
To: Renfrewshire Integration Joint Board

On: 24 November 2017

Report by: Chief Finance Officer

Heading: Financial Report 1 April to 30 September 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 15 September 2017 (Social Work) and 30 September 2017 (Health), and to provide an update on the Implementation of the Living Wage for 2017/18.
-

2. Recommendation

It is recommended that the IJB:

- Note the current Revenue Budget position at 30 September 2017;
 - Note the progress of the implementation of the Living Wage for 2017/18;
 - Note the current position and application of the Partnership's reserves as detailed in 4.1 and 5.1.
-

3. Current Financial position at 30 September 2017

- 3.1 The overall revenue position for Renfrewshire HSCP at 30 September 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.

(Appendix 6 provides a summary of the IJB's reserves at 30th September 2017)

Division	Current Reported Position	Previously Reported Position
Social Work – Adult Services	Breakeven	Breakeven
Renfrewshire Health Services	Breakeven	Breakeven
Total Renfrewshire HSCP	Breakeven	Breakeven

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

- 3.3 Appendices 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, as previously reported this has been achieved by using a combination 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 15 September 2017. 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

Opening Balance		£4,405,675
Pay Award Additional Allocation 17/18		£551,378
Revised Allocation 2017/18		£4,957,053
Less: Permanent Budget Adjustments made		
OP Care Home 2017/18 NCHC Impact	-£434,285	
Adult Supported Living Wage 17/18	-£740,629	
External Care at Home 17/18	-£747,498	
	-£1,922,412	
Balances remaining at p6		£3,034,641
Less: Non-Recurring Budget Adjustments to deliver breakeven		
Internal Care at Home	-£333,913	
Physical Disabilities Adult Placements	-£83,000	
Learning Disabilities Adult Placements	-£307,000	
Mental Health Adult Placements	-£82,000	
	-£805,913	
Revised Balance as at P6		£2,228,728

Table 2: Adult Social Care Reserves

		£1,519,087
External Care at Home	-£953,000	
Internal Care at Home	-£566,087	
	-£1,519,087	
Adult Reserves Balance as at P6		£0

- 4.2 In line with the IJB's Reserves Policy, on 15 September 2017 IJB Members approved the application of reserves to deliver a breakeven position at the 31 March 2018.

4.3.

Older People

Current Position: Net overspend of 26k
Previously Reported: Net overspend of 9k

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 made available for 2017/18. However, even with these additional monies the Care at Home budget remains under significant pressure (£2.199m overspend) at 15 September July 2017 as summarised in Table 3 below.

This pressure on the overall Older People's budget is 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 £26k after the application of these resources.

Table 3: Care at Home Service

Full Year Projection at 15 September 2017 (inc. £747k as per table 1)	-£2,119,168
Add: Additional allocation from 17/18 monies (per table 1)	£333,913
Revised position	-£1,785,255
Application of reserves (per table 2)	£1,519,087
Revised full year projection at 15 September 2017	-£266,168

5.

Renfrewshire Health Services

Current Position: Breakeven
Previously Reported: Breakeven

5.1

As previously reported, 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 30 September 2017. As previously highlighted to members the amount of reserves required to be drawn down in order to deliver a year end breakeven position 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	-£16,000
Share of Pension Liabilities	-£181,200
Share of Unallocated CHP savings	-£519,000
	-£716,200
Reserves Balance as at 30 September 2017	£408,800

5.2

In line with the IJB's reserves policy, on 15 September 2017 Members approved the application of reserves to deliver a breakeven position at the 31 March 2018.

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

Current Position: Net underspend of £267k
Previously Reported: Net underspend of £107k

As previously reported, the net underspend within Adult Community Services is mainly due to turnover across the Rehabilitation and District Nursing services, and an underspend in relation to external charges for Adults with Incapacity (AWI) bed usage. There are a number of patients 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 £239k
Previously Reported: Net underspend of £119k

As previously reported, this underspend reflects turnover in the Primary Care 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.

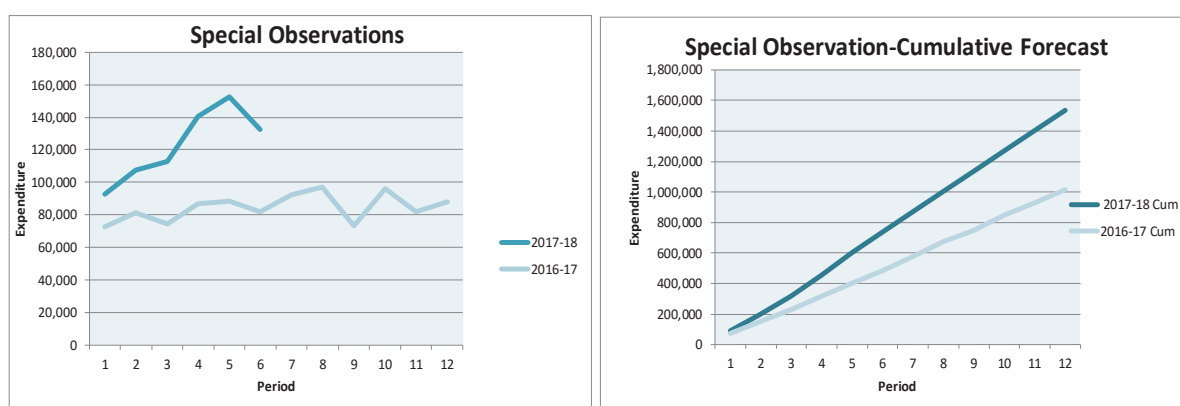
5.5 **Mental Health**

Current Position: Net overspend of £768k
Previously Reported: Net overspend of £429k

Overall, Mental Health services are reporting an over spend of £768k. This overspend is due to a number of contributing factors within both adult and elderly in-patient services.

As reported throughout 2016/17, and the first quarter of this financial year, 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.

The graphs below summarise the increase in special observation costs over the past 18 months. At month 6, actual spend has increased by £253k from £486k this time last year to £739k, and the current year end projection is £1.533m an increase of £518k on the full year cost of £1.015m in 2016/17.



The main reason for the above increases relates to admissions being more acute in nature such as:

- Increasingly more complex needs that require to be met;
- Increases in the number of crisis admissions and more unpredictable, impulsive behaviour, abscondment and close monitoring of psychotic symptoms;
- In older adult services, the main focus of enhanced observations relates to patient immobility & disorientation.

In order to mitigate the current pressure on the budget, a review of practice within this area is being undertaken. This includes:

- Daily reviews of patients - at the commencement of each duty shift, nursing and, where available, medical staff will carry out clinical reviews of all enhanced observations for their area.
- Establishment of complex case review meetings to discuss the management of challenging behaviours with medical and senior nursing staff to address observations.
- Lead support staff also, on a daily basis, attend the clinical areas to support staff to review and identify suitable alternatives to enhanced observations.

5.6 **Integrated Care Fund**

Current Position: Net underspend of £186k

Previously Reported: Net underspend of £123k

As previously reported this underspend is mainly in relation to turnover within ICF funded rehabilitation and enablement posts.

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 July 2017 (Appendix 5). The overall position across all Partnerships to 31 July 2017 is an overspend of £26k with Renfrewshire HSCP reporting a £113k overspend. However, under the risk sharing arrangement across NHSGGC this has been adjusted to report a cost neutral position.

5.7.2 The main challenges to achieving a balanced budget will be:

- additional premiums paid for drugs on short supply (There are currently an unprecedented number of drugs on short supply for which significant premium payments are being made)
- fully realising the anticipated benefits of drugs coming off patent (mainly Pregabalin)

5.7.3 Members should note that as the prescribing risk sharing arrangement will no longer apply from 2018/19, should the short supply issues not be resolved by the end of 2017/18, HSCPs will be facing significant cost pressures over and above the normal GP Prescribing cost pressures of increasing demand and price inflation.

6. Set Aside Budget

- 6.1 In March 2017 the IJB approved the HSCP's draft unscheduled care strategic commissioning plan, which included the need to develop a detailed implementation plan to support reductions in admissions, more effective discharge and future reconfiguration of acute activity.
- 6.2 Since March 2017 significant progress has been made in joining up the HSCP's activity with that of the wider health and care system, including the other 5 NHSGGC HSCTs. A NHSGGC Board wide Unscheduled Care Steering Group, is chaired by the NHS Board Chief Executive and is underpinned by Unscheduled Care Delivery Groups in each of the three Acute sectors.
- 6.3 These arrangements are bringing together all related activity with the common aim of reducing unscheduled care in the acute system by 10%. It is through these arrangements that local and cross-system reform activity will be agreed and implemented.
- 6.4 As work continues towards the intended reduction in unscheduled care of 10%, it will inform our future unscheduled care commissioning. However, for the whole system to remain in balance it is imperative that this improvement is realised through a reduction in acute service provision and associated savings to the set aside budget. Any planned efficiencies will therefore assume that the HSCP will realise its share of these in financial terms from our set aside budget. Our aim will be to redirect funding to ensure sustainable HSCP service provision into the future.

7. Other Delegated Services

Description	Full Year Budget	Year to date Budget	Spend to Date	Year-end Projection
Garden Assistance Scheme	£369k	£171k	£171k	£369k
Housing Adaptations	£905k	£432k	£440k	£905k
Women's Aid	£88k	£34k	£35k	£88k
Grant Funding for Women's Aid	£0k	-£13k	-£54k	£0k
Total	£1,362k	£624k	£592k	£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 15 September 2017 is an overall spend of £592k with an anticipated breakeven at the year end.

8. Living Wage Update 2017/18

- 8.1 **Care at Home:** As previously reported all seven providers on our Care at Home Framework accepted the offered rate for care at home services which took effect on 1st May 2017. This rate covers 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 contracted Supported Living providers were offered increases to cover the full cost of the Living Wage increase, including the full

cost of an 8-hour sleepover at £8.45 per hour plus on-costs. Renfrewshire Council currently contract with 11 providers of Supported Living Services to deliver care and support services in Renfrewshire. To date 8 have accepted the whole of the offered agreement and 2 have accepted the offered day rate but cannot accept 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. One provider has not accepted the rates offered to allow them to pay £8.45 per hour and they continue to pay £8.25 per hour. This provider advised that even with the increased fees offered, the overall impact on their organisation of increasing rates to £8.45 per hour would not be sustainable.

- 8.3 **Residential Services:** Negotiations have also taken place with providers of residential services who are not on the National Care Home Contract to allow them to pay the Living Wage. Although largely complete further negotiations are required with two providers.
- 8.4 **Out of Area:** Negotiations with providers located outwith Renfrewshire are also largely complete with the majority confirming that all staff in scope will receive at least the Living Wage from 1st May 2017.
- 8.5 **National Care Home Contract:** the terms of the contract for 2017/18 were negotiated by COSLA and the Scottish Government with Scottish Care and the Coalition of Care and Support Providers in Scotland (CCPS). An increase of 2.8% was agreed for 2017/18 which includes an allowance to support delivery of £8.45 per hour to all care staff.

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

Appendix 1

Social Work Revenue Budget Position 1st April 2016 to 15th September 2017

Subjective Heading	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Employee Costs	27,855	12,493	11,967	526	4.2%	underspend
Property Costs	383	111	78	33	29.7%	underspend
Supplies and Services	1,558	389	442	(53)	-13.6%	overspend
Contractors	51,592	22,088	22,502	(414)	-1.9%	overspend
Transport	668	264	244	20	7.6%	underspend
Administrative Costs	239	109	91	18	16.5%	underspend
Payments to Other Bodies	5,478	2,182	2,164	18	0.8%	underspend
Capital Charges	-	-	-	-	0.0%	breakeven
Gross Expenditure	87,773	37,636	37,488	148	0.4%	underspend
Income	(22,280)	(12,796)	(12,648)	(148)	1.2%	overspend
NET EXPENDITURE	65,493	24,840	24,840	-	0.00%	breakeven

Position to 15th September 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	%	
Older People	43,264	11,462	11,488	(26)	-0.2%	overspend
Physical or Sensory Difficulties	6,187	2,530	2,538	(8)	-0.3%	overspend
Learning Difficulties	13,587	8,591	8,601	(10)	-0.1%	overspend
Mental Health Needs	1,718	1,477	1,477	-	0.0%	breakeven
Addiction Services	737	363	319	44	12.1%	underspend
Integrated Care Fund	-	417	417	-	0.0%	breakeven
NET EXPENDITURE	65,493	24,840	24,840	-	0.00%	breakeven

Position to 15th September is a breakeven of

£0 **0.00%**

Anticipated Year End Budget Position is a breakeven of

£0 **0.00%**

**Health Revenue Budget Position
1st April 2016 to 30th September 2017**

Subjective Heading	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Employee Costs	43,541	21,662	22,025	(363)	-1.7%	overspend
Property Costs	21	10	26	(16)	-152.4%	overspend
Supplies and Services	9,539	4,815	4,297	518	10.8%	underspend
Purchase of Healthcare	2,433	1,217	1,238	(21)	-1.7%	overspend
Resource Transfer	29,366	14,683	14,684	(1)	0.0%	overspend
Family Health Services	82,431	42,373	42,373	-	0.0%	breakeven
Savings	(236)	(118)	-	(118)	100.0%	overspend
Capital Charges	-	-	-	-	0.0%	breakeven
Gross Expenditure	167,095	84,642	84,642	(0)	0.0%	overspend
Income	(3,996)	(1,960)	(1,961)	1	0.0%	overspend
NET EXPENDITURE	163,098	82,682	82,682	0	0.00%	overspend

Position to 30th September 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	1,227	1,195	32	2.6%	underspend
Adult Community Services	9,070	4,537	4,270	267	5.9%	underspend
Children's Services	5,261	2,580	2,605	(25)	-1.0%	overspend
Learning Disabilities	1,169	588	579	10	1.6%	underspend
Mental Health	18,847	9,506	10,274	(768)	-8.1%	overspend
Hosted Services	10,442	5,127	4,887	239	4.7%	underspend
Prescribing	35,041	17,824	17,824	(0)	0.0%	overspend
GMS (GP services in Renfrewshire)	24,289	12,902	12,902	-	0.0%	breakeven
FHS (Dentists, Pharmacists, Optometrists)	20,864	10,474	10,474	-	0.0%	breakeven
Planning and Health Improvement	1,200	566	508	58	10.3%	underspend
Business Support and Admin	1,655	1,069	1,069	-	0.0%	breakeven
Resource Transfer	17,041	8,521	8,521	-	0.0%	breakeven
Integrated Care Fund	3,150	1,514	1,328	186	12.3%	underspend
Social Care Fund	12,495	6,248	6,248	-	0.0%	breakeven
NET EXPENDITURE	163,098	82,682	82,682	(0)	0.00%	overspend

Position to 30th September 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
Adult Social Care Budget as reported @ 21 July 2017	64,959.2
<u>Budget Adjustments posted in month 6</u>	
2017/18 Pay Award	557.9
Realignment of Vehicle Insurance to Corporate	-23.6
Adult Social Care Budget as reported @ 15 September 2017	65,493.5

Appendix 4

2017/18 Health Financial Allocation to Renfrewshire HSCP	
	£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
Additions:	
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
	5,962.6
Reductions:	
LD Supplies RAM	-7.9
GMS Budget Adjustment to reflect expenditure	-1,394.3
*GMS = costs associated with GP services in Renfrewshire	
	-1,402.2
Budget allocated as per 2017/18 Financial Allocation 31st May 2017	158,215.4
<u>Budget Adjustments posted in month 3</u>	
Additions:	
Finance Staff Transfer-Mgt Transfer to HSCP	80.8
	80.8
Reductions:	
Prescribing Budget Adjustment	-384.5
	-384.5
Non-Recurring:	
CAMHS Mental Health Bundle- Funding for various posts	265.6
Carers/Veterans - Part of Social Care Fund	240.0
Protection Funding due to Service Redesign	3.2
	508.8
Health Budget as reported @ 30th June 17	158,420.5
<u>Budget Adjustments posted in month 4</u>	
Additions:	
GMS Budget Adjustment to reflect expenditure	2,220.2
*GMS = costs associated with GP services in Renfrewshire	
	2,220.2
Non-Recurring:	
SESP -Diabetes Funding - Funding Divided between Podiatry, PHI & Adult Comm	343.3
Funding - To fund Infant Feeding Advisor Post	7.1
	350.4
Savings:	
Complex Care savings - Partnerships Share	-91.0
	-91.0
Health Budget as reported @ 31st July 17	160,900.1
<u>Budget Adjustments posted in month 5</u>	
Additions:	
Prescribing Spend to Save - Budget Transfer	419.0
Health Visitor GIRFEC Framework - Budget to Reflect Staff Profile	353.0
	772.0
Non-Recurring:	
Correct Budget Coding Error	-50.0
Carers Information Strategy Funding	140.1
	90.1
Health Budget as reported @ 31st August 17	161,762.2
<u>Budget Adjustments posted in month 6</u>	
Non-Recurring:	
GMS Budget Adjustment to reflect expenditure	1,335.8
	1,335.8
Health Budget as reported @ 30th September 17	163,098.0

GP Prescribing to July 2017 (£000)

	<u>FY Budget</u>	<u>Budget YTD</u>	<u>Actual YTD</u>	<u>Variance</u>	<u>Var %</u>
Glasgow South	46,275	15,697	15,620	77	0.5%
Glasgow North East	40,056	13,587	13,585	2	0.0%
Glasgow North West	38,950	13,212	13,115	97	0.7%
Glasgow City	125,281	42,496	42,320	176	0.4%
Renfrewshire	34,622	11,744	11,857	-113	-1.0%
West Dunbartonshire	18,926	6,420	6,470	-50	-0.8%
East Dunbartonshire	18,671	6,333	6,325	8	0.1%
Inverclyde	17,767	6,027	6,075	-48	-0.8%
East Renfrewshire	15,384	5,218	5,331	-113	-2.2%
Total HSCPs	230,651	78,238	78,378	-140	-0.2%
Central Services	6,371	2,161	2,047	114	5.3%
Total (GIC)	237,022	80,399	80,425	-26	0.0%

Appendix 6

Reserves Balances at 30th September 2017

Earmarked Reserves	
	Health £000's
Opening Balance 1st April 2017	2,850
<u>Less:</u>	
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
<u>Comprising:</u>	
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
<u>Less:</u>			
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		-16	-16
Balance as at 30 September 2017	-	409	409

this fig will change each month depending on the projected year end position

Overall Position	Ear Marked Reserves	General Reserves	Total
Opening Balance 1st April 2017	2,850	2,644	5,494
<u>less:</u>			
Amount drawn down at 30 September 2017	-2,094	-2,219	-4,313
Current Projected Balance required to deliver breakeven at year end		-16	-16
	756	409	1,165

this fig will change each month depending on the projected year end position