

To: Renfrewshire Integration Joint Board

On: 20 January 2017

Report by: Chief Finance Officer

Heading: Financial Report 1 April 2016 to 30 November 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 11 November (Social Work) and 30 November 2016 (Health), and to provide an update on the:

- Budget allocation for 2016/17 in respect of the Health Board Contribution to the IJB; and
- Implementation of the Living Wage.

2. Recommendation

It is recommended that the IJB:

- Note the contents of the paper;
- Note an additional allocation of up to £1.378m of non-recurring resources in 2016/17 from NHSGG&C;
- Note that there will be a requirement for the IJB to address this funding issue on a recurring basis as part of approving its 2017/18 budget; and
- Note that a date for the IJB to consider the 2017/18 budget is still to be set.

3. Summary

3.1. The overall revenue position for the HSCP at 30 November 2016 is showing an overspend of £914k as detailed in the table below (and Appendices 1 and 2), with a projected year-end adverse variance of £1.378m.

With the additional allocation in year from NHSGGC of up to £1.378m, it is expected we will deliver a break even position at 31 March 2017.

Division	Current Reported Position	Previously Reported Position
Social Work – Adult Services	£4k underspend	£5k underspend
Renfrewshire Health Services	£918k over spend	£691k over spend
Total Renfrewshire HSCP	£914k overspend	£686k 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:	Net underspend £4k
Previously Reported:	Net underspend £5k

4.1. Older People

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

Currently, the position within Older People's services is an overall underspend. As previously reported, there are increasing pressures within the care at home service, which is currently projecting a £1.4m overspend in 2016/17. This overspend is partially offset by vacancies within our HSCP managed, Local Authority owned Care Homes. These posts are actively being recruited to.

In order to bring the overall position of adult social care back into a breakeven position, Social Care Integration monies (allocated as part of the Scottish Government 2016 Financial Settlement) are being used to fund the current pressures within the homecare service.

Members should note the requirement to use these monies in 2016/17 will reduce this non recurring resource planned to assist in managing demand and other service pressures in 2017/18.

4.2. Physical Disabilities

Current Position:	Net overspend of £219k
Previously Reported:	Net overspend of £143k

As previously reported, the overspend within Physical Disabilities is mainly 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 overspend of £88k
Previously Reported:	Net overspend of £88k

As previously reported, there is an overspend within Learning Disability service due to ongoing pressures on the Adult Placement budget.

4.4. Mental Health

Current Position:	Net overspend of £50k
Previously Reported:	Net overspend of £43k

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

4.5. Addictions

Current Position:	Net underspend of £ 82k
Previously Reported:	N/A

The underspend within Addiction Services reflects the current client profile of care packages within this area. However, as this budget is demand variable it is prudent to retain this level of budget provision to ensure there is adequate provision should the need arise.

5. Renfrewshire Health Services

Current Position: Net overspend (£918k)
Previously Reported: Net overspend (£691k)

5.1. Addiction Services

Current Position: Net underspend of £49k
Previously Reported: Net underspend of £46k

Currently, the net position within Addiction Services is an underspend which reflects additional non-recurring monies for a specialist Hepatitis C Virus post, and a vacant medical staffing post which has now been recruited to.

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

Current Position: Net underspend of £116k
Previously Reported: Net underspend of £97k

As previously reported, the overall underspend within Adult Community Services is due to various factors: staff turnover within the District Nursing and the Rehabilitation Service, and an under spend within podiatry due to maternity leave, vacancies and career breaks some of which are covered by bank staff. These under spends are a feature of normal staff management processes and continue to offset pressures in relation to the community equipment budget (EQUIPU), and other non-pay related expenditure.

5.3. Children's Services

Current Position: Net underspend of £170k
Previously Reported: Net underspend of £120k

As previously reported the under spend within Children's services is mainly due to normal payroll costs and staff turnover.

5.4. Learning Disabilities

Current Position: Net underspend of £63k
Previously Reported: N/A

The under spend within Learning Disabilities reflects staff turnover within this area of the service and the allocation of the revised RAM budget (Resource Allocation Methodology). The vacant posts associated with the revised RAM are now out to advert or have been recruited to.

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

Current Position: Net underspend of £152k
Previously Reported: Net underspend of £88k

This reflects normal turnover within the service due to vacant administrative and special project posts.

5.6. Mental Health

Current Position: Net overspend of £417k
Previously Reported: Net overspend of £306k

Overall, Mental Health services are reporting an over spend of £417k. 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 under spend within the adult community budget due to recurring vacancies within the service.

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.

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

Current Position: Net overspend of £1,051k

Previously Reported: Net overspend of £771k

This overspend will now be addressed in year as a result of the additional allocation of up to £1.378m non-recurrently from NHSGGC.

Members should note that NHSGGC have transferred budgets relating to hotel and facilities services to be managed directly by the Board.

5.8. **Prescribing**

Current Position: Breakeven

Previously Reported: Breakeven

The reported GP Prescribing position is based on the actual position for the year to 30 September 2016 (Appendix 5). The overall position across all Partnerships to 30 September 2016 is an underspend of (£0.355m) with Renfrewshire HSCP reporting a £0.11m underspend. However, under the risk sharing arrangement across NHSGGC this 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	£214k	£186k
Total SW	£400k	£400k	£214k	£186k

Work on the roof replacement is now near completion with only minor works still to be completed before the project can be signed off.

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	£182k	£227k	£369k
Housing Adaptations	£932k	£448k	£307k	£932k
Total	£1,228k	£630k	£534k	£1,301k

7.1. The summary position for the period to the 11 November 2016 is reported in the table above, and reports an overall spend of £534k to date, with an anticipated year-end overspend on the Garden Assistance Scheme budget of £73k. In line with the due diligence carried out on this area of the budget, at present Renfrewshire Council's Housing Revenue Account budget is liable for any overspends on this budget.

7.2. Members are reminded that the current year's budget for Housing Adaptations includes one-off additional non-recurring monies (£174k) to assist with current waiting list issues.

8. Implementation of the Living Wage - update

8.1. Renfrewshire Health and Social Care Partnership in partnership with Renfrewshire Council Procurement Services have concluded negotiations with all contracted providers of Care at Home services and Supported Living Services in Renfrewshire.

8.2. Following conclusion of these negotiations, all 7 Care at Home providers and all 12 Supported Living providers have confirmed that all of their staff delivering services in Renfrewshire will be paid the Living Wage rate of £8.25 per hour. Payment will be from 1st October 2016 and over 480 individuals, working both full time and part time will benefit from this initiative.

8.3. *Sleepovers*

The Scottish Government have advised that sleepover hours must be paid at a rate that is compliant with HMRC requirements. Renfrewshire Health and Social Care Partnership have agreed a rate for sleepover of £66.03 per night. Calculated based on £8.25 per hour, this rate has been accepted by all providers.

8.4. *Out of Area Placements*

In partnership with other Local Authorities across Scotland, Renfrewshire Health and Social Care Partnership are reviewing the rates paid for individuals placed "out of area" across Scotland with a view to adopting the host Local Authority rates where these have been renegotiated to support payment of the Living Wage. A number of these have already been agreed but we are still awaiting confirmation from some Local Authorities who have yet to finalise their Living Wage negotiations.

8.5. As part of the 2017/18 Scottish Government draft budget for 2017/18, £100 million has been allocated to support the continued delivery of the Living Wage and sustainability within the sector. This is to fund the increased rate of £8.45 per hour to be paid from the 1st of May 2017 to care workers supporting adults in care homes and care at home / housing support settings to include (if not already included) adult day care workers and personal assistants through arrangements made where care is provided.

8.6. In order to implement this increase by the due date the current working group established by the Chief Finance Officer in early 2016, will commence work in January 2017 to implement the new rate of £8.45 per hour.

9. Health Board Contribution to the IJB for 2016/17

9.1. Members are reminded that in the November 2016 IJB finance report the Chief Finance Officer brought forward outline savings proposals to achieve the tranche 2 savings target of £1.378m.

- 9.2. At this meeting the savings proposals were not approved by IJB members. These savings were required to deliver a recurring balanced budget for 2016/17 and to trigger in year non-recurring support from NHSGGC to enable the HSCP to fully implement these proposals from 1 April 2017.
- 9.3. Since the IJB meeting in November 2016, the Chief Finance Officer has worked with the Chief Officer, Chair of the IJB and our parent organisation to agree a way forward in order to deliver financial balance at 31 March 2017.
- 9.4. As such, further discussions with the NHSGGC Director of Finance have confirmed an additional non-recurring allocation of up to £1.378m in year. The reference to 'up to' is simply to give the flexibility that if we under spend on the health budget in 2016/17 we may not require to draw down this full allocation. This is a fair approach and is consistent with the arrangements in place for other IJBs.
- 9.5. There will be a requirement for the IJB to address this funding issue on a recurring basis as part of approving its 2017/18 budget. A date for the IJB to consider the 2017/18 budget is still to be set.

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: 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 11th November 2016

Subjective Heading	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Employee Costs	25,784	16,058	15,689	369	2.3%	underspend
Property Costs	384	258	253	5	1.9%	underspend
Supplies and Services	1,555	769	779	(10)	-1.3%	overspend
Contractors	44,756	28,683	29,392	(709)	-2.5%	overspend
Transport	722	430	387	43	10.0%	underspend
Administrative Costs	239	101	93	8	7.9%	underspend
Payments to Other Bodies	9,162	2,225	2,181	44	2.0%	underspend
Capital Charges	-	-	-	-	0.0%	breakeven
Gross Expenditure	82,602	48,524	48,774	(250)	-0.5%	overspend
Income	(21,800)	(17,014)	(17,268)	254	-1.5%	underspend
NET EXPENDITURE	60,802	31,510	31,506	4	0.01%	underspend

Position to 11th November is an underspend of **£4k** **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	41,646	13,499	13,220	279	2.1%	underspend
Physical or Sensory Difficulties	5,248	3,759	3,978	(219)	-5.8%	overspend
Learning Disabilities	12,014	10,720	10,808	(88)	-0.8%	overspend
Mental Health Needs	538	1,928	1,978	(50)	-2.6%	overspend
Addiction Services	706	594	512	82	13.8%	underspend
Integrated Care Fund	650	1,010	1,010	-	0.0%	breakeven
NET EXPENDITURE	60,802	31,510	31,506	4	0.01%	underspend

Position to 11th November is an underspend of **£4k** **0.01%**

Anticipated Year End Budget Position is a breakeven of **£0** **0.00%**

Health Revenue Budget Position
1st April 2016 to 30th November 2016

Subjective Heading	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Employee Costs	44,712	29,464	28,995	469	1.6%	underspend
Property Costs	20	13	24	(11)	-84.6%	overspend
Supplies and Services	18,953	9,378	9,840	(462)	-4.9%	overspend
Purchase of Healthcare	44	60	39	21	35.0%	underspend
Resource Transfer	16,872	11,249	11,249	-	0.0%	breakeven
Family Health Services	80,792	53,859	53,854	5	0.0%	underspend
Savings	(1,410)	(940)		(940)	100.0%	overspend
Capital Charges				-	0.0%	breakeven
Gross Expenditure	159,983	103,083	104,001	(918)	-0.9%	overspend
Income	(5,135)	(3,462)	(3,462)	-	0.0%	breakeven
NET EXPENDITURE	154,848	99,621	100,539	(918)	-0.92%	overspend

Position to 30th November is an overspend of (£918k) -0.92%
 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	2,502	1,354	1,305	49	3.6%	underspend
Adult Community Services	14,001	8,531	8,415	116	1.4%	underspend
Children's Services	5,370	3,601	3,431	170	4.7%	underspend
Learning Disabilities	1,112	742	679	63	8.5%	underspend
Mental Health	18,941	12,518	12,935	(417)	-3.3%	overspend
Hosted Services	3,689	2,478	2,326	152	6.1%	underspend
Prescribing	35,260	23,301	23,301	-	0.0%	breakeven
GMS	22,772	15,042	15,042	-	0.0%	breakeven
Other	20,471	14,000	14,000	-	0.0%	breakeven
Planning and Health Improvement	1,340	642	642	-	0.0%	breakeven
Other Services	9,028	5,359	6,410	(1,051)	-19.6%	overspend
Resource Transfer	16,872	11,248	11,248	-	0.0%	breakeven
Integrated Care Fund	3,490	805	805	-	0.0%	breakeven
NET EXPENDITURE	154,848	99,621	100,539	(918)	-0.92%	overspend

Position to 30th November is an overspend of (£918k) -0.92%
 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 rental

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

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
<u>Budget Adjustments posted in month 7</u>	
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
<u>Budget Adjustments posted in month 8</u>	
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

GP Prescribing - 2016/17 to September (£000)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Var %</u>	<u>Prev Mth Var %</u>
Glasgow South	23,482	23,452	30	0.1%	-0.4%
Glasgow North East	20,602	20,231	371	1.8%	1.4%
Glasgow North West	19,887	19,690	197	1.0%	0.3%
Glasgow City	63,971	63,373	598	0.9%	0.4%
Renfrewshire	17,424	17,413	11	0.1%	-0.2%
West Dunbartonshire	9,548	9,600	-52	-0.5%	-0.9%
East Dunbartonshire	9,295	9,426	-131	-1.4%	-1.8%
Inverclyde	8,886	9,039	-153	-1.7%	-1.4%
East Renfrewshire	7,688	7,655	33	0.4%	0.2%
Total HSCPs	116,812	116,506	306	0.3%	-0.1%
Central Services	3,086	3,037	49	1.6%	1.3%
Total (GIC)	119,898	119,543	355	0.3%	-0.1%

Greater Glasgow and Clyde NHS Board

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Date: 17th November 2016
Our Ref: MW/BOB

Enquiries to: Mark White
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Dear Iain

Renfrewshire Integrated Joint Board 2016/17 Budget

Thank you for your letters of 21 September and 7 November.

We have been in dialogue with your Chief Officer around progress with 2016/17 savings, hence the delay in responding.

I am now in a position to confirm to you that transitional funding can be made available to fund the in year shortfall against your share of the £9.5m tranche II savings allocated to HSCPs as we received your outline plans to implement those savings on Friday 11 November. This is obviously conditional on your IJB Board approving them.

In terms of the unachievable savings of £7.8m for 2015/16, these remain a pressure for NHSGGC and as such, will form part of our 2017/18 Financial Plan and overall savings target for the whole Board, including the proposed settlement to all IJBs.

I trust this meets with your requirements.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark White'.

Mark White
Board Director of Finance

Delivering better health

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