
Report To: Inverclyde Integration Joint Board **Date:** 30 January 2018

Report By: Louise Long
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Inverclyde Health & Social Care
Partnership **Report No:** IJB/05/2018/LA

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Subject: **FINANCIAL MONITORING REPORT 2017/18 – PERIOD TO 31
OCTOBER 2017, PERIOD 7**

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Inverclyde Integration Joint Board (IJB) of the Revenue and Capital Budgets, other Income Streams and Earmarked Reserves position for the current year as at Period 7 to 31 October 2017.

2.0 SUMMARY

- 2.1 This report outlines the financial position at Period 7 to end October 2017. The current year end operating projection for the Partnership is a projected underspend of £0.104m against the revised expenditure budget of £150.625m. This is made up of a forecast £0.104m underspend on Social Work and a forecast breakeven on Health Services, assuming £0.332m of non-recurring funding from IJB Reserves linked to the delayed delivery of in year savings. In addition the IJB is expected to utilise a net £2.222m of its Earmarked Reserves in year on previously agreed projects and spend, including the impact of any transfers to/from reserves as a result of anticipated over and under spends.
- 2.2 The Social Work revised budget is £53.669m. There is a projected underspend of £0.104m. The main elements of the underspend are detailed within this report and attached appendices:
- 2.3 While Health services are currently projected to be in line with the overall Health budget there are some issues to note:
- Savings Delivery
The part year effect of the 2017/18 savings means that £0.332m of the proposed savings to deliver the targeted full year savings will be funded on a non-recurring basis by IJB Earmarked Reserves.
 - Mental Health Inpatients
As per previous reports, there is still an ongoing, inherited budget pressure related to mental health inpatient services due to the high levels of special observations required in that area. Work is ongoing to address this budget pressure for the current and future years and one off reductions are being made in other areas to offset the overall budget pressure and ensure the budget is in balance overall.

- 2.4 The Corporate Director (Chief Officer) and Heads of Service will continue to work to mitigate projected budget pressures within Social Care and MH Inpatients and keep the overall IJB budget in balance for the remainder of the year. It is proposed that any overspend in 2017/18 would be funded by the IJB through Reserves and any overall underspend will be carried to General Reserves.
- 2.5 The report outlines the current projected spend for the Social Care Fund, Integrated Care Fund and Delayed Discharges money.
- 2.6 The IJB has no capital budget. The assets used by the IJB and related capital budgets are held by the Council and Health Board. Planned capital spend in relation to Partnership activity is budgeted as £1.657m for 2017/18 with an actual spend to end October of £0.642m.
- 2.7 The IJB holds a number of Earmarked and General Reserves, these are managed in line with the IJB Reserves Policy. The total Earmarked Reserves available at the start of 2017/18 was £3.960m, during the year a further £1.798m has been received for Integrated Care Fund and Delayed Discharges. To date at Period 7, £1.809m has been spent.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Integration Joint Board:
1. Notes the Period 7 position for 2017/18 (Appendices 1-3);
 2. Approves the proposed budget realignments and virement (Appendix 4) and authorises officers to issue revised directions to the Council and/or Health Board as required on the basis of the revised figures enclosed (Appendix 5);
 3. Notes the previously agreed use of the Social Care Fund in 2017/18 (Appendix 6);
 4. Notes the current position for the Integrated Care Fund and Delayed Discharge monies (Appendix 7);
 5. Notes the current capital position (Appendix 8);
 6. Notes the current Earmarked Reserves position (Appendix 9).

Louise Long
Corporate Director (Chief Officer)

Lesley Aird
Chief Financial Officer

4.0 BACKGROUND

4.1 From 1 April 2016 the Health Board and Council delegated functions and are making payments to the IJB in respect of those functions as set out in the integration scheme. The Health Board have also “set aside” an amount in respect of large hospital functions covered by the integration scheme.

4.2 The IJB Budget for 2017/18 was set on 12 September 2017. The table below summarises the agreed budget and funding together with the projected operating outturn at 31 October:

	Revised Budget 2017/18 £000	Projected O/Turn @ 31/10 £000	Projected Over/(Under) Spend £000
Social Work Services	53,669	53,631	(104)
Health Services	96,956	96,682	0
HSCP NET EXPENDITURE	150,625	150,522	(104)
FUNDED BY			
Social Care Fund	6,329	6,329	0
Transfer from / (to) Reserves	0	(104)	(104)
NHS Contribution to the IJB	96,655	96,656	0
Council Contribution to the IJB	47,341	47,341	0
HSCP NET INCOME	150,625	150,522	(104)
HSCP OPERATING SURPLUS/(DEFICIT)	0	0	0
Planned Use of Reserves	(2,222)	(2,222)	0
Annual Accounts CIES position	(2,222)	(2,222)	0

5.0 SOCIAL WORK SERVICES

5.1 The Social Work services revised budget after virements and budget adjustments is £53.566m. The projected outturn at 31 October 2017 is a £0.104m underspend.

5.2 The Social Work budget includes an in year savings target of £0.630m, of which the majority has already been delivered. It is anticipated that this will be delivered in full during the year.

Appendix 2 contains details of the Social Work outturn position. The main variances are detailed below with further detail provided in Appendix 2A.

Underspends due to:

- Vacancies in internal homecare of £290,000, which are partially offsetting the increased costs of external homecare below,
- Vacancies and turnover in other services of £294,000,
- Projected underspends on client care packages in Mental Health & Addictions of £21,000 and £43,000 respectively,
- An early achievement of 2018/20 savings of £200,000.

Offset by:

- A projected overspend in external homecare of £283,000 due to increased hours as more people are cared for in their own homes,
- Projected overspends on client care packages in Learning Disabilities and Physical Disabilities of £248,000 and £59,000 respectively. Work is underway to review all costs to reduce the projected overspends in coming months,
- A projected overspend on Kinship costs of £70,000 due to increased client numbers,

- A projected overspend on Homelessness bad debt provision of £73,000. Work is underway to identify how the current arrears figure can be addressed.

6.0 HEALTH SERVICES

6.1 The Health services revised budget is £96.956m (including £16.439m Set Aside and £5.919m Hosted Services budgets) and the projected outturn as at Period 7 is in line with that budget. However, the budget includes some savings which will not be cash releasing in year which the IJB provided for in an Earmarked Reserve at the end of 2016/17. The current estimated shortfall required to be funded from Reserves is £0.332m.

6.2 The total budget pressure for Health is £0.927m which is to be funded by savings. These have already been identified and agreed by the IJB and are currently being implemented. While the current agreed savings would provide more than the required amount once the full year effect is achieved, in year the expected cash shortfall will be funded on a non recurring basis from an Earmarked Reserve created in 2017/18. Current progress on the delivery of agreed savings is detailed in Appendix 3b.

6.3 The full year impact of the agreed Health savings within the budget for 2017/18 is estimated at £1.165m, against identified budget pressures of 0.927m. The balance of £0.238m would be used to offset some of the anticipated budget pressures for 2018/19.

6.4 Mental Health Inpatients

As per previous reports, there is still an ongoing £0.950m budget pressure related to mental health inpatient services due to the high levels of special observations required. It should be noted that the IJB inherited a historic underlying budget pressure of £1.2m on this service. The reduced underlying budget pressure is due to the work carried out by senior staff within that service. Discussions are ongoing Boardwide which may help to address some of the local Inverclyde pressures longer term.

6.5 In 2015/16 and 2016/17 reductions were made in other budgets to offset the inpatient overspend. Further work is required to better understand the causes of the budget pressure and identify long term solutions to resolve it. In the meantime arrangements will need to be made on a non recurring basis for 2017/18 to offset any balance of cost pressures not resolved in year but this is increasingly difficult as the budgets which funded this in previous years have been given up as part of the overall savings package.

6.6 At Period 7 the in year overspend on MH Inpatients is £0.350m.

6.7 The service has been implementing an action plan to address elements of the historic overspend. They successfully reduced the underlying inherited £1.2m overspend by £0.250m during 2016/17. This budget will be closely monitored throughout the year and work will be done to ensure that the underlying budget is sufficient for core service delivery going forward.

6.8 Prescribing

There was a risk sharing arrangement in place in respect of Prescribing budgets across all six Health & Social Care Partnerships last financial year. It is anticipated that this will continue into 2017/18 but the exact details of the risk share have still to be finalised and formally agreed between the HSCPs although NHS GG&C has agreed that it will continue to meet any overall overspend in the prescribing budget for this financial year. The risk share arrangement would mean that any overall overspend would potentially be covered in year by the Health Board. However, it is anticipated that this arrangement will be subject to change in the future, meaning that any overspend would have to be contained locally within each partnership. This is a potential area of financial risk and pressure for the IJB if the risk sharing agreement is removed.

6.9 Set Aside

- The Set Aside budget in essence is the amount “set aside” for each IJB’s consumption of large hospital services.
- Initial Set Aside base budgets for each IJB were based on their historic use of Acute Services.
- Legislation sets out that Integration Authorities are responsible for the strategic planning of hospital services most commonly associated with the emergency care pathway along with primary and community health care and social care.
- The Set Aside functions and how they are used and managed going forward is heavily tied in to the commissioning/market facilitation work that is ongoing

Work is ongoing detailing the Set Aside position within GG&C for each HSCP has been slow. The working group has been in place for several months but key activity data is still outstanding. Further updates will be brought to the IJB as available.

7.0 **VIREMENT AND OTHER BUDGET MOVEMENTS**

7.1 Appendix 4 details the virements and other budget movements that the IJB is requested to note and approve. These changes have been reflected in this report. The Directions which are issued to the Health Board and Council require to be updated in line with these proposed budget changes. The updated Directions linked to these budget changes are shown in Appendix 5. These require both the Council and Health Board to ensure that all services are procured and delivered in line with Best Value principles.

8.0 **SOCIAL CARE FUND, INTEGRATED CARE FUND, DELAYED DISCHARGE FUNDING**

8.1 Social Care Fund

Appendix 6 details the previously agreed use of the £6.329m Social Care Fund (SCF) in 2017/18.

8.3 Integrated Care Fund (ICF) and Delayed Discharge Funding (DD)

Appendix 7 details the current budget, projected outturn and actual spend to date for these funds.

9.0 **CURRENT CAPITAL POSITION - £0.610m Variance**

9.1 The Social Work capital budget is £3.729m over the life of the projects with £1.657m projected to be spent in 2017/18, comprising:

- £0.841m for the replacement of Neil Street Children’s Home,
- £0.760m for the replacement of Crosshill Children’s Home,
- £0.056m for the conversion costs associated with John Street, Gourrock.

9.2 There is projected slippage of £0.610m on the Crosshill replacement project due to delays in the Neil Street replacement project. Expenditure on all capital projects to 31 October is £0.642m (38.7% of the revised budget). Appendix 8 details capital budgets.

9.3 Progress on the Neil Street Children’s Home replacement is as follows:

- Building external fabric complete.
- Road infrastructure and water supply works complete.
- External works 95% complete.
- Contractor has intimated slippage to programme and has formally submitted an extension of time which is currently being evaluated.
- The Committee is requested to note that additional funding may be required in connection with the extended contract period however this will be subject to resolution of the current extension of time claim and agreement of the final account.
- Original programme completion date 31 March 2017. Anticipated completion end of

- November/first week in December 2017.
- Technical Service continue to liaise with the Client Service regarding the final programme for transfer / decant.

9.4 Progress on the Crosshill Children's Home is as follows:

- Strategy involves the demolition of Crosshill upon vacant possession and construction of new Crosshill facility.
- Planning application has been submitted.
- Design has been progressed to Technical Design Stage (RIBA Stage 4) with a Staged building warrant submitted.
- Production drawings are in progress.
- Stage 2 cost report indicated estimated project cost of £1,914,000 which exceeds the current budget allocation of £1,682,000. At the Health & Social Care Committee on 24 August 2017 it was agreed that the difference of £232,000 would be funded from the Adoption, Fostering and Residential Accommodation Earmarked Reserve.
- The previously reported programme anticipated construction October 2017 to June 2018. It should be noted that the projected delay in completion of the Neil Street replacement and the current design review process and requirement to address a budget gap on the Crosshill project will result in a delay to the programme with a construction phase now anticipated to commence 1st quarter 2018.

9.5 Progress on the John Street project is as follows:

- Works are now complete. Hand-over to Turning Point was 31 July 2017 with residents moving in on 14 August 2017.

10.0 EARMARKED RESERVES

10.1 The IJB holds a number of Earmarked and General Reserves, these are managed in line with the IJB Reserves Policy. The total Earmarked Reserves available at the start of 2017/18 was £3.960m, during the year a further £1.789m has been received for Integrated Care Fund and Delayed Discharges. To date at Period 7 £1.809m has been spent. The projected movement in reserves for the year is net spend of £2.222m.

11.0 STATUTORY ACCOUNTS COMPREHENSIVE INCOME & EXPENDITURE STATEMENT (CIES)

11.1 As part of the 2016/17 audit of the IJBs statutory accounts, Audit Scotland noted that the IJB's 2016/17 budget monitoring reports did not clearly set out the anticipated yearend position in relation to the receipt or use of reserves in year and in particular their impact on the CIES surplus or deficit position within the Statutory Accounts.

11.2 The creation and use of reserves during the year, while not impacting the operating position, will impact the yearend CIES outturn. For 2016/17 the CIES reflected a £3.96m surplus due to the IJB inheriting and creating reserves in year. For 2017/18 it is anticipated that as a portion of the brought forward £3.960m and new Earmarked Reserves is used the CIES will reflect a deficit. At Period 7 that CIES deficit is projected to be the same as the projected movement in reserves detailed in Paragraph 10.1 above and Appendix 9.

12.0 IMPLICATIONS

12.1 FINANCE

All financial implications are discussed in detail within the report above.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
N/A					

LEGAL

12.2 There are no specific legal implications arising from this report.

HUMAN RESOURCES

12.3 There are no specific human resources implications arising from this report.

EQUALITIES

12.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
√	NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

12.5 How does this report address our Equality Outcomes

There are no Equalities Outcomes implications within this report.

Equalities Outcome	Implications
People, including individuals from the above protected characteristic groups, can access HSCP services.	None
Discrimination faced by people covered by the protected characteristics across HSCP services is reduced if not eliminated.	None
People with protected characteristics feel safe within their communities.	None
People with protected characteristics feel included in the planning and developing of services.	None
HSCP staff understand the needs of people with different protected characteristic and promote diversity in the work that they do.	None
Opportunities to support Learning Disability service users experiencing gender based violence are maximised.	None
Positive attitudes towards the resettled refugee community in Inverclyde are promoted.	None

12.6 CLINICAL OR CARE GOVERNANCE IMPLICATIONS

There are no governance issues within this report.

12.7 NATIONAL WELLBEING OUTCOMES

How does this report support delivery of the National Wellbeing Outcomes

There are no National Wellbeing Outcomes implications within this report.

National Wellbeing Outcome	Implications
People are able to look after and improve their own health and wellbeing and live in good health for longer.	None
People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	None
People who use health and social care services have positive experiences of those services, and have their dignity respected.	None
Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	None
Health and social care services contribute to reducing health inequalities.	None
People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.	None
People using health and social care services are safe from harm.	None
People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	None
Resources are used effectively in the provision of health and social care services.	Effective financial monitoring processes ensure resources are used in line with the Strategic Plan to deliver services efficiently

13.0 CONSULTATION

13.1 This report has been prepared by the IJB Chief Financial Officer. The Chief Officer, the Council's Chief Financial Officer and Director of Finance NHSGGC have been consulted.

14.0 BACKGROUND PAPERS

14.1 None.

INVERCLYDE HSCP**REVENUE BUDGET 2017/18 PROJECTED POSITION****PERIOD 7: 1 April 2017 - 31 October 2017**

SUBJECTIVE ANALYSIS	Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Variance
Employee Costs	48,377	48,542	47,958	(585)	-1.2%
Property Costs	1,217	1,176	1,180	4	0.3%
Supplies & Services	65,861	66,322	67,258	936	1.4%
Prescribing	18,105	18,105	18,105	0	0.0%
Income	(5,873)	(5,877)	(6,337)	(459)	7.8%
Unallocated Funds/(Savings)	158	0	0	0	0.0%
HSCP NET DIRECT EXPENDITURE	127,845	128,267	128,164	(104)	8.4%
Set Aside	16,439	16,439	16,439	0	0.0%
Hosted Services	5,919	5,919	5,919	0	0.0%
HSCP NET TOTAL EXPENDITURE	150,203	150,625	150,522	(104)	-0.1%

OBJECTIVE ANALYSIS	Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Variance
Planning, Health Improvement & Commissioning	2,440	2,589	2,584	(5)	-0.2%
Older Persons	27,748	27,032	27,073	41	0.2%
Learning Disabilities	10,479	10,989	11,053	64	0.6%
Mental Health - Communities	5,753	6,497	6,459	(38)	-0.6%
Mental Health - Inpatient Services	8,662	8,022	8,022	0	0.0%
Children & Families	13,119	13,011	13,045	34	0.3%
Physical & Sensory	2,646	2,810	2,791	(19)	-0.7%
Addiction / Substance Misuse	3,459	3,510	3,384	(126)	-3.6%
Assessment & Care Management / Health & Community Care	6,143	7,802	7,775	(27)	-0.3%
Support / Management / Admin	4,033	4,395	4,223	(170)	-3.9%
Criminal Justice / Prison Service **	0	0	0	0	0.0%
Homelessness	824	789	933	144	18.3%
Family Health Services	21,571	21,480	21,480	0	0.0%
Prescribing	18,105	18,105	18,105	0	0.0%
Change Fund	1,256	1,236	1,236	0	0.0%
Unidentified Savings	754	0	0	0	0.0%
Unallocated Funds	853	0	(0)	0	0.0%
HSCP NET DIRECT EXPENDITURE	127,845	128,267	128,164	(104)	-0.1%
Set Aside	16,439	16,439	16,439	0	0.0%
Hosted Services	5,919	5,919	5,919	0	0.0%
HSCP NET TOTAL EXPENDITURE	150,203	150,625	150,522	(104)	-0.1%
FUNDED BY					
Social Care Fund	6,329	6,329	6,329	0	0.0%
NHS Contribution to the IJB	74,136	74,598	74,598	0	0.0%
NHS Contribution for Set Aside and Hosted Services	22,358	22,358	22,358	0	0.0%
Council Contribution to the IJB	47,380	47,341	47,341	0	0.0%
Transfer from / (to) Reserves	0	0	(104)	(104)	0.0%
HSCP NET INCOME	150,203	150,625	150,522	(104)	-0.1%
HSCP OPERATING SURPLUS/(DEFICIT)	0	0	0	0	0.0%
Anticipated movement in reserves ***	(2,222)	0	(2,222)		
HSCP ANNUAL ACCOUNTS REPORTING SURPLUS/(DEFICIT)	(2,222)	0	(2,222)		

** Fully funded from external income hence nil bottom line position.

*** See Reserves Analysis for full breakdown

SOCIAL CARE**REVENUE BUDGET PROJECTED POSITION 2017/18****PERIOD 7: 1 April 2017 - 31 October 2017**

2016/17 Actual £000	SUBJECTIVE ANALYSIS	Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Variance
	SOCIAL CARE					
26,797	Employee Costs	26,589	26,619	26,035	(585)	-2.2%
1,449	Property costs	1,212	1,171	1,175	4	0.3%
1,083	Supplies and Services	811	842	959	117	13.9%
446	Transport and Plant	380	380	377	(3)	-0.8%
871	Administration Costs	739	772	816	44	5.7%
37,614	Payments to Other Bodies	38,030	37,937	38,715	778	2.1%
(9,360)	Resource Transfer	(9,517)	(9,410)	(9,410)	0	0.0%
(6,005)	Income	(4,693)	(4,642)	(5,101)	(459)	9.9%
	Unallocated Funds	158	0	0	0	
52,895	SOCIAL CARE NET EXPENDITURE	53,709	53,669	53,566	(104)	-0.2%

2016/17 Actual £000	OBJECTIVE ANALYSIS	Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Variance
	SOCIAL CARE					
2,132	Planning, Health Improvement & Commissioning	1,785	1,914	1,908	(5)	-0.3%
27,527	Older Persons	27,748	27,032	27,073	41	0.2%
10,523	Learning Disabilities	9,977	10,490	10,554	64	0.6%
3,050	Mental Health	3,196	3,246	3,208	(38)	-1.2%
10,296	Children & Families	10,488	10,403	10,437	34	0.3%
2,714	Physical & Sensory	2,646	2,810	2,791	(19)	-0.7%
1,559	Addiction / Substance Misuse	1,613	1,672	1,546	(126)	-7.5%
2,133	Business Support	2,408	2,912	2,741	(170)	-5.9%
1,407	Assessment & Care Management	1,688	1,811	1,785	(27)	-1.5%
55	Criminal Justice / Scottish Prison Service	0	0	0	0	0.0%
(9,360)	Resource Transfer	(9,517)	(9,410)	(9,410)	0	0.0%
	Unallocated Funds	853	0	0	0	0.0%
859	Homelessness	824	789	933	144	18.3%
52,895	SOCIAL CARE NET EXPENDITURE	53,709	53,669	53,566	(104)	-0.2%

2016/17 Actual £000	COUNCIL CONTRIBUTION TO THE IJB	Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Variance
52,406	Council Contribution to the IJB	47,380	47,341	47,341	0	0.0%
	Balance to be funded by the SCF	6,329	6,329	6,329	0	0.0%

SOCIAL CARE**PERIOD 7: 1 April 2017 - 31 October 2017**

Extract from report to the Health & Social Care Committee

Children & Families: Projected £34,000 (0.32%) overspend

The projected overspend is £76,000 less than previously reported and comprises:

A net projected underspend of £7,000 on employee costs, which is a reduction of £33,000 in the previous overspend since the previous report due to slippage on vacancies. There is a projected overspend in residential accommodation where there is a requirement for certain staffing levels, but this is currently offset by vacancies within other areas of Children & Families. The staffing in residential accommodation is a continuing pressure area.

A projected combined underspend on section 29 payments, section 30 payments, payments to other bodies and care leavers rents of £67,000,

A projected overspend of £70,000 on kinship costs due to increased numbers of clients. This is an increase of £12,000 since period 5,

A projected overspend of £34,000 on respite due to increased costs.

Any over/ underspends on adoption, fostering and children's external residential accommodation are transferred from/ to the Earmarked Reserve at the end of the year. These costs are not included in the above overspend. The balance on the reserve is £925,000, however at the last Committee it was agreed that £232,000 of this balance would be used to meet the potential additional costs of the Crosshill replacement project. At period 7 there is a projected net underspend of £303,000 on children's external residential accommodation, adoption and fostering which would be added to the Ear Marked Reserves at the end of the year if it continues. The underspend has decreased by £110,000 since previously reported due to a child entering secure residential accommodation.

Older People: Projected £41,000 (0.17%) overspend

The projected overspend is £25,000 less than previously reported and comprises of:

A projected underspend on homecare staff of £290,000, an increase of £32,000 due to further vacancies and a reduction in overtime,

A projected overspend on external homecare of £283,000. This is due to an increased number of clients and hours of service provided as people have care provided in their own homes rather than in a care home. £130,000 funding available within the Delayed Discharge EMR has been used to reduce the overspend to £283,000 on a one off basis in 2017/18,

A projected shortfall of £28,000 in other staffing due to turnover targets not yet met.

A new Ear Marked Reserve has been set up for residential & nursing accommodation. The balance on the reserve is £250,000. At period 7 there is a net projected underspend of £67,000 on residential & nursing accommodation which would be transferred to the Ear Marked Reserve at the end of the year if it continues. The expenditure has reduced by £73,000 since the previous report due to a reduction in bed numbers. There is funding in the Delayed Discharge EMR which was previously set aside to address an increase in bed numbers within residential & nursing accommodation, however has been partially utilised to address the increase in people remaining at home instead within the external homecare costs.

Learning Disabilities: Projected £64,000 (0.93%) overspend

The projected overspend is £14,000 more than previously reported and comprises of:

A projected underspend on staff of £193,000 due to posts being held as part of the service review. There is an increase in the projected underspend of £14,000 due to slippage

A projected overspend of £248,000 on client commitment costs, an increase of £16,000 since the last report. A Review Team is now in place within the service and they have begun work to review all high cost packages within the service, however a new service user is the reason for the increase this period.

A projected shortfall in income of £11,000 due to a reduction in the clients recharged to other local authorities

Physical & Sensory: Projected £19,000 (0.83%) underspend

The projected underspend is £125,000 less than previously reported and comprises of:

A projected underspend on staffing of £34,000 which is £5,000 more than previously reported due to slippage,

A projected overspend of £59,000 on client packages which is £109,000 less than previously reported due to additional budget from a reallocation with HSCP. The current position is under review by the service,

Projected over recovery of income of £53,000 relating to recharge of an employee to an external organisation and additional income from Health for client packages

Assessment & Care Management: Projected £26,000 (1.50%) underspend

The projected underspend is due to slippage on vacancies

Mental Health: Projected £38,000 (2.90%) underspend

The projected underspend is £24,000 less than previously reported and comprises:

A projected underspend on employee of £13,000 due to vacancies

A projected underspend on the costs of client packages of £21,000 which is £23,000 less than previously reported due to a budget reduction from a reallocation within HSCP

There is additional spend relating to the Neil Street project which is fully funded by Health.

Addictions: Projected £126,000 (11.29%) underspend

The projected underspend is £2,000 more than previously reported and comprises:

A projected underspend of £88,000 on employee costs due to vacancies. This has increased by £33,000 since the last report due to slippage in filling posts,

A projected underspend on client costs of £63,000 which is £31,000 less than previously reported due to a budget reversion from a reallocation within HSCP. This underspend is due to reviews of packages in anticipation of service changes in future years.

Homelessness: Projected 144,000 (17.58%) overspend

The projected underspend has increased by £127,000 since previously reported and comprises:

A projected overspend of £26,000 on security costs at the Inverclyde Centre which is £16,000 less than previously reported

A projected overspend on voids of £32,000

A projected overspend on bad debt provision of £73,000. Further work is currently being undertaken on arrears within the service

A projected shortfall in rental income from temporary accommodation of £37,000 which is partially offset by a projected underspend on rental payments for this type of accommodation

Business Support: Projected £170,000 (6.65%) underspend

The projected underspend is £9,000 less than previously reported and comprises:

A projected overspend of £24,000 on telephones due to an increase in agile working

A projected underspend of £200,000 in the early achievement of 2018/20 savings, as previously reported.

HEALTH**REVENUE BUDGET PROJECTED POSITION 2017/18****PERIOD 7: 1 April 2017 - 31 October 2017**

2016/17 Actual £000	SUBJECTIVE ANALYSIS	Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Variance
	HEALTH					
22,379	Employee Costs	21,789	21,923	21,923	0	0.0%
10	Property	5	5	5	0	0.0%
4,190	Supplies & Services	4,330	4,717	4,717	0	0.0%
22,692	Family Health Services (net)	21,571	21,674	21,674	0	0.0%
18,136	Prescribing (net)	18,105	18,105	18,105	0	0.0%
9,360	Resource Transfer	9,517	9,410	9,410	0	0.0%
	Unallocated Funds/(Savings)	0	0	0	0	0.0%
(2,038)	Income	(1,181)	(1,236)	(1,236)	0	0.0%
74,729	HEALTH NET DIRECT EXPENDITURE	74,136	74,598	74,598	0	0.0%
16,439	Set Aside	16,439	16,439	16,439	0	0.0%
7,309	Hosted Services provided on behalf of Inverclyde	7,311	7,311	7,311	0	0.0%
(1,392)	Hosted Services provided on behalf of other IJBs	(1,392)	(1,392)	(1,392)	0	0.0%
97,085	HEALTH NET DIRECT EXPENDITURE	96,494	96,956	96,956	0	0.0%

2016/17 Actual £000	OBJECTIVE ANALYSIS	Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Variance
	HEALTH					
2,683	Children & Families	2,631	2,608	2,608	0	0.0%
4,624	Health & Community Care	4,455	5,991	5,991	0	0.0%
1,387	Management & Admin	1,625	1,483	1,483	0	0.0%
505	Learning Disabilities	502	499	499	0	0.0%
1,787	Addictions	1,846	1,838	1,838	0	0.0%
2,698	Mental Health - Communities	2,557	3,251	3,251	0	0.0%
9,543	Mental Health - Inpatient Services	8,662	8,022	8,022	0	0.0%
860	Planning & Health Improvement	655	675	675	0	0.0%
1,347	Change Fund	1,256	1,236	1,236	0	0.0%
21,800	Family Health Services	21,571	21,480	21,480	0	0.0%
18,136	Prescribing	18,105	18,105	18,105	0	0.0%
	Unallocated Funds/(Savings)	754	0	0	0	0.0%
9,360	Resource Transfer	9,517	9,410	9,410	0	0.0%
74,729	HEALTH NET DIRECT EXPENDITURE	74,136	74,598	74,598	0	0.0%
16,439	Set Aside	16,439	16,439	16,439	0	0.0%
7,309	Hosted Services provided on behalf of Inverclyde	7,311	7,311	7,311	0	0.0%
(1,392)	Hosted Services provided on behalf of other IJBs	(1,392)	(1,392)	(1,392)	0	0.0%
97,085	HEALTH NET DIRECT EXPENDITURE	96,494	96,956	96,956	0	0.0%

2016/17 Actual £000	HEALTH CONTRIBUTION TO THE IJB	Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Variance
4,449	Social Care Fund	6,329	6,329	6,329	0	0.0%
97,085	NHS Contribution to the IJB	96,494	96,956	96,956	0	0.0%

REVENUE BUDGET PROJECTED POSITION 2017/18
Health Savings 2017/18 - Progress Update
PERIOD 7: 1 April 2017 - 31 October 2017

Ref	HOS	Team	Generic Saving Description	Saving Type	RAG	PY Budget 2017/18	FY Budget 2017/18	Expected delivery date	Delivered YTD	PY Balance to be delivered
H17-018	Children & Families	Specialist Childrens Services	Removal of Vacant posts, Early Retirals and filling vacancies at lower grades	Efficiency	G	20,600	21,600	01/05/17	20,600	0
H17-021	Children & Families	Childrens Community	Remodel School Nursing Service	Service Reduction	A	0	176,600	TBC		0
H17-026	Mental Health	MH Inpatients	Removal of Vacant posts, Early Retirals and filling vacancies at lower grades	Efficiency	G	15,500	61,600	31/12/17		15,500
H17-029	Strategy & Support Services	Planning & Health Improvement	Removal of Vacant posts, Early Retirals and filling vacancies at lower grades	Service Reduction	G	32,500	130,000	30/09/17		32,500
H17-031	Strategy & Support Services	Business Support	Reduce number of current postholders	Service Reduction	G	30,000	39,000	01/04/17	30,000	0
H17-033	Health & Community Care	Adult Community Services	Reduce Commissioned Service	Efficiency	G	12,000	12,000	Delivered	12,000	0
H18-002	Various	Various	Income growth	Income Growth	G	169,500	339,000	30/09/17	28,250	141,250
H18-004	Mental Health	MH Inpatients	Improved efficiency achieved in 2016/17	Efficiency	G	50,000	50,000	01/04/17	50,000	0
H18-005	Mental Health	MH Community	Service Review/Reduction	Service Reduction	G	25,000	25,000	01/04/17		25,000
H18-007	Health & Community Care	Adult Community Services	Service Review/Reduction	Service Reduction	G	70,000	140,000	TBC		70,000
H18-013	Health & Community Care	Adult Community Services	Removal of Vacant posts, Early Retirals and filling vacancies at lower grades	Efficiency	G	33,700	33,700	01/04/17		33,700
H18-015	Management	Various	Reduce VAT Liability	Efficiency	G	33,300	33,300	01/04/17	33,300	0
H18-016	Management	Integrated Care Fund	Reduce Non Pay Budget	Efficiency	G	100,000	100,000	Delivered	100,000	0

Full Year Impact of Savings agreed 2016/17		G	3,100	3,100	Delivered	3,100	0
			595,200	1,164,900		277,250	317,950

% delivered to date

47%

2017/18 Health Savings Target	927,400	927,400
Savings Gap Still to be identified/ (Early Savings for future years)		(237,500)
Non Recurring Cash Shortfall on Savings	332,200	

Budget Movements 2017/18

Appendix 4

Inverclyde HSCP Service	Indicative Budget		Movements			Revised Budget 2017/18 £000
	2017/18 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transfers to/ (from) Earmarked Reserves £000	
Children & Families	13,119	0	(108)	0	0	13,011
Criminal Justice	0	0	0	0	0	0
Older Persons	27,748	0	(716)	0	0	27,032
Learning Disabilities	10,479	0	510	0	0	10,989
Physical & Sensory	2,646	0	164	0	0	2,810
Assessment & Care Management/ Health & Community Care	6,143	0	1,315	344	0	7,802
Mental Health - Communities	5,753	0	744	0	0	6,497
Mental Health - In Patient Services	8,662	0	(804)	164	0	8,022
Addiction / Substance Misuse	3,459	0	27	24	0	3,510
Homelessness	824	0	(35)	0	0	789
Planning, HI & Commissioning Management, Admin & Business Support	2,440	0	149	0	0	2,589
Family Health Services	3,925	0	562	(117)	0	4,370
Prescribing	21,571	0	(75)	(16)	0	21,480
Change Fund	18,105	0	0	0	0	18,105
Resource Transfer	1,256	0	(20)	0	0	1,236
Unallocated Funds/(Savings) *	107	0	(107)	0	0	0
	1,607	0	(1,607)	0	0	0
Totals	127,844	0	0	399	0	128,243

* Unallocated Funds are budget pressure monies agreed as part of the budget which at the time of setting had not been applied across services eg pay award etc

Virement Analysis

	<u>Increase</u> <u>Budget</u> <u>£000</u>	<u>(Decrease)</u> <u>Budget</u> <u>£000</u>
<u>Council Ledger TidyUps and reallocation of Unallocated Pressure monies</u>		
Unallocated Funds		853
Assessment & Care Management	101	
Addiction / Substance Misuse	43	
Homelessness		35
Planning, HI & Commissioning	129	
Business Support	615	
<u>Health Ledger TidyUps for one off monies and relocation of Unallocated Pressure monies</u>		
Unallocated Funds/(Savings)		754
Children & Families		23
Learning Disabilities		3
Health & Community Care	1,192	
Mental Health - Inpatient Services		110
Addiction / Substance Misuse		32
Planning, HI & Commissioning	20	
Management, Admin & Business Support		88
Family Health Services		75
Change Fund		20
Resource Transfer		107
Children & Families - Reallocate one off funding John St		303
Business Support - Reallocate one off funding John Street	303	
<u>Reallocate Centralised Living Wage and other cost pressures budget increases to relevant services</u>		
Older People		879
Children & Families	134	
Learning Disabilities	483	
Physical & Sensory	41	
Business Support	65	
MH Communities	156	
MH Communities - reversal of one off virement from 2016/17	694	
MH Inpatients - reversal of one off virement from 2016/17		694
<u>Consolidation of Day Services</u>		
Older People - Payment to Other	84	
Mental Health - Payment to Other		84
Business Support		
<u>Transfer for 0.5 FTE post budget between services</u>		
Learning Disabilities - Employee Costs		13
Assessment & Care Management - Employee Costs	13	
	4,073	4,073

Supplementary Budget Movement Detail

£000

£000

Health & Community Care		344
Primary Care Transformation Non Recurring Funding	344	
Mental Health Inpatients		164
End point monies -		
Consultant Liaison Elderly Post	60	
Consultant Liaison Adult	50	
Bed Manager Post	54	
Addictions		24
Additional Non Recurring Funding for BV/HepC	24	
Management & Admin		(117)
Additional Welfare Reform funding returned as SLAB funding extended	(63)	
Adjust for 16/17 non recurrent funding	(54)	
Family Health Services		(16)
GMS Exchanges 17/18 Adjustment	(16)	
		399

INVERCLYDE INTEGRATION JOINT BOARD

DIRECTION

ISSUED UNDER S26-28 OF THE PUBLIC BODIES (JOINT WORKING)
 (SCOTLAND) ACT 2014

THE INVERCLYDE COUNCIL is hereby directed to deliver for the Inverclyde Integration Joint Board (the IJB), the services noted below in pursuance of the functions noted below and within the associated budget noted below.

Services will be provided in line with the IJB's Strategic Plan and existing operational arrangements pending future directions from the IJB. All services must be procured and delivered in line with Best Value principles.

Services: All services listed in Annex 2, Part 2 of the Inverclyde Health and Social Care Partnership Integration Scheme.

Functions: All functions listed in Annex 2, Part 1 of the Inverclyde Health and Social Care Partnership Integration Scheme.

Associated Budget:

SUBJECTIVE ANALYSIS	Budget 2017/18 £000
SOCIAL CARE	
Employee Costs	26,619
Property costs	1,171
Supplies and Services	842
Transport and Plant	380
Administration Costs	772
Payments to Other Bodies	37,937
Income (incl Resource Transfer)	(14,052)
Unallocated Funds	0
SOCIAL CARE NET EXPENDITURE	53,669

OBJECTIVE ANALYSIS	Budget 2017/18 £000
SOCIAL CARE	
Planning, Health Improvement & Commissioning	1,914
Older Persons	27,032
Learning Disabilities	10,490
Mental Health	3,246
Children & Families	10,403
Physical & Sensory	2,810
Addiction / Substance Misuse	1,672
Business Support	2,912
Assessment & Care Management	1,811
Criminal Justice / Scottish Prison	0
Change Fund	0
Homelessness	789
Unallocated Budget Changes	0
Resource Transfer	(9,410)
SOCIAL CARE NET EXPENDITURE	53,669

This direction is effective from 30 January 2018.

INVERCLYDE INTEGRATION JOINT BOARD

DIRECTION

ISSUED UNDER S26-28 OF THE PUBLIC BODIES (JOINT WORKING)
(SCOTLAND) ACT 2014

GREATER GLASGOW & CLYDE NHS HEALTH BOARD is hereby directed to deliver for the Inverclyde Integration Joint Board (the IJB), the services noted below in pursuance of the functions noted below and within the associated budget noted below.

Services will be provided in line with the IJB's Strategic Plan and existing operational arrangements pending future directions from the IJB. All services must be procured and delivered in line with Best Value principles.

Services: All services listed in Annex 1, Part 2 of the Inverclyde Health and Social Care Partnership Integration Scheme.

Functions: All functions listed in Annex 1, Part 1 of the Inverclyde Health and Social Care Partnership Integration Scheme.

Associated Budget:

SUBJECTIVE ANALYSIS	Budget 2017/18 £000
HEALTH	
Employee Costs	21,923
Property costs	5
Supplies and Services	4,717
Family Health Services (net)	21,674
Prescribing (net)	18,105
Resources Transfer	9,410
Unidentified Savings	0
Income	(1,236)
HEALTH NET DIRECT EXPENDITURE	74,598
Social Care Fund (SCF)	6,329
Set Aside	16,439
Hosted Services (Net)	5,919
NET EXPENDITURE INCLUDING SCF	103,285

OBJECTIVE ANALYSIS	Budget 2017/18 £000
HEALTH	
Children & Families	2,608
Health & Community Care	5,991
Management & Admin	1,483
Learning Disabilities	499
Addictions	1,838
Mental Health - Communities	3,251
Mental Health - Inpatient Services	8,022
Planning & Health Improvement	675
Change Fund	1,236
Family Health Services	21,480
Prescribing	18,105
Unallocated Funds/(Savings)	0
Resource Transfer	9,410
HEALTH NET DIRECT EXPENDITURE	74,598
Social Care Fund (SCF)	6,329
Set Aside	16,439
Hosted Services (Net)	5,919
NET EXPENDITURE INCLUDING SCF	103,285

This direction is effective from 30 January 2018.

Social Care Fund - Planned Spend

Proposed use of the Social Care Fund	BUDGET 2017/18 £m
Funds Already Allocated to Core Budgets on a Recurring Basis	
Social Care demand growth and other pressures the Council agreed would funded through SCF	1.269
Charging Thresholds on non residential services	0.110
Dementia Strategy	0.115
TOTAL Demand Growth/Charging/Additionality	1.494
Living Wage/Other Cost Pressures	
Living Wage, including NCHC inflation and sleepover rate changes	2.632
IJB Specific costs eg SLA for Audit and Legal Services and External Audit Fee	0.070
John Street costs (one off 2016/17 only)	0.000
Mental Health Officer new post	0.048
Patient/Client Transport Coordinator Role (Fixed Term 2 years)	0.000
MH Commissioning	0.003
Independent Living Service - Equipment Budget	0.100
Estimated Demographic and other cost pressures	0.290
Inverclyde Council's agreed reduction in IJB funding in line with Scottish Government stipulation on funding reduction limits	1.431
TOTAL Living Wage/Other Cost Pressures	4.835
TOTAL PROPOSED SCF SPEND	6.329
TOTAL SCF FUNDING	6.329
TOTAL Balance of funds currently proposed to c/fwd to Reserves	0.000

INVERCLYDE HSCP
INTEGRATED CARE FUND & DELAYED DISCHARGE BUDGET 2017/18
PERIOD 7: 1 April 2017 - 31 October 2017

Integrated Care Fund (ICF)				
By Organisation	Revised Budget	Projected outturn	Variance	YTD Actuals
HSCP Council	1,118,550	1,118,550	0	924,885
HSCP Council Third Sector	150,900	150,900	0	127,500
HSCP Health	269,730	269,730	0	161,477
Acute	95,000	95,000	0	95,000
	1,634,180	1,634,180	0	1,308,862

Delayed Discharge (DD)				
Summary of allocations	Revised Budget	Projected outturn	Variance	YTD Actuals
Council	720,990	720,990	0	376,333
Health	147,190	147,190	0	118,200
Acute	50,000	50,000	0	50,000
	918,180	918,180	0	544,533

APPENDIX 8

INVERCLYDE HSCP - CAPITAL BUDGET 2017/18

PERIOD 7: 1 April 2017 - 31 October 2017

<u>Project Name</u>	<u>Est Total Cost</u>	<u>Actual to 31/3/17</u>	<u>Approved Budget 2017/18</u>	<u>Actual YTD</u>	<u>Est 2018/19</u>	<u>Est 2019/20</u>	<u>Future Years</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
SOCIAL CARE							
Neil Street Children's Home Replacement	1,991	1,069	841	589	81	0	0
Crosshill Children's Home Replacement	1,914	47	760	20	1,592	125	0
Completed on site	56		56	33	0	0	0
Social Care Total	3,961	1,116	1,657	642	1,673	125	0
HEALTH							
Health Total	0	0	0	0	0	0	0
Grand Total HSCP	3,961	1,116	1,657	642	1,673	125	0

EARMARKED RESERVES POSITION STATEMENT

APPENDIX 9

INVERCLYDE HSCP

PERIOD 7: 1 April 2017 - 31 October 2017

Project	Lead Officer/ Responsible Manager	Total Funding	YTD Actual	Projected Spend	Amount to be Earmarked for	Lead Officer Update
		2017/18	2017/18	2017/18	2018/19 & Beyond	
		£000	£000	£000	£000	
Self Directed Support	Alan Brown	43	0	0	43	This supports the continuing promotion of SDS.
Growth Fund - Loan Default Write Off	Helen Watson	26	0	1	25	Loans administered on behalf of DWP by the credit union and the Council has responsibility for paying any unpaid debt. This requires to be kept until all loans are repaid and no debts exist.
Deferred Income	Louise Long	27	24	27	0	Funding for the remaining six months of a transitions post.
Integrated Care Fund	Louise Long	1,174	1,052	1,174	0	The Integrated Care Fund funding has been allocated to a number of projects, including reablement, housing and third sector & community capacity projects. The total funding will change as projects move between health & council.
Delayed Discharge	Louise Long	722	376	722	0	Delayed Discharge funding has been allocated to specific projects in the Council and Health, including overnight home support and out of hours support.
Veterans Officer Funding	Helen Watson	27	0	12	15	Council's contribution to a three year post hosted by East Renfrewshire Council on behalf of Inverclyde, Renfrewshire and East Renfrewshire Councils.
CJA Preparatory Work	Sharon McAlees	65	30	65	0	This reserve is for two years to cover the preparatory work required for the changes due in Criminal Justice.
Welfare Reform - CHCP	Andrina Hunter	43	11	11	32	Balance of funding to be used for case management system.
Transport Development Officer	Yvonne Campbell	70	0	35	35	Two year post to be hosted by voluntary sector to progress social transport review.
Swift Replacement Programme	Helen Watson	118	17	48	70	One year post to progress replacement client information system.
LD - Integrated Team Leader	Joyce Allan	121	30	54	67	Two year post to develop the learning disability services integration agenda.
John Street	Joyce Allan	56	33	56	0	Balance of costs for John St works
New Ways	Allen Stevenson	465	220	220	245	New Ways funds carried forward for use in 2017/18
Funding to cover timing delay in delivery of 17/18 savings	Lesley Aird	620	0	620	0	Anticipated that this will be required for covering timing delays in 17/18 savings and also MH Inpatient unfunded pressures
Residential & Nursing Placements	Louise Long	250	0	0	250	This is a smoothing reserve build up by underspends in volatile budgets to offset overspends in those budgets in future years
C&F Adoption, Fostering Residential Budget Smoothing	Sharon McAleese	1,233	16	277	956	This is a smoothing reserve build up by underspends in volatile budgets to offset overspends in those budgets in future years
Social Care in year underspend	Louise Long	272	0	272	0	Anticipated that this will be required to fund in year budget pressures and additional one off costs linked to service redesign
Social Care Fund 16/17 C/fwd	Louise Long	316	0	316	0	Anticipated that this will be required to fund in year budget pressures and additional one off costs linked to service redesign
TOTAL		5,648	1,809	3,910	1,738	

Projected Movement in Reserves (2,222)