

To: Renfrewshire Integration Joint Board

On: 15 September 2017

Report by: Chief Finance Officer

Heading: Financial Report 1 April to 31 July 2017

1. Purpose

1.1 The purpose of this report is to advise the Integration Joint Board (IJB) of the Revenue Budget current year position as at 21 July 2017 (Social Work) and 31 July 2017 (Health), and to provide an update on the:

- Health Board Contribution to the IJB for 2017/18; and
- Implementation of the Living Wage for 2017/18

2. Recommendation

2.1 It is recommended that the IJB:

- Note the current Revenue Budget position at 31 July 2017;
- Note the progress of the implementation of the Living Wage for 2017/18;
- Approve the application of the Partnership's reserves as detailed in 4.1 and 5.1; and
- Approve the proposal in respect of agreeing the Health Board contribution to the IJB for 2017/18 (9.2 and 9.6).

3. Current Financial position at 31 July 2017

3.1 The overall revenue position for Renfrewshire HSCP at 31 July 2017 is a breakeven as detailed in the table below. The achievement of the in-year breakeven position and a year-end breakeven position is dependent on: the application of reserves carried forward from 2016/17 for both the Adult Social Care budget, and the Health Services budget; and, delivery of the delegated Health budget savings plans approved by the IJB on 23 June 2017.

(Appendix 6 provides a summary of the IJB's reserves at 31 July 2017)

Division	Current Reported Position	Previously Reported Position
Social Work – Adult Services	Breakeven	Breakeven
Renfrewshire Health Services	Breakeven	£167k Overspend
Total Renfrewshire HSCP	Breakeven	£167k Overspend

- 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.

4. Social Work – Adult Services

Current Position: breakeven
Previously Reported: breakeven

- 4.1 Overall, Social Work Adult Services are currently reporting a breakeven position. However, this has only been achieved from the application of: reserves carried forward from the 2016/17 budget allocation; and, a proportion of the additional £4.4m of resources made available by the Council as part of their 2017/18 budget allocation to the IJB for Adult Social Care. The table below summarises how these budgets have been applied as at 21 July 2017. However, members should note that these figures will be subject to change throughout 2017/18 given the volatility of both the Care at Home Service and Adult Placement budget.

Table 1: Additional Allocation 2017/18

		£4,405,675
CET 2017/18 NCHC Impact	-£434,285	
Adult Supported Living Wage 17/18	-£740,629	
External Care at Home 17/18	-£747,498	
	<u>-£1,922,412</u>	
Balance as at P3		£2,483,263
Internal Care at Home	-£250,913	
Physical Disabilities Adult Placements	-£183,000	
Learning Disabilities Adult Placements	-£183,000	
Mental Health Adult Placements	-£54,000	
	<u>-£670,913</u>	
Balance as at P4		£1,812,350

Table 2: Adult Social Care General Reserves

Adult Social Care General Reserves Opening Balance 2017/8		£1,519,087
External Care at Home	-£970,000	
Internal Care at Home	-£549,087	
	<u>-£1,519,087</u>	
Adult Reserves Balance as at P4		£0

- 4.2 In line with the IJB's reserves policy, Members are asked to approve the application of the reserves (as per table 2 above) in order to assist with the current overspend within the Care at Home Service.

4.3. Older People

Current Position: Net overspend of 9k
 Previously Reported: Net underspend of 4k

As reported previously, demand pressures continue to be experienced within the Care at Home Service. As detailed in Table 1 (para 4.1) at the start of 2017/18, additional resources of £747k were allocated from the Council's additional budget allocation for 2017/18. However, even with these additional monies the Care at Home budget remains under significant pressure (£2.033m overspend) at the end of July 2017 as summarised in Table 3 below.

These pressures have been partially offset by vacancies within the Local Authority owned HSCP managed care homes, and, through the application of reserves and the use of additional resources from the Council's 2017/18 budget allocation. The overall position within Older People's services is a net overspend of £9k after the application of these resources.

Table 3: Care at Home Service

Full Year Projection at 21 July 2017 (inc. £747k as per table 1)	-£2,033,081
Add: Additional allocation from 17/18 monies (per table 1)	£250,913
Revised position	-£1,782,168
Application of reserves (per table 2)	£1,519,087
Revised full year projection at 21 July 2017	-£263,081

5. **Renfrewshire Health Services**

Current Position: Breakeven
Previously Reported: Net overspend £167k

5.1 Overall, Renfrewshire Health Services are currently reporting a breakeven position. However, this has only been achieved from the application of reserves carried forward from the 2016/17 budget allocation. The table below summarises how the reserves have been applied as at 31 July 2017, along with the impact of the budget proposals detailed in paragraph 9.2 and paragraph 9.6 in respect of the 2017/18 delegated health budget. However, members should note that the full year projection will be subject to change throughout 2017/18 given the volatility of costs associated with Special Observations within Mental Health in-patients and other pressured budgets.

Table 4: Health General Reserves

Health Services General Reserves Opening Balance 2017/18	£1,125,000
Current Full Year Projected overspend	-£347,000
Share of Pension Liabilities	-£181,200
Share of Unallocated CHP savings	-£519,000
	<u>-£1,047,200</u>
Reserves Balance as at 31 July 2017	£77,800

5.2 In line with the IJB's reserves policy, Members are asked to approve the application of the reserves (as per table 4 above).

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

Current Position: Net underspend of £107k
 Previously Reported: Net underspend of £70k

As previously reported, the net underspend within Adult Community Services is mainly due to turnover across the service, and an underspend in relation to external charges for Adults with Incapacity (AWI) bed usage. There are a number of patients (3) still within Acute Services who are due to transfer to AWI beds once they become available. These patients are currently classified as delayed discharges.

5.4 **Hosted Services (*support to GP's for areas such as breast screening, bowel screening and board wide podiatry service*)**

Current Position:	Net underspend of £119k
Previously Reported:	Net underspend of £41k

This underspend reflects turnover within the service due to vacant administrative posts within the screening services. In addition, there continues to be an underspend within podiatry due to a combination of staff turnover and maternity / unpaid leave, some of which are covered by bank staff and efficiencies in the supplies budget.

5.5 **Mental Health**

Current Position:	Net overspend of £429k
Previously Reported:	Net overspend of £288k

Overall, Mental Health services are reporting an over spend of £429k. This overspend is due to a number of contributing factors within both adult and elderly in-patient services.

As reported throughout 2016/17, the main overspends within in-patient services continue to relate to significant costs (overtime, agency and bank 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. An exercise is currently underway to identify the costs associated with special observations over the past 3 years, these pressures will then be built into the financial plan for 18/19 and beyond.

5.6 **Integrated Care Fund**

Current Position:	Net underspend of £123k
Previously Reported:	n/a

This underspend is mainly in relation to ICF funded rehabilitation and enablement posts which are actively being recruited to.

5.7 **Prescribing**

Current Position:	Breakeven
Previously Reported:	Breakeven

5.7.1 The reported GP Prescribing position is based on the actual position for the year to 31 May 2017 (Appendix 5). The overall position across all Partnerships to 31 May 2017 is an overspend of £0.77m with Renfrewshire HSCP reporting a £0.17m overspend. However, under the risk sharing

arrangement across NHSGGC this has been adjusted to report a cost neutral position.

- 5.7.2 Work programmes are underway across all 6 partnerships focusing on the areas identified by the Partnerships Prescribing Efficiency Group' i.e. driving down volumes and costs and influencing current prescribing practice across both Acute and Community through tightened application of ScriptSwitch, and refreshed approaches to polypharmacy reviews, repeat prescribing, serial dispensing and care home patient reviews. However, despite these programmes there remain significant risks in relation to drugs on short supply and price increases which will be monitored as the year progresses.
- 5.7.3 The 2017/18 budget proposal from NHSGGC (Appendix 8) includes a proposal that for 2017/18, as per previous years, the risk sharing agreement will continue whereby NHSGGC will absorb the risk of any in year overspends on the prescribing budget.
- 5.7.4 The budget for each partnership is based on a starting position of the final audited out turn for 2016/17, factoring in pressures and the efficiencies identified as part of the work of the Prescribing Efficiency Group. This results in a budget of £35.041m for Renfrewshire which is compliant with the Scottish Government settlement.

6. Set Aside Budget

- 6.1 The 2017/18 budget proposal from NHSGGC (Appendix 8) includes the 2017/18 budget for Set Aside (unscheduled care). The budget of £29.582m for 2017/18 remains the same as 2016/17 with the assumption that at 31 March 2018 activity levels will match the notional budget allocated.
- 6.2 Work is now underway to develop a mechanism whereby activity and usage of acute services are linked to budget spending and delivery of partnership unscheduled care plans. This work is expected to be concluded within 2017/18 to enable budgets based on actual activity and current costs to be allocated as part of the 2018/19 budget from NHSGGC.

7. Other Delegated Services

Description	Full Year Budget	Year to date Budget	Spend to Date	Year-end Projection
Garden Assistance Scheme	£369k	£114k	£114k	£369k
Housing Adaptations	£905k	£278k	£292k	£905k
Women's Aid	£88k	£23k	£21k	£88k
Grant Funding for Women's Aid	£0k	£39k	-£5k	£0k
Total	£1,362k	£454k	£422k	£1,362k

- 7.1. The table above shows the costs of Renfrewshire Council services delegated to the IJB. Under the 2014 Act, the IJB is accountable for these services, however, these continue to be delivered by Renfrewshire Council. The HSCP monitor the delivery of these services on behalf of the IJB. The summary position for the period to 21 July 2017 is an overall spend of £422k with an anticipated breakeven at the year end.

8. Living Wage Update 2017/18

- 8.1 **Care at Home:** All seven of the providers on our Care at Home Framework have accepted the offered rate for care at home services, this rate took effect on 1st May 2017 and was calculated to cover the full cost of increasing the Scottish Living Wage from £8.25 per hour to £8.45 per plus on-costs.
- 8.2 **Supported Living:** All of our contracted Supported Living providers were offered increases to cover the full cost of the Living Wage increase, this included a substantial increase for sleepover which covered the full cost of an 8-hour sleepover at £8.45 per hour plus on-costs. To date, 7 providers have accepted the whole of the offered agreement, one has verbally accepted but has yet to return the signed Contract Change Note. One has confirmed that they can accept the offered day rate but cannot implement the offered sleepover rate as they work across multiple authorities and not all other authorities have offered sufficient rates to allow payment of £8.45 per hour for sleepover. Two providers have advised that they cannot accept our offered rates as the financial pressures created by the implementation of the Scottish Living Wage could lead to the services becoming unsustainable. Renfrewshire Council have offered to meet with both these providers to discuss long term sustainability of the service and seek a positive solution.
- 8.3 **Residential Services:** Renfrewshire Council on behalf of Renfrewshire Health and Social Care Partnership also contracts with a number of other providers for Residential Services located in Renfrewshire. One service has accepted the offered increase from 1st May and all staff in this service receive the full Scottish Living Wage, two are currently paying £8.25 per hour, however negotiations are underway to agree a rate sufficient to pay £8.45 per hour, backdated to 1st May 2017. We are currently concluding negotiations with another service which will implement an £8.25 rate backdated to 1st October 2016 and an £8.45 rate backdated to 1st May. Conclusion of these negotiations will ensure that all care workers delivering direct care and support services on behalf of Renfrewshire Health and Social Care Partnership in Renfrewshire will be paid the current Scottish Living Wage.
- 8.4 **Out of Area:** We are continuing to review all current Out of Area placements and providers have been offered either a % uplift (based on NCHC Agreement) or where relevant the Host Authority rate.
- 8.5 **National Care Home Contract:** currently the terms of this contract are negotiated annually by COSLA and the Scottish Government with Scottish Care and the Coalition of Care and Support Providers in Scotland (CCPS). This year an offer of 2.8% increase was made, this includes an allowance to support delivery of £8.45 per hour to all care staff.

9. 2017/18 Delegated Health Budget Update: Financial Recovery Plan

- 9.1 Following the last IJB report on the 22 June 2017, there have been further discussions with Chief Officers, the NHSGGC's Chief Executive and NHSGGC's Director of Finance and a proposed agreement has been reached on the outstanding issue relating to the £3.6m reduction to HSCP's 2017/18 budgets for savings dating back to 2015/16 in respect of Community Health Partnerships (CHPs). The letter outlining the final settlement from NHSGGC for 2017/18 is attached at Appendix 8. A reconciliation showing

the movement from the 2016/17 closing budget to the budget per the allocation letter is included in Appendix 7.

- 9.2 The agreement, subject to each IJB approval, is that each IJB will fund its proportionate share of the £3.6m unallocated saving target on a one-off basis during 2017/18, to promote partnership working. This is the maximum contribution by IJBs in respect of the historic £7.8m 'unachieved savings' and will allow a short period of time to work towards a recurring solution, focusing on the development and conclusion of the mechanism for the set aside budget. This approach has been agreed with the Scottish Government and requires a rapid and focused action plan to be developed and delivered over the coming months in conjunction with the Chief Officers, NHSGGC Director of Finance, Chief Finance Officers and the Scottish Government.
- 9.3 This non-recurring funding to a maximum of £3.6m will be on the basis of a recharge and not a budget reduction. This ensures that the 2017/18 budget for the IJBs is compliant with the 'Scottish Government settlement'. The impact for Renfrewshire HSCP is c£519k which will need to be funded from general reserves.
- 9.4 This proposal reflects the intention of all HSCPs to have solid and collaborative partnership working across the system and provides a pragmatic solution to agreeing the delegated Health budget for 2017/18, whilst allowing time to develop a recurring solution for 2018/19.
- 9.5 This revised budget proposal, including prescribing, means that the offer from NHSGGC is now compliant with the Scottish Government settlement for 2017/18.
- 9.6 In the interest of partnership working it is also proposed that for 2017/18, reserves are used to offset the proposed NHS pension liabilities (funding that was used to provide non-recurring benefit in 2016/17) which were previously rejected by the IJB in March 2017. Members should note that this will add an additional savings pressure of £180k from 2018/19 onwards. However, approval of this proposal would ensure that the 2017/18 budget can be agreed and we can then focus on 2018/19 and beyond.

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** – There are a number of risks which should be considered on an ongoing basis: adequate funding to deliver core services, delivery of 2017/18 agreed savings
11. **Privacy Impact** – none.

List of Background Papers – None.

Author: Sarah Lavers, Chief Finance Officer

**Social Work Revenue Budget Position
1st April 2016 to 21st July 2017**

Subjective Heading	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Employee Costs	27,841	7,842	7,365	477	6.1%	underspend
Property Costs	383	83	51	32	38.6%	underspend
Supplies and Services	1,565	119	151	(32)	-26.9%	overspend
Contractors	51,577	13,348	13,743	(395)	-3.0%	overspend
Transport	692	149	135	14	9.4%	underspend
Administrative Costs	239	71	51	20	28.2%	underspend
Payments to Other Bodies	4,926	1,187	1,166	21	1.8%	underspend
Capital Charges	-	-	-	-	0.0%	breakeven
Gross Expenditure	87,223	22,799	22,662	137	0.6%	underspend
Income	(22,264)	(9,382)	(9,246)	(136)	1.4%	overspend
NET EXPENDITURE	64,959	13,417	13,416	1	0.01%	underspend

Position to 21st July is a breakeven of **£0** **0.01%**
 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	42,729	5,645	5,654	(9)	-0.2%	overspend
Physical or Sensory Difficulties	6,189	1,377	1,381	(4)	-0.3%	overspend
Learning Difficulties	14,617	5,246	5,257	(11)	-0.2%	overspend
Mental Health Needs	693	788	788	-	0.0%	breakeven
Addiction Services	731	240	215	25	10.4%	underspend
Integrated Care Fund	-	121	121	-	0.0%	breakeven
NET EXPENDITURE	64,959	13,417	13,416	1	0.01%	underspend

Position to 21st July is a breakeven of **£0** **0.01%**
 Anticipated Year End Budget Position is a breakeven of **£0** **0.00%**

**Health Revenue Budget Position
1st April 2016 to 31st July 2017**

Subjective Heading	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Employee Costs	43,409	14,419	14,528	(109)	-0.8%	overspend
Property Costs	21	7	31	(25)	-361.8%	overspend
Supplies and Services	21,434	7,079	6,834	246	3.5%	underspend
Purchase of Healthcare	2,433	811	824	(13)	-1.6%	overspend
Resource Transfer	16,871	5,624	5,623	1	0.0%	overspend
Family Health Services	81,095	28,125	28,126	(1)	0.0%	overspend
Savings	(296)	(99)	-	(99)	100.0%	overspend
Capital Charges	-	-	-	-	0.0%	breakeven
Gross Expenditure	164,966	55,966	55,966	(0)	0.0%	overspend
Income	(3,948)	(1,458)	(1,458)	-	0.0%	breakeven
NET EXPENDITURE	161,018	54,508	54,508	(0)	0.00%	overspend

Position to 31st July is a breakeven of £0 0.00%
 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	%	
Addiction Services	2,574	774	761	13	1.7%	underspend
Adult Community Services	9,139	3,030	2,922	107	3.5%	underspend
Children's Services	5,086	1,664	1,653	12	0.7%	underspend
Learning Disabilities	1,133	382	367	15	4.0%	underspend
Mental Health	18,868	6,315	6,743	(429)	-6.8%	overspend
Hosted Services	10,423	3,376	3,257	119	3.5%	underspend
Prescribing	34,623	11,783	11,783	-	0.0%	breakeven
GMS (GP services in Renfrewshire)	22,953	8,100	8,100	-	0.0%	breakeven
FHS (Dentists, Pharmacists, Optometrists)	20,864	7,304	7,304	-	0.0%	breakeven
Planning and Health Improvement	1,200	372	335	38	10.1%	underspend
Business Support and Admin	1,471	552	550	2	0.3%	underspend
Resource Transfer	17,041	5,681	5,681	-	0.0%	breakeven
Integrated Care Fund	3,150	1,010	887	123	12.2%	underspend
Social Care Fund	12,495	4,165	4,165	-	0.0%	breakeven
NET EXPENDITURE	161,018	54,508	54,508	-	0.00%	breakeven

Position to 31st July is a breakeven of £0 0.00%
 Anticipated Year End Budget Position is a breakeven of £0 0.00%

for information:

1. Adult Community Services includes: District and Out of Hours Nursing; Rehabilitation Services and OT Equipment
2. Children's Services includes: Community Services - School Nurses and Health Visitors; Specialist Services - Children's Mental Health Team, Speech Therapy
3. Hosted Services = board wide responsibility for support to GP's for areas such as eg breast screening, bowel screening, and podiatry

2017/18 Adult Social Care Financial Allocation to Renfrewshire HSCP

	£k
2017/18 Renfrewshire HSCP Opening Budget:	60,468.4
	60,468.4
<u>Adjustments to Base Budget:</u>	
Impact of increase in the Living Wage and changes in sleepover costs	1,989.0
Inflationary pressures on commissioned contracts	1,170.0
Impact of demographic and socio-economic demand pressures	1,276.6
Transfers from Corporate	65.4
Adult Social Care Budget as reported @ 26 May 2017	64,969.4
<u>Budget Adjustments posted in month 4</u>	
Realignment of Resource Transfer from Child Care Services	-19.2
Sensory Impairment Carry Forward	9.0
	-10.2
Adult Social Care Budget as reported @ 21 July 2017	64,959.2

Appendix 4

<u>2017/18 Health Financial Allocation to Renfrewshire HSCP</u>	
	£k
2016/17 Renfrewshire HSCP Closing Budget:	157,676.9
less: non recurring budgets (allocated annually)	-4,021.9
= base budget rolled over	153,655.0
<u>Additions:</u>	
Social Care Integration Fund to transfer to Council	3,480.0
Hospice - transfer of Hospice budget to HSCP	2,300.1
Hospice - adjustment to match agreed allocation followin reparenting	182.5
Finance staff transer	80.8
Net change GMS X charge including uplift	734.9
	6,778.3
<u>Reductions:</u>	
LD Supplies RAM	-7.9
Net change schedule 4 Prescribing	-384.5
	-392.4
<u>Non-Recurring:</u>	
CAMHS Mental Health bundle	265.6
SESP funding divided between Podiatry, Adult Comm and PHI	343.8
Carers/Veterans	240.0
MINF funding for infant feeding advisor post	7.1
Protection funding due to service redesign	3.2
Additioanl HV support	117.6
	977.3
Budget allocated as per 2017/18 Financial Allocation 31st July 2017	161,018.2

Appendix 5

GP Prescribing to May 2017 (£000)

	<u>FY Budget</u>	<u>Budget YTD</u>	<u>Actual YTD</u>	<u>Variance</u>	<u>Var %</u>
Glasgow South	46,275	7,805	7,839	-34	-0.4%
Glasgow North East	40,056	6,756	6,737	19	0.3%
Glasgow North West	38,950	6,570	6,469	101	1.5%
Glasgow City	125,281	21,131	21,045	86	0.4%
Renfrewshire	34,622	5,840	5,857	-17	-0.3%
West Dunbartonshire	18,926	3,192	3,258	-66	-2.1%
East Dunbartonshire	18,671	3,149	3,162	-13	-0.4%
Inverclyde	17,767	2,997	3,000	-3	-0.1%
East Renfrewshire	15,384	2,595	2,659	-64	-2.5%
Total HSCPs	230,651	38,904	38,981	-77	-0.2%
Central Services	6,371	1,075	1,064	11	1.0%
Total (GC)	237,022	39,979	40,045	-66	-0.2%

Reserves Balances at 31st July 2017

Earmarked Reserves	
	Health £000's
Opening Balance 1st April 2017	2,850
Less:	
Primary Care Transformation Fund transfer to revenue account	-1,100
GP Digital Transformation transfer to NHSGGC Corporate	-289
GP Primary Scan Patient Records transfer to NHSGGC Corporate	-705
Remaining Balance	756
Comprising:	
Funding for Temporary Mental Health Posts	82
Primary Care Transformation Fund Monies	39
District Nurse 3 year Recruitment Programme	150
Health and Safety Inspection Costs to Refurbish MH shower facilities	35
Prescribing	450
	756

General Reserves			
	Adult Social Care £000's	Health £000's	Total £000's
Opening Balance 1st April 2017	1,519	1,125	2,644
Less:			
Allocation to External Care at Home	-970		-970
Allocation to Internal Care at Home	-549		-549
Share of Pension Liabilities		-181	-181
Share of Unallocated CHP savings		-519	-519
Current Projected Balance required to deliver breakeven at year end		-347	-347
Balance as at 31 July 2017	-	78	78

Overall Position	Ear Marked Reserves	General Reserves	Total
Opening Balance 1st April 2017	2,850	2,644	5,494
less:			
Amount drawn down at 31 July 2017	-2,094	-2,566	-4,660
	756	78	834

2017/18 Health Financial Allocation to Renfrewshire HSCP - Reconciliation to Offer Letter	
	£k
2016/17 Renfrewshire HSCP Closing Budget:	157,676.9
<u>less:</u> non recurring budgets (allocated annually)	-4,021.9
= base budget rolled over	153,655.0
<u>Additions:</u>	
Social Care Integration Fund to transfer to Council	3,480.0
Hospice - Transfer of Hospice budget to HSCP 1st April	2,300.1
Hospices - Adjustments to match agreed allocation following reparenting	182.5
Finance Staff Transfer-Mgt Transfer to HSCP	80.8
Net Change GMS X Chg incl uplift	735.0
	6,778.4
<u>Outstanding Budget Transfer:</u>	
Prescribing Adjustment to bring in line with Health Budget Allocation 2017-18	419.0
	419.0
<u>Reductions:</u>	
LD Supplies RAM	-7.9
Net Change Schedule 4 Prescribing	-384.5
	-392.4
<u>Non-Recurring:</u>	
CAMHS Mental Health Bundle	265.6
SESP Funding - Funding Divided between Podiatry, Adult Comm & PHI	343.8
Carers/Veterans - Part of Social Care Fund	240.0
MINF Funding - To fund Infant Feeding Advisor Post	7.1
Protection Funding due to Service Redesign	3.2
	859.7
Budget allocated as per 2017/18 Financial Allocation 31st July 2017	161,319.7

Greater Glasgow and Clyde NHS Board

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Dear David

2017/18 Financial Allocation to Renfrewshire Health and Social Care Partnership

Further to previous correspondence from Robert Calderwood and following recent correspondence between the Board's Director of Finance with Chief Officers and my subsequent discussions with Chief Finance Officers, I am writing to you with an updated budget proposal for 2017/18.

The annual allocation from the Board to the Health and Social Care Partnership (HSCP) for 2017/18 is set out in the schedule that accompanies this letter.

The Scottish Government letter to the Accountable Officer for NHS Greater Glasgow and Clyde has advised that for 2017/18 the Board's expenditure on services delegated to HSCPs should be maintained at least at 2016/17 levels, therefore 2017/18 allocations to HSCPs will remain at the value of the 2016/17 closing recurring base budget supplemented by any specific 2017/18 non recurring allocations from Scottish Government and adjusted for any agreed budget transfers between HSCPs and other service areas.

GP Prescribing budgets have now been finalised for 2017/18 and will be set at the overall value of the 2016/17 month 12 budget. Discussions between Chief Finance Officers have agreed some redistribution of funding between individual HSCPs and this is reflected in the proposed allocation. At a meeting with Chief Officers on 17 January it was agreed that the current arrangements for management of the prescribing budget would continue in 2017/18 where the Board continues to manage the budget collectively on behalf of all partnerships. This includes continuation of the "risk sharing agreement" whereby the Board will absorb any overall overspend within prescribing budgets.

The 2017/18 Set Aside Budget for unscheduled care services consumed by your HSCP in Acute hospitals will remain at the same value as for 2016/17. During 2017/18 the Board will work with HSCPs and Scottish Government colleagues to review the basis for calculation and operation of the set aside budget.

The following items will be charged to the HSCP during 2017/18:

- A proportional share of the £3.6m unachieved savings from 2015/16 as agreed by the NHS Board at its meeting on 21 February 2017 (agreed by Chief Officers subject to individual Integrated Joint Board approval). Discussions will continue to determine how this can be resolved in future years;
- The HSCP's proportional share of the Apprenticeship Levy based on your HSCP's payroll cost; and
- The HSCP's proportional share of the annual cost arising from the change in accounting treatment of pre 2010 pension costs as the non recurring funding generated from this change was used to provide non recurrent support to all service areas in 2016/17.

I hope this now enables the HSCP to finalise its financial plans for 2017/18.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Hobson', with a long horizontal stroke extending to the right.

James Hobson
Assistant Director of Finance
NHS Greater Glasgow and Clyde

Schedule 1

Renfrewshire HSCP Allocation 2017/18

	Renfrewshire HSCP £'000
Opening Budget - Community, MH & Contracted Services	118,510
GP Prescribing	35,041
Add :	
Hospices & Additional Resource Transfer	2,621
Oral Health - Secondary Care	
Social Care Funding	3,480
Finance Staff	81
Other Recurring Allocations	727
Public Dental Service - (Non Rec)	
Other Non Recurring allocations	620
Veterans/ Carers (Non Rec)	240
Revised Opening Allocation	161,319
Set Aside budget	29,582
Total Allocation	190,901