reported:	Net underspend of £82k

The current overspend within Learning Disability services is as previously reported, due to underspends on employee costs which offsets an overspend on the Adult Placement budget.

The 2016/17 budget allocation for adult social care, included investment by Renfrewshire Council in Learning Disability day services in order to meet growing demand for the future. The redesign of these services is now moving forward with the majority of staff now in post.

4.4 Mental Health

Current Position:	Net overspend of £43k
Previously Reported:	Net overspend of £36k

The overspend within Mental Health Services relates to pressures within the Adult Placement budget reflecting both the impact of increasing demand and SDS.

5. Renfrewshire Health Services

Current Position: Net overspend (£691k)
Previously Reported: Net overspend (£459k)

5.1 **Addiction Services**

Current Position: Net underspend of £46k
Previously Reported: Net underspend of £34k

Currently, the net position within Addiction Services is an underspend. This is mainly due to additional non-recurring monies for a specialist Hepatitis C Virus post which is currently being recruited to.

5.2 **Adult Community Services (*District and Out of Hours Nursing; Rehabilitation Services, Equipu and Podiatry*)**

Current Position: Net underspend of £97k
Previously Reported: Net underspend of £53k

As previously reported, the overall underspend within Adult Community Services is due to various factors: vacancies which are actively being recruited to within District nursing and the rehabilitation service, and an underspend within podiatry due to maternity leave, vacancies and career breaks some of which are covered by bank staff. These underspends continue to offset pressures in relation to the community equipment budget (EQUIPU), travel costs and enteral feeding related costs.

5.3 **Children's Services**

Current Position: Net underspend of £120k
Previously Reported: Net underspend of £48k

The underspend within Children's services is mainly due to lower than anticipated payroll costs reflecting the position staff are currently placed on the pay scale, along with vacancies as a result of recruitment from Renfrewshire staff into new board wide services including the immunisation team.

5.4 **Hosted Services (*support to GP's for areas such as breast screening, bowel screening*)**

Current Position: Net underspend of £88k
Previously Reported: Net underspend of £76k

This underspend reflects historical underspends within the service due to vacant administrative and special project posts.

5.5 **Mental Health**

Current Position: Net overspend of £306k
Previously Reported: Net overspend of £165k

Overall, Mental Health services are reporting an overspend of £306k. As previously reported, this overspend is due to a number of contributing factors within both adult and in-patient services which are offset by an underspend within the adult community budget due to vacancies within the service.

As highlighted throughout 2015/16 and in previous reports this financial year, the main overspends within in-patient services continue to relate to significant costs associated with patients requiring enhanced levels of observation across all ward areas. In addition, pressures continue in relation to maintaining the recommended safe staffing and skill mix for registered nurse to bed ratios.

5.6 **Other Services (*Business Support staff; Admin related costs, hotel services and property related costs including rates and rental costs*)**

Current Position: Net overspend of £771k

Previously Reported: Net overspend of £496k

The overspend within other services is due to the additional allocation of savings by NHSGGC to Renfrewshire. The overall savings allocation has been allocated to this area of the budget pending the approval of plans by the IJB which are included in section 9 of this report. Following approval by the IJB of these savings, they will be removed from relevant services and the allocation currently sitting in this budget area will reduce accordingly.

5.7 **Prescribing**

Current Position: Breakeven

Previously Reported: Breakeven

The reported GP Prescribing position is based on the actual position for the year to 31 July 2016. The overall position across all Partnerships to 31 July 2016 is an underspend of (£0.155m) with Renfrewshire HSCP reporting a £0.43m overspend. However, under the risk sharing arrangement across NHSGGC the over spend has been adjusted to report a cost neutral position.

As GP Prescribing is extremely volatile, there continues to be an element of financial risk and this will continue to be carefully monitored throughout 2016/17. Variances specific to Renfrewshire HSCP continue to be investigated by Prescribing Advisors.

6. **2016/17 Capital Programme**

Description	Original Budget	Revised Budget	Spend to Date	Still to Spend
Anchor Centre Roof Replacement	£400k	£400k	£105k	£295k
Total SW	£400k	£400k	£105k	£295k

Work on the roof replacement is now well underway and it is anticipated that the work will be completed and invoiced before Christmas.

7. **Garden Assistance Scheme and Housing Adaptations**

Description	Full Year Budget	Year to date Budget	Spend to Date	Year-end Projection
Garden Assistance Scheme	£296k	£159k	£199k	£296k
Housing Adaptations	£932k	£347k	£245k	£932k
Total	£1,228k	£506k	£444k	£1,228k

- 7.1 The summary position for the period to the 16 September 2016 is reported in the table above and reports an overall spend of £444k to date with an anticipated year-end breakeven position. Members are reminded that the current years budget for Housing Adaptations includes one-off additional non-recurring monies (£174k) to assist with current waiting list issues.
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8. Implementation of the Living Wage - update

- 8.1 Renfrewshire Health and Social Care Partnership have now concluded negotiations with all of our providers of Care at Home services (with the endorsement of Scottish Care) and with supported living providers in respect of day rates.

8.2 Sleepovers

The Scottish Government have now confirmed a position on sleepover and advised that sleepover hours must be paid at a rate that is compliant with HMRC requirements. In Renfrewshire, based on the funding package made available by the Scottish Government, RHSCP has offered providers a rate based on £8.25 per hour. All providers will be required to comply with their legal obligations as per the Scottish Government guidance.

8.3 Out of Area Placements

A number of our clients are in 'out of area placements', therefore, any changes to rates for these placements will be uplifted in line with our host local authority agreements. A number of these have already been agreed, however, we are still awaiting confirmation from those Local Authorities who have yet to finalise their Living Wage negotiations.

- 8.4 The Living Wage Foundation have confirmed that from 31 October 2016 the new Living Wage will be £8.45, however employers have flexibility about when they choose to implement this new Living Wage and Renfrewshire Health and Social Care Partnership, aligned to Renfrewshire Council's own employment policy will retain the £8.25 rate until April 2017.
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9. Health Board Contribution to the IJB for 2016/17

- 9.1 Members are reminded that in the September finance report to the IJB the Chief Finance Officer highlighted that the Health component of the HSPC budget was not in recurring balance and that outline savings proposals to achieve recurring balance for 2016/17 would be brought to the November 2016 meeting of the IJB. These savings are in addition to further savings which will be required for the financial year 2017/18 to address health service related funding challenges.

- 9.2 The overall savings target for Renfrewshire HSCP of £1.874m was allocated in two tranches:

- Tranche 1 reflected partnership proposals identified earlier in the year of £496k
- Tranche 2 was a further in-year target of £1.378m our proportion of the remaining savings required for partnerships to meet their collective allocation of £20m

- 9.3 The NHSGGC Board have agreed to provide non-recurring support to partnerships in the current year. As previously reported, this is subject to the approval of savings proposals to achieve the 2016/17 savings targets on a recurring basis by 1 April 2017/18. The non-recurring support will fund the tranche II savings which have not been fully delivered in 2016/17.
- 9.4 The IJB is therefore asked to approve the following savings proposals which will be subject to comprehensive risk and outcome focused assessments.

Service	Overall Budget 2016/17 £000's	Proposed Total Savings £000's	Savings as a % of total Service Budget	Outline Savings Proposal
Adult Community Services	14,076	92.0	0.65%	Review of Practice Development Nurses roles
		53.6	0.38%	Review of enteral feeding
		125.3	0.89%	Redesign of Nurse Specialist posts
		270.9	1.92%	
Mental Health Services	18,935	85.0	0.45%	Review of Employability Services
		363.4	1.92%	Redesign of community mental health team, and service management structures within mental health and addictions
		54.7	0.29%	Review of consultant psychologist posts
		503.1	2.66%	
Health Improvement	1,422	44.9	3.16%	System wide redesign of Health Improvement (Renfrewshire's proportion of total saving)
		10.0	0.70%	Review of hospital evening visitor transport service
		54.9	3.86%	
Children's Services	5,301	150.0	2.83%	System wide redesign of school nursing (Renfrewshire's proportion of total saving)
Podiatry (Hosted service)	5,096	226.0	4.43%	Review of clinical specialist workforce, in collaboration with other GGC HSCP's
Admin Services review	3,035	173.1	5.70%	Review of admin support across the HSCP
		1,378.00		

Implications of the Report

- Financial** – Financial implications are discussed in full in the report above.
- HR & Organisational Development** – none
- Community Planning** - none
- Legal** – none
- Property/Assets** – none.
- Information Technology** – none

7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none
9. **Procurement** – Implementation of the living wage impact on existing contracts with providers and their ability to deliver within the allocated funding package
10. **Risk** – There are a number of risks which should be considered on an ongoing basis: a) adequate funding to deliver core services, delivery of additional unallocated savings within the current financial year and the allocation of non-recurring funds by NHSGGC Board to meet this shortfall in 2016/17.
11. **Privacy Impact** – none.

List of Background Papers – none

Author: Sarah Lavers, Chief Finance Officer

**Social Work Revenue Budget Position
1st April 2016 to 16th September 2016**

Subjective Heading	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Employee Costs	25,720	11,587	11,295	292	2.5%	underspend
Property Costs	423	288	291	(3)	-1.0%	overspend
Supplies and Services	1,555	493	509	(16)	-3.2%	overspend
Contractors	44,756	20,657	21,153	(496)	-2.4%	overspend
Transport	722	313	276	37	11.8%	underspend
Administrative Costs	239	70	65	5	7.1%	underspend
Payments to Other Bodies	9,160	1,270	1,226	44	3.5%	underspend
Capital Charges	-	-	-	-	0.0%	breakeven
Gross Expenditure	82,575	34,678	34,815	(137)	-0.4%	overspend
Income	(21,800)	(10,904)	(11,046)	142	-1.3%	underspend
NET EXPENDITURE	60,775	23,774	23,769	5	0.02%	underspend

Position to 16th September is an underspend of **£5k** **0.02%**
 Anticipated Year End Budget Position is a breakeven of **£0** **0.00%**

Client Group	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Older People	41,064	11,116	10,837	279	2.5%	underspend
Physical or Sensory Difficulties	5,248	2,417	2,560	(143)	-5.9%	overspend
Learning Disabilities	11,950	7,922	8,010	(88)	-1.1%	overspend
Mental Health Needs	1,111	1,231	1,274	(43)	-3.5%	overspend
Addiction Services	752	331	331	-	0.0%	breakeven
Integrated Care Fund	650	757	757	-	0.0%	breakeven
NET EXPENDITURE	60,775	23,774	23,769	5	0.02%	underspend

Position to 16th September is an underspend of **£5k** **0.02%**
 Anticipated Year End Budget Position is a breakeven of **£0** **0.00%**

**Health Revenue Budget Position
1st April 2016 to 30th September 2016**

Subjective Heading	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Employee Costs	44,451	22,100	21,756	344	1.6%	underspend
Property Costs	308	154	177	(23)	-14.9%	overspend
Supplies and Services	19,075	7,049	7,382	(333)	-4.7%	overspend
Purchase of Healthcare	44	46	24	22	47.8%	underspend
Resource Transfer	16,872	8,436	8,436	-	0.0%	breakeven
Family Health Services	80,792	40,323	40,319	4	0.0%	underspend
Savings	(1,410)	(705)		(705)	100.0%	overspend
Capital Charges				-	0.0%	breakeven
Gross Expenditure	160,132	77,403	78,094	(691)	-0.9%	overspend
Income	(5,059)	(2,972)	(2,972)	-	0.0%	breakeven
NET EXPENDITURE	155,073	74,431	75,122	(691)	-0.93%	overspend

Position to 31st July is an overspend of **(£691k)** **-0.93%**
 Anticipated Year End Budget Position is an overspend of **(£1,378k)** **0.00%**

Client Group	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Addiction Services	2,413	952	906	46	4.8%	underspend
Adult Community Services	14,076	6,283	6,186	97	1.5%	underspend
Children's Services	5,301	2,609	2,489	120	4.6%	underspend
Learning Disabilities	1,278	639	591	48	7.5%	underspend
Mental Health	18,935	9,386	9,692	(306)	-3.3%	overspend
Hosted Services	3,516	1,769	1,681	88	5.0%	underspend
Prescribing	35,260	17,488	17,488	-	0.0%	breakeven
GMS	22,772	11,386	11,386	-	0.0%	breakeven
Other	20,470	10,322	10,322	-	0.0%	breakeven
Planning and Health Improvement	1,422	473	486	(13)	-2.7%	overspend
Other Services	9,290	4,081	4,852	(771)	-18.9%	overspend
Resource Transfer	16,872	8,436	8,436	-	0.0%	breakeven
Integrated Care Fund	3,468	607	607	-	0.0%	breakeven
NET EXPENDITURE	155,073	74,431	75,122	(691)	-0.93%	overspend

Position to 31st July is an overspend of **(£691k)** **-0.93%**
 Anticipated Year End Budget Position is an overspend of **(£1,378k)** **0.00%**

for information:

1. Adult Community Services includes: District and Out of Hours Nursing; Rehabilitation Services, Equipu and board wide responsibility for Podiatry
2. Children's Services includes: Community Services - School Nurses and Health Visitors; Specialist Services - Children's Mental Health Team, Speech Therapy
3. GMS = costs associated with GP services in Renfrewshire
4. Other = costs associated with Dentists, Pharmacists, Optometrists
5. Hosted Services = board wide responsibility for support to GP's for areas such as eg breast screening, bowel screening
6. Other Services = Business Support staff; Admin related costs, hotel services and property related costs including rates and

2016/17 Adult Social Care Financial Allocation to Renfrewshire HSCP

	£k
2016/17 Renfrewshire HSCP Opening Budget:	60,875.2
	60,875.2

Additions:

Net Payroll Adjustments reflecting transfers of staff to HSPC / Council	14.8
Sensory Impairment additional non-recurring monies	40.0
Rates temp budget adjustment	42.0
Adaptations transfer to Housing re Care and Repair increase	-197.0
Adult Social Care Budget as reported @ 16 September 2016	60,775.0

Appendix 4

2016/17 Health Financial Allocation to Renfrewshire HSCP	
	£k
2015/16 Renfrewshire HSCP Closing Budget:	149,525.5
less: non recurring budgets (allocated annually)	-4,644.9
= base budget rolled over	144,880.6
Additions:	
Pay increases	511.1
National Insurance rebate withdrawal cover	762.8
Superannuation auto enrolment	108.3
Resource Transfer uplift (1.7%)	282.0
Non-pay inflationary uplifts	51.3
Social Care Integration Fund to transfer to Council	8,774.0
	10,489.5
Reductions:	
Transfer of facilities budget to Corporate	-7.0
Transfer of depreciation budget to Corporate	-1,592.0
Realignment of GMS / FHS budgets	-833.8
	-2,432.8
Savings:	
Agreed 2016/17 savings	-496.0
Unallocated savings applied by NHS GGC	-1,378.2
	-1,874.2
Budget allocated as per 2016/17 Financial Allocation 5th July 2016	151,063.1
<u>Budget Adjustments posted in month 4</u>	
Keepwell funding 16/17	31.8
Auto enrolment	73.9
Staffing budget adjustments and general uplifts (staff transfers/ uplifts)	123.4
Family Health Services Adjustment	-78.0
Prescribing budget increase	1,949.8
ICF payments to Acute (to be reversed)	-259.9
	1,841.0
<u>Budget Adjustments posted in month 5 and 6</u>	
Keepwell funding 16/17	-31.8
Final RAM adjustments	337.9
Staffing budget adjustments and general uplifts (staff transfers/ uplifts)	40.9
Family Health Services Adjustment	641.1
Transfer of Facilities budgets	-619.2
adjustments for in-year non-recurring monies	1,800.0
	2,168.9
Health Budget as reported @ 30 September 2016	155,073.0