
To: Renfrewshire Integration Joint Board

On: 23 June 2017

Report by: Chief Finance Officer

Heading: Financial Report 1 April 2016 to 31 March 2017

1. Purpose

- 1.1. The purpose of this report is to advise the Integration Joint Board (IJB) of the Revenue and Capital Budget year end outturn position for the HSCP for the financial year 2016/17.
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2. Recommendation

- 2.1. It is recommended that the IJB:
- Note the year-end financial position;
 - Agree the general reserves position for application in 2017/18 to mitigate any budget volatility and failure to deliver on approved savings plans (detailed in paragraphs 4.1; 8.4; 8.5); and
 - Agree the earmarked reserves position for application in 2017/18 (detailed in paragraph 8.5).
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3. Summary

- 3.1. The overall revenue position for Renfrewshire HSCP at 31 March 2017 was a breakeven position after the movement of planned underspends to create reserves for use in 2017/18.

Division	Current Reported Position	Previously Reported Position
Social Work – Adult Services	breakeven	£6k underspend
Renfrewshire Health Services	breakeven	Breakeven
Total Renfrewshire HSCP	Breakeven	£6k underspend

- 3.2. The key pressures are highlighted in Sections 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:	breakeven
Previously Reported:	Net underspend £6k

4.1. **Older People**

Current Position:	Net underspend of £423k
Previously Reported:	Net underspend of £326k

As reported throughout the course of the year, demand pressures have continued to be experienced on the Care at Home Service. These pressures have been partially offset by vacancies within HSCP managed, Local Authority owned Care Homes, which have been recruited to, and, through the application of resources passed over to the IJB as part of the 2016/17 Council budget allocation to the HSCP. The overall position within Older People's services was a net underspend after the application of these resources.

Members should note that, as planned, the balance of the 2016/17 Council budget allocation to the HSCP has been moved to the IJB's reserves and it is recommended that this is held in reserves to be drawn down in 2017/18 to offset the continuing pressures within the Care at Home service.

4.2. **Physical Disabilities**

Current Position:	Net overspend of £514k
Previously Reported:	Net overspend of £229k

As previously reported, the overspend within Physical Disabilities was in relation to pressures within the Adult Placement Budget reflecting both the impact of increasing demand and Self Directed Support (SDS).

4.3. **Learning Disabilities**

Current Position:	Net underspend of £50k
Previously Reported:	Net overspend of £64k

This underspend was due to the impact of vacancies throughout 2016/17 along with a better than anticipated level of income recovery from chargeable services. These offset ongoing pressures within the Adult Placement budget.

4.4. **Addictions**

Current Position:	Net underspend of £35k
Previously Reported:	Net overspend of £18k

The underspend within Addiction Services reflected the client profile of care packages within this area.

5. **Renfrewshire Health Services**

Current Position:	Breakeven
Previously Reported:	Breakeven

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

Current Position:	Net underspend of £197k
Previously Reported:	Net underspend of £151k

As previously reported, the overall underspend within Adult Community Services reflected: the high levels of staff turnover within the District Nursing and the Rehabilitation Service and an underspend within podiatry, due to a combination of service redesign, staff turnover and maternity / unpaid leave, some of which was covered by bank staff. These underspends offset pressures in relation to the community equipment budget (EQUIPU), and other non-pay related expenditure.

5.2. **Children's Services**

Current Position: Net underspend of £395k
Previously Reported: Net underspend of £262k

As previously reported, the overall underspend in Children's services was due to underspends within CAMHS from lower than anticipated payroll costs reflecting the position staff are placed on the pay scale along with staff turnover. In addition, there were a number of vacancies within the School Nursing and Child smile teams throughout the year due to service redesign, retirements and an increase in the number of nurses (Band 5) leaving to undertake the health visiting course.

5.3. **Learning Disabilities**

Current Position: Net underspend of £85k
Previously Reported: Net underspend of £78k

As reported throughout 2016/17, the under spend within Learning Disabilities reflected staff turnover within this area of the service and the allocation of the revised RAM (Resource Allocation Methodology) budget which enabled additional posts associated with the revised RAM to be recruited to.

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

Current Position: Net underspend of £223k
Previously Reported: Net underspend of £205k

This underspend reflects vacant administrative and special project posts within the service.

5.5. **Mental Health**

Current Position: Net overspend of £654k
Previously Reported: Net overspend of £561k

This overspend was due to a number of contributing factors within both adult and in-patient services.

As reported throughout 2016/17, the main overspends were in relation to significant costs (overtime, agency and bank costs) associated with patients requiring enhanced levels of observation across all ward areas. In addition, there were pressures 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 £285k
Previously Reported: Net overspend of £241k

This overspend was due to the impact of commitments against reserves (the cost centre for which sits under 'Other Services' in the ledger) where there are a number of agreed commitments to fund specific fixed time period posts and refurbishments of mental health wards into 2017/18. Overall, the health budget was a breakeven position including the provision set aside for these commitments.

5.7. Prescribing

Current Position: Breakeven
Previously Reported: Breakeven

The year-end reported GP Prescribing position was based on the actual position for the year to 28 February 2017 (Appendix 5). The overall position across all Partnerships to 28 February 2017 was an underspend of (£1.502m) with Renfrewshire HSCP reporting a £0.181m underspend. However, under the risk sharing arrangement across NHSGGC this was adjusted to report a cost neutral position.

6. 2016/17 Capital Programme

Description	Budget	Spend to Date	Still to Spend
Anchor Centre Roof Replacement	£400k	£314k	£86k
Total SW	£400k	£314k	£86k

- 6.1. Work on the roof replacement is now complete and the final account has been agreed. The final cost of the works was £354k. The remaining balance of the budget has been used to fund areas of damage from historical water ingress to the ceilings and light-wells (serving the roof-lights).

7. Garden Assistance Scheme and Housing Adaptations

Description	Opening Budget	Revised Budget	Year-end Outturn	Variance
Garden Assistance Scheme	£296k	£296k	£369k	(£73)k
Housing Adaptations	£932k	£770k	£770k	£0k
Total	£1,228k	£1,066k	£1,139k	(£73)k

- 7.1. The summary position for the period to 31 March 2017 is reported in the table above, and reports a year end overspend of £73k on the Garden Assistance Scheme (Renfrewshire Council's Housing Revenue Account budget is liable for any overspends on this budget) and a breakeven for Housing Adaptations. Members should note that the housing adaptations budget is showing as a breakeven as the budget has been amended to reflect a carry forward of £162k into 2017/18.

8. 2017/18 Reserves

- 8.1 The IJB Reserves Policy recommends that Reserves will be agreed as part of the annual budget setting process and will be reflected in the Strategic Plan and subject to ongoing review dependent on the financial position of the partnership (Renfrewshire IJB Financial Governance Manual). In recognition of the size and scale of the HSCP's responsibilities and the challenging financial climate, a prudent level of general reserve was agreed at a maximum

of 2% of the net budget of the IJB, depending on the year end position and ability at that time to transfer monies into a reserve for future use.

8.2 For the IJB, reserves can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows;
- a contingency to cushion the impact of unexpected events or emergencies (this also forms part of the general reserves); and
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

8.3 The opening reserves position for 2016/17 was £0 as Renfrewshire IJB did not have full delegation of services until 1 April 2016 and could not therefore carry forward any balances into Reserves for the financial year 2016/17.

8.4 Early in 2016/17, the Chief Finance Officer, considering the climate of on-going financial austerity and increasing demand, made the decision to hold back on the application of the use of a proportion of the Social Care Fund allocated by the Scottish Government in 2016/17 for driving forward service redesign to shift the balance of care. This prudent approach has enabled the increasing demand and associated cost pressures within the care at home service and Adult Supported Placements to be funded in 2016/17 leaving a balance of £1.519m (para 8.8) to be transferred to reserves for use in 2017/18 to meet ongoing pressures within the adult social care service budget.

8.5 In addition, given the significant budget gap to be met for 2017/18, with regards to the Health budget allocation, the Chief Officer and Chief Finance officer worked with the senior management team on a number of cost containment programmes through the final quarter of 2016/17 to enable reserves of £1.125m to be created to assist in covering this gap and £0.756m in ear marked reserves to meet specific commitments in 2017/18 (para 8.8).

8.6 Members will also note that the table in paragraph 8.8 includes earmarked reserves of £2.094m in respect of Primary Care balances carried forward by Renfrewshire HSCP (as the host authority), on behalf of the 6 NHSGGC HSCP's.

8.7 The IJB's reserves are classified as either Usable (General) or Earmarked Reserves.

8.8 The table overleaf shows a breakdown of the general reserve and earmarked reserve balances:

General Reserves	2015/16 £000's	2016/17 £000's
Renfrewshire HSCP - Health delegated budget 2016/17 under spend carried forward	-	1,125
Renfrewshire Council 2016/17 underspend carried forward	-	1,519
TOTAL GENERAL RESERVES	-	2,644

Earmarked Reserves	2015/16 £000's	2016/17 £000's
Renfrewshire HSCP – Health delegated budget planned contribution to reserve:		
Primary Care Fund	-	1,100
GP Digital Transformation	-	289
GP Primary Scan Patient Records	-	705
Earmarked Reserves on behalf of the 6 NHSGCC HSCP's	-	2,094
Funding for Temp Mental Health Posts	-	82
Primary Care Transformation Fund Monies	-	39
District Nurse 3 Year Recruitment Programme	-	150
Health and Safety Inspection Costs to Refurbish Mental Health Shower Facilities	-	35
Prescribing Funding Shortfall	-	450
RENFREWSHIRE HSCP – Health		756
TOTAL EARMARKED RESERVES	-	2,850

Implications of the Report

1. **Financial** – Financial implications are discussed in full in the report above.
2. **HR & Organisational Development** – none
3. **Community Planning** - none
4. **Legal** – This is in line with Renfrewshire IJB's Integration Scheme
5. **Property/Assets** – none.
6. **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** – implications are discussed in full in the report above.
11. **Privacy Impact** – none.

List of Background Papers – None

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**Social Work Revenue Budget Position
1st April 2016 to 31st March 2017**

Subjective Heading	Annual Budget £000's	Actual to Date £000's	Variance		
			£000's	%	
Employee Costs	28,709	28,454	255	0.9%	underspend
Property Costs	807	777	30	3.7%	underspend
Supplies and Services	1,676	1,716	(40)	-2.4%	overspend
Contractors	51,312	52,465	(1,153)	-2.2%	overspend
Transport	776	726	50	6.4%	underspend
Administrative Costs	257	239	18	7.0%	underspend
Payments to Other Bodies	7,689	7,633	56	0.7%	underspend
Capital Charges	-	-	-	0.0%	breakeven
Gross Expenditure	91,226	92,010	(784)	-0.9%	overspend
Income	(30,402)	(31,186)	784	-2.6%	underspend
NET EXPENDITURE	60,824	60,824	-	0.00%	breakeven

Position to 31st March is a breakeven of **£0** **0.00%**

Client Group	Annual Budget £000's	Actual to Date £000's	Variance		
			£000's	%	
Older People	39,671	39,248	423	1.1%	underspend
Physical or Sensory Difficulties	6,265	6,779	(514)	-8.2%	overspend
Learning Disabilities	12,544	12,494	50	0.4%	underspend
Mental Health Needs	988	982	6	0.6%	underspend
Addiction Services	706	671	35	5.0%	underspend
Integrated Care Fund	650	650	-	0.0%	breakeven
NET EXPENDITURE	60,824	60,824	-	0.00%	breakeven

Position to 31st March is a breakeven of **£0** **0.00%**

Health Revenue Budget Position
1st April 2016 to 31st March 2017

Subjective Heading	Annual Budget £000's	Actual to Date £000's	Variance		
			£000's	%	
Employee Costs	44,366	43,718	648	1.5%	underspend
Property Costs	20	33	(13)	-65.0%	overspend
Supplies and Services	11,203	11,874	(671)	-6.0%	overspend
Purchase of Healthcare	98	56	42	42.9%	underspend
Resource Transfer	25,646	25,646	-	0.0%	breakeven
Family Health Services	81,369	81,375	(6)	0.0%	overspend
Savings			-	0.0%	breakeven
Capital Charges			-	0.0%	breakeven
Gross Expenditure	162,702	162,702	-	0.0%	breakeven
Income	(5,025)	(5,025)	-	0.0%	breakeven
NET EXPENDITURE	157,677	157,677	-	0.00%	breakeven

Position to 31st March is a breakeven **£0** **0.00%**

Client Group	Annual Budget £000's	Actual to Date £000's	Variance		
			£000's	%	
Addiction Services	2,501	2,501	-	0.0%	breakeven
Adult Community Services	13,220	13,023	197	1.5%	underspend
Children's Services	5,408	5,013	395	7.3%	underspend
Learning Disabilities	1,129	1,044	85	7.5%	underspend
Mental Health	18,922	19,576	(654)	-3.5%	overspend
Hosted Services	5,173	4,950	223	4.3%	underspend
Prescribing	35,007	35,007	-	0.0%	breakeven
GMS	22,842	22,842	-	0.0%	breakeven
Other	20,864	20,864	-	0.0%	breakeven
Planning and Health Improvement	1,122	1,083	39	3.5%	underspend
Other Services	2,353	2,638	(285)	-12.1%	overspend
Resource Transfer	25,646	25,646	-	0.0%	breakeven
Integrated Care Fund	3,490	3,490	-	0.0%	breakeven
NET EXPENDITURE	157,677	157,677	-	0.00%	breakeven

Position to 31st March is a breakeven **£0** **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

2016/17 Adult Social Care Financial Allocation to Renfrewshire HSCP

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

Adjustments to Base Budget:

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

Disclosure Scotland budget virement from Corporate	66.4
Property budget virements to Corporate (Rates / Rents)	-39.0
Adult Social Care Budget as reported @ 11 November 2016	60,802.4






Renfrewshire Council Contribution to CO and CFO Salaries	125.0
Net budget virement to Children's services (RT)	-19.2
Budget virements to Corporate Finance re transfer of property budgets, funding of AWI solicitor	-83.9
Net budget virement from Children's services and Corporate Finance re split of former SW budget	51.5
Adult Social Care Budget as reported @ 31 March 2017	60,875.8

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
Budget Adjustments posted in month 4		
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
Budget Adjustments posted in month 5 and 6		
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
Budget Adjustments posted in month 7		
Drugs Uplift		32.0
Rates budget to Corporate sector		-280.5
Staffing budget adjustments and general uplifts (staff transfers/ uplifts)		89.6
Additional non-recurring budgets from centre		-28.1
		-187.0
Health Budget as reported @ 31 October 2016		154,886.0
Budget Adjustments posted in month 8		
Rates budget to Corporate sector		-31.5
Staffing budget adjustments and general uplifts (staff transfers/ uplifts)		-6.0
		-37.5
Health Budget as reported @ 30 November 2016		154,848.5
Budget Adjustments posted in month 9		
Staffing budget adjustments and general uplifts (staff transfers/ uplifts)		-0.4
		-0.4
Health Budget as reported @ 31 December 2016		154,848.1
Budget Adjustments posted in month 10		
Staffing budget adjustments and general uplifts (staff transfers/ uplifts)		-0.4
Additional non-recurring budgets from centre		1,412.2
		1,411.8
Health Budget as reported @ 31 January 2017		156,259.9
Budget Adjustments posted in month 11		
Telephones budget to Corporate sector		-34.2
Staffing budget adjustments and general uplifts (staff transfers/ uplifts)		422.8
Urgent upgrades / renovations to Capital		-392.4
		-3.8
Health Budget as reported @ 28 February 2017		156,256.1
Budget Adjustments posted in month 12		
Staffing budget adjustments and general uplifts (staff transfers/ uplifts)		16.6
Realignment of GMS / FHS budgets		1,404.2
		1,420.8
Health Budget as reported @ 31 March 2017		157,676.9

Appendix 5

GP Prescribing to February 2017 (£000)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Var %</u>	<u>Prev Mth</u> <u>Var %</u>
Glasgow South	43,239	42,964	275	0.6%	0.5%
Glasgow North East	37,936	37,220	716	1.9%	1.8%
Glasgow North West	36,620	35,927	693	1.9%	1.7%
Glasgow City	117,795	116,111	1,684	1.4%	1.3%
Renfrewshire	32,085	31,904 	181	0.6%	0.4%
West Dunbartonshire	17,582	17,592	-10	-0.1%	-0.2%
East Dunbartonshire	17,115	17,280 	-165	-1.0%	-1.2%
Inverclyde	16,364	16,554	-190	-1.2%	-1.2%
East Renfrewshire	14,157	14,155	2	0.0%	0.3%
Total HSCPs	215,098 	213,596 	1,502	0.7%	0.6%
Central Services	5,682	5,630 	52	0.9%	1.7%
Total (GIC)	220,780	219,226	1,554	0.7%	0.6%