
Report To:	Community Health & Care Partnership Sub-Committee	Date: 25 August 2011
Report By:	Robert Murphy Corporate Director Inverclyde Community Health & Care Partnership	Report No: CHCP/29/2011/LB
Contact Officer:	Lesley Bairden	Contact No: 01475 712257
Subject:	Community Health and Care Partnership – Financial Report as at Outturn 2010/11 and 2011/12 Period 3 to 30 June 2011.	

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Inverclyde CHCP Sub-Committee of the 2010/11 Revenue and Capital Budget outturn position and the current year position as at Period 3 to 30 June 2011.

2.0 SUMMARY

REVENUE 2010/11

- 2.1 The total Health and Community Care Partnership revenue budget for 2010/11 was £111,206,000 with a further £668,000 brought forward as Earmarked Reserves within Social Work. The outturn position is an overspend of £166,000 being 0.15% of the total budget.

This is an increase in costs of £438,000 from that previously reported at period 11 (to 28 February 2011).

- 2.2 The Social Work budget out turned at an overspend of £202,000. Whilst this is a net increase in costs of £414,000 since last reported at period 11, it should be noted that £297,000 relates to a statutory adjustment for equal pay provision, so the comparable net movement is an increase of £117,000.

Excluding the Equal Pay Provision costs the Social Work budget underspent by £95,000.

- 2.3 The Health budget is out turned at an underspend of £36,000 and reflects an increase in costs of £24,000 since last reported at period 11.

REVENUE 2011/12

- 2.4 The total Health and Community Care Partnership revenue revised budget for 2011/12 is £120,695,000 with a further £298,000 brought forward as Earmarked Reserves within Social Work. The current projection is an overspend of £486,000 being 0.4% of the revised budget.

It should be noted that £8,246,000 of the budget relates to Mental Health Inpatients, devolved to the CHCP as of May 2011, and however is included from 1 April for financial reporting purposes.

- 2.5 The Social Work revised budget is £48,466,000 with a projected overspend of

£326,000 (0.67%) after containing budgeted savings of £1,645,000. A detailed review of employee cost projections/budgets and saving opportunities is ongoing and the results of this exercise will be reported throughout the year.

- 2.6 The Health revised budget is £72,229,000 and is currently projected to overspend by £160,000 (0.22%) after containing an annual savings of £430,000.

3.0 RECOMMENDATION

- 3.1 The Sub-Committee note the revenue overspend for 2010/11 of £166,000 (0.15%).
- 3.2 The Sub-Committee note the current projected revenue budget overspend of £486,000 for 2011/12 as at 30 June 2011.
- 3.3 The Sub-Committee note the current projected Social Work capital slippage of £300,000 as at 30 June 2011.

Robert Murphy
Corporate Director
Inverclyde Community Health & Care
Partnership

4.0 BACKGROUND

- 4.1 The purpose of the report is to advise the Sub-Committee of the 2010/11 outturn and the current position of the 2011/12 CHCP revenue and capital budget and to highlight the main issues contributing to the £166,000 overspend within 2010/11 revenue and the current projected overspend of £486,000 revenue and the current capital projection of £300,000 slippage.
- 4.2 The current year consolidated revenue summary position is detailed in Appendix 1, with the individual elements of the Partnership detailed in Appendices 2 and 3, Social Work and Health respectively. Appendix 4 shows the year to date position for both elements of the Partnership.

5.0 REVENUE

2010/11 REVENUE POSITION; £166,000 OVERSPEND

- 5.1 The Social Work overspend for 2010/11 is £202,000 (0.41% of budget) and is an increase in costs of £414,000 from that previously reported. However it should be noted that £297,000 relates to a statutory adjustment for equal pay provision, so the comparable movement is an increase of £117,000.

The key elements of this overspend and movement are analysed below, however the Sub Committee should note that a comprehensive review of monitoring is currently being undertaken, with processes already in place to improve the quality and accuracy of projections.

- a) Strategy: an underspend of £121,000, a reduction in spend of £105,000 since period 11 as funded FSF project costs were over estimated.
- b) Older Persons: an underspend of £542,000 predominantly due to underspends in residential placements along with a change in the treatment of charging order income for statutory reporting purposes. This is a reduction in projected costs of £219,000 since last reported and is predominantly due to the technical accounting change.
- c) Learning Disabilities: an overspend of £40,000, a reduction of £25,000 since period 11 and this overspend is mainly due to an under recovery in income.
- d) Mental Health: an overspend of £46,000, representing a cost increase of £67,000 since last reported, due to the double counting of funding for a care package.
- e) Children & Families: an overspend of £91,000, a cost increase of £113,000 since last reported. This was due to a number of increases around Adoption, Fostering and Kinship costs, allied to higher than projected supplementation costs.
- f) Physically & Sensory Impaired / Direct Payments: the overspend of £164,000 remains due to Direct Payment care packages and Independent Living Service package costs. It should be noted that all Direct Payment costs (irrespective of care group) are currently reported here. This is an increase in costs of £24,000 since period 11.
- g) Support/Management: overspend of £500,000 is largely due to the equal pay accrual of £297,000 and employees costs and a shortfall in turnover savings. An employee cost budget realignment exercise has been carried out in 2011 to ensure improved management information and control going forward.
- h) Homelessness: overspend of £14,000 a reduction in costs of £235,000 since period 11 due to rent income under projected by £89,000 and an increase in Hostels Grant accrual of £139,000.

5.2 The Health underspend is £36,000 (0.06% of budget) and is an increase of costs of £24,000 from that reported to the Sub-Committee at period 11, with the main issues being:

- a) Elderly Mental Illness: underspend of £89,000 remained due to clinical salary vacancies; partly offset by non clinical salary costs. A cost reduction of £18,000 since last reported.
- b) Family Health Services: overspend of £56,000 as previously reported.
- c) Health and Community Care: underspend of £18,000, predominantly due to:
 - £162,000 Clinical salary underspend (District Nursing and Paramedical salaries including slippage in setting up the Community Team).
 - £50,000 overspend in non-clinical staff costs.
 - £66,000 overspend in clinical supplies, predominantly continence related.
 - £26,000 overspend in non-clinical supplies including travel and training costs

This was a cost increase of £1,000 since period 11.

- d) Learning Disabilities: underspend of £31,000 within Nursing and Clinical salaries, partially offset by overspends in non clinical salary costs, a reduction in costs of £7,000 since last reported.
- e) Planning & Health Improvement: an overspend of £34,000 remains due to underlying pressure from reduced Fairer Scotland Fund allocation. An increase of £2,000 since period 11.

2011/12 CURRENT REVENUE POSITION; OVERSPEND £486,000

5.3 The Social Work revised budget is £48,466,000 with a projected overspend of £326,000 after containing budgeted savings of £1,645,000.

- a) Employee Costs: The projected overspend of £300,000 is in line with last year's out-turn, and is a shortfall against a Turnover Savings Target of £416,000. The Corporate Director is currently reviewing the management action required to reduce this projected overspend. Employee cost budget lines are being analysed following a realignment exercise and further detail including progress on achieving turnover targets will be reported to the next Sub-Committee.
- b) Older Persons: the projected underspend of £81,000 relates to:
 - An employee cost underspend of £128,000 (as noted above all employee cost budgets are being reviewed).
 - Homecare a net £88,000 overspend based on the current staffing and approved purchased care package costs.
 - Residential and Nursing Care is projecting an underspend of £41,000 per the current client profile.

The current year financial implications resulting from the Homecare Review, reported elsewhere on this agenda, are unlikely to be significant. Resulting implications will be included in future reports to the Sub Committee as they crystallise.

- c) Learning Disabilities: the projected overspend of £115,000 relates solely to employee costs.
- d) Children & Families: the projected overspend of £172,000 is accounted for by an overspend of £193,000 on employee costs offset by a projected underspend of £21,000 in costs of care, comprising:
 - Adoption / Fostering and Kinship overspend of £246,000 offset by;

- A projected underspend in Residential Childcare of £267,000. This is in part due to prevention work but it should be acknowledged that circumstances will dictate that this position may change at any point and a £100,000 allowance is included for potential future costs.

- e) Physical & Sensory: the projected overspend of £57,000 relates to employee costs.
- f) Assessment & Care Management: the projected overspend of £153,000 relates to employee costs.
- g) Mainstream Delayed Discharge; the projected underspend of £54,000 relates to employee costs.

5.4 The Health budget is £72,229,000 and is currently projected to overspend by £160,000 after containing an annual savings of £430,000. The issues that the Sub Committee should be aware of at this stage are:

- a) There is an ongoing redesign of Community Mental Health Services (Nursing) and any financial impacts will be reported to future Sub Committees.
- b) The redeployment costs of Mental Health Inpatient supernumerary staff within Inverclyde is projected at an overspend of £160,000. This assumes that the cost of these staff will be included in the Board's Corporate HR report from period 5 onwards. Progress on the funding and containment of this cost will be reported to future Sub Committees.
- c) Family Health Services are projected to budget, based on ongoing discussions with GP Practices, however it should be noted that this area was overspent by £55,800 last year.
- d) There are a number of known cost pressures within the Community element of Health budgets such as incontinence, tuck down, rapid response, CMHT pharmacy, Consultants and these are monitored on a monthly basis.

6.0 2011/12 CURRENT CAPITAL POSITION – NIL PROJECTED VARIANCE

6.1 The Social Work capital budget is £1,395,000. There has been a delay in the procurement process for the Replacement Residential Children's Unit and the resultant slippage is assessed at £300,000 which will be carried forward in 2012/13.

6.2 The Health capital budget of £5,490,000 is on target with no slippage reported at present. The vast majority of this planned spend relates to the ongoing rebuild of the Short Stay Psychiatric Unit within Mental Health Inpatients.

6.3 Appendix 5 details capital budgets and progress by individual project.

7.0 IMPLICATIONS

7.1 The current projected revenue outturn is a £486,000 projected overspend.

7.2 The current projected capital outturn highlights projected slippage of £300,000 within Social Work.

8.0 EARMARKED RESERVES

8.1 Earmarked Reserves, relating specifically to Social Work projects, are detailed in Appendix 6. Spend to date is 22% of the projected spend for 2011/12.

9.0 VIREMENT

9.1 There are no virement requests as at 30 June 2011.

10.0 EQUALITIES

10.1 There are no equality issues within this report.

11.0 OTHER ISSUES

11.1 There is an ongoing review of further budget savings within the Health Board. The outcome and subsequent financial impacts will be reported to future Sub Committees.

11.2 Social Work Direct Payments – an exercise is ongoing to align the costs of packages and related resources to care groups for 2011/12 reporting.

11.3 Social Work Employee cost budgets have been re-aligned to better reflect the current costs of the Service. Employee costs will now be reported within each Service area and not within Support and Management as was the historic convention. In addition, given the projected employee overspend within Social Work a detailed review of costs in order to identify potential savings is being carried out. Savings will be reported as they are identified.

11.4 There are no financial projections included in the report in relation to the situation with Southern Cross. The Corporate Director continues to closely monitor the situation at a local and national level. The Sub-Committee will advise of any financial implications when they become clearer.

11.5 Inverclyde's Change Plan Allocation for 2011/12 is £1.228 million, with the majority of the spending profile in the latter half of this financial year. Progress will be reported to future Sub Committees and the Financial Report will include updates on spend.

12.0 CONSULTATION

12.1 This report has been prepared by the Corporate Director, Inverclyde Community Health & Care Partnership and relevant officers within Partnership Finance have been consulted.

INVERCLYDE CHCP**REVENUE BUDGET PROJECTED POSITION****PERIOD 3: 1 April 2011 - 30 June 2011**

SUBJECTIVE ANALYSIS	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over/(Under) Spend £000	Percentage Variance
Employee Costs	47,121	47,449	47,909	460	0.97%
Clinical Supplies	35,824	36,126	36,152	26	0.07%
Non Clinical Supplies	26,477	26,477	26,477	0	0.00%
Prescribing	17,161	17,161	17,161	0	0.00%
Resource Transfer (Health)	8,646	8,646	8,646	0	0.00%
Income	(14,479)	(15,164)	(15,164)	0	0.00%
	120,750	120,695	121,181	486	0.40%

OBJECTIVE ANALYSIS	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over/(Under) Spend £000	Percentage Variance
Strategy / Executive / Planning & Health Improvement	2,578	2,679	2,673	(6)	(0.22%)
Older Persons	21,045	21,379	21,298	(81)	(0.38%)
Learning Disabilities	4,404	4,613	4,728	115	2.49%
Mental Health - Communities	4,423	4,230	4,222	(8)	(0.19%)
Mental Health - Inpatient Services	8,246	8,246	8,406	160	1.94%
Children & Families	14,086	13,791	13,963	172	1.25%
Physical & Sensory	2,371	2,360	2,417	57	2.42%
Addiction / Substance Misuse	516	451	443	(8)	(1.77%)
Assessment & Care Management / Health & Community Care	5,907	5,774	5,927	153	2.65%
Support / Management / Admin	4,136	4,166	4,160	(6)	(0.14%)
Mainstream Delayed Discharge	626	570	516	(54)	(9.47%)
Criminal Justice **	0	0	0	0	0.00%
Housing Support	3,787	3,877	3,877	0	0.00%
Homelessness	360	294	286	(8)	(2.72%)
Family Health Services	22,458	22,458	22,458	0	0.00%
Prescribing	17,161	17,161	17,161	0	0.00%
Resource Transfer	8,646	8,646	8,646	0	0.00%
CHCP NET EXPENDITURE	120,750	120,695	121,181	486	0.40%

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

() denotes an underspend per Council reporting conventions

SOCIAL WORK**REVENUE BUDGET PROJECTED POSITION****PERIOD 3: 1 April 2011 - 30 June 2011**

2010/11 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over/(Under) Spend £000	Percentage Variance
	SOCIAL WORK					
27,457	Employee Costs	26,003	26,331	26,631	300	1.14%
1,521	Property costs	1,660	1,646	1,646	0	0.00%
1,254	Supplies and Services	880	875	875	0	0.00%
444	Transport and Plant	351	365	365	0	0.00%
890	Administration Costs	805	792	792	0	0.00%
33,544	Payments to Other Bodies	32,128	32,448	32,474	26	0.08%
(15,043)	Income	(13,306)	(13,991)	(13,991)	0	0.00%
50,067	SOCIAL WORK NET EXPENDITURE	48,521	48,466	48,792	326	0.67%

2010/11 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over / (Under) Spend £000	Percentage Variance
	SOCIAL WORK					
1,008	Strategy	1,570	1,671	1,665	(6)	(0.36%)
19,595	Older Persons	20,138	20,472	20,391	(81)	(0.40%)
3,750	Learning Disabilities	3,835	4,044	4,159	115	2.84%
1,083	Mental Health	770	577	569	(8)	(1.39%)
10,988	Children & Families	10,582	10,287	10,459	172	1.67%
2,346	Physical & Sensory	2,371	2,360	2,417	57	2.42%
597	Addiction / Substance Misuse	516	451	443	(8)	(1.77%)
3,220	Support / Management	2,503	2,533	2,527	(6)	(0.24%)
1,471	Assessment & Care Management	1,463	1,330	1,483	153	11.50%
642	Mainstream Delayed Discharge	626	570	516	(54)	(9.47%)
1	4 Criminal Justice	0	0	0	0	0.00%
4,872	Housing Support	3,787	3,877	3,877	0	0.00%
2	491 Homelessness	360	294	286	(8)	(2.72%)
50,067	SOCIAL WORK NET EXPENDITURE	48,521	48,466	48,792	326	0.67%

() denotes an underspend per Council reporting conventions

- 1 Fully funded from external income hence nil bottom line position.
- 2 Prior year spend included £300k Hostels Grant accrual adjustment
- 3 Revised budget includes current year top slice efficiency savings of £55k

HEALTH**REVENUE BUDGET PROJECTED POSITION****PERIOD 3: 1 April 2011 - 30 June 2011**

2010/11 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over/(Under) Spend £000	Percentage Variance
	HEALTH					
9,152	Clinical Salaries	15,534	15,534	15,694	160	1.03%
2,618	Non Clinical Salaries	5,584	5,584	5,584	0	0.00%
617	Clinical Supplies	912	912	912	0	0.00%
2,969	Non Clinical Supplies	3,107	3,107	3,107	0	0.00%
22,445	Family Health Services	22,458	22,458	22,458	0	0.00%
17,619	Prescribing	17,161	17,161	17,161	0	0.00%
8,603	Resource Transfer	8,646	8,646	8,646	0	0.00%
(954)	Income	(1,173)	(1,173)	(1,173)	0	0.00%
63,069	HEALTH NET EXPENDITURE	72,229	72,229	72,389	160	0.22%

2010/11 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over/(Under) Spend £000	Percentage Variance
	HEALTH					
3,488	Children & Families	3,504	3,504	3,504	0	0.00%
626	Elderly MI	907	907	907	0	0.00%
248	Executive	40	40	40	0	0.00%
22,445	Family Health Services	22,458	22,458	22,458	0	0.00%
4,917	Health & Community Care	4,444	4,444	4,444	0	0.00%
1,622	Management & Admin	1,633	1,633	1,633	0	0.00%
538	Learning Disabilities	569	569	569	0	0.00%
1,905	Mental Health - Communities	3,653	3,653	3,653	0	0.00%
1	** Mental Health - Inpatient Services	8,246	8,246	8,406	160	1.94%
1,058	Planning & Health Improvement	968	968	968	0	0.00%
17,619	Prescribing	17,161	17,161	17,161	0	0.00%
8,603	Resource Transfer	8,646	8,646	8,646	0	0.00%
63,069	HEALTH NET EXPENDITURE	72,229	72,229	72,389	160	0.22%

() denotes an underspend per Council reporting conventions

1 Developed to CHCP May 2011.

REVENUE BUDGET YEAR TO DATE**PERIOD 3: 1 April 2011 - 30 June 2011**

SOCIAL WORK SUBJECTIVE ANALYSIS	Budget to Date as at Period 3 £000	Actual to Date as at Period 3 £000	Variance to Date as at Period 3 £000	Percentage Variance
SOCIAL WORK				
Employee Costs	6,549	6,615	66	1.01%
Property costs	494	508	14	2.83%
Supplies and Services	286	288	2	0.70%
Transport and Plant	117	40	(77)	(65.81%)
1 Administration Costs	214	85	(129)	(60.28%)
1 Payments to Other Bodies	10,735	6,398	(4,337)	(40.40%)
1 Income	(3,844)	(2,022)	1,822	(47.40%)
SOCIAL WORK NET EXPENDITURE	14,551	11,912	(2,639)	(18.14%)

0

HEALTH SUBJECTIVE ANALYSIS	Budget to Date as at Period 3 £000	Actual to Date as at Period 3 £000	Variance to Date as at Period 3 £000	Percentage Variance
HEALTH				
Clinical Salaries	4,561	4,702	141	3.09%
Non Clinical Salaries	607	617	10	1.65%
Clinical Supplies	215	207	(8)	(3.72%)
Non Clinical Supplies	434	480	46	10.60%
2 Family Health Services	5,615	5,628	13	0.23%
Prescribing	4,393	4,393	0	0.00%
Resource Transfer	2,161	2,161	0	0.00%
Income	(434)	(434)	0	0.00%
HEALTH NET EXPENDITURE	17,552	17,754	202	1.15%

() denotes an underspend per Council reporting conventions

Notes

- 1 The variances to date are due to timing differences between profiled budget and actual payment terms with care suppliers etc.
- 2 This relates to Family Health Services (GPs).

INVERCLYDE CHCP - CAPITAL BUDGET 2011/12

Period 3: 1 April 2011 to 30 June 2011

Project Name	Est Total Cost £000	Actual to 31/3/11 £000	Approved Budget 2011/12 £000	Revised Est 2011/12 £000	Actual to 30/06/11 £000	Est 2012/13 £000	Est 2013/14 £000	Future Years £000	Future Years	Start Date	Original Completion Date	Current Completion Date	Status
SOCIAL WORK													
Prudential Borrowing													
Redholm Childrens Home	1,400	80	1,250	950	0	370				01/09/11			2 month delay in project due to tendering exercise.
Weilpark Centre	2,426	2,281	145	145	0					22/06/09	23/07/10	24/05/10	Building complete handed over 24 May 2010.
Social Work Total	3,826	2,361	1,395	1,095	0	370	0	0	0				
HEALTH													
Mental Health Inpatients - SSPU Rebuild	5,407	0	5,407	5,407	0					Ongoing	by 31/03/11	31/03/11	Programme of works to be drawn up based on this allocation along with a further £48k revenue funding.
CHCP Formula Allocation	83	0	83	83	0					Aug-11	by 31/03/11	31/03/11	
Health Total	5,490	0	5,490	5,490	0	0	0	0	0				
Grand Total CHCP	9,316	2,361	6,885	6,585	0	370	0	0	0				

EARMARKED RESERVES POSITION STATEMENT

Appendix 6

CHCP SUB COMMITTEE

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2010/11</u>	<u>New Funding 2011/12</u>	<u>Total Funding 2011/12</u>	<u>Projected Spend 2011/12</u>	<u>Amount to be Earmarked for 2012/13 & Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Telecare Grant	Gillian McCready	133	0	133	133	0	No new funding and full spend expected in 2011/12.
Financial Inclusion - Scottish Government	Helen Watson	42	0	42	42	0	Carry forward earmarked for the rent of the Grand Central Savings Bank for 2011/12, at £23k per annum. The Landlord is currently reviewing the rent for this property.
Homecare Training	Brian Moore	50	0	50	50	0	Carry forward of reserve to fund implementation of homecare review.
Growth Fund - Loan Default Write Off	Helen Watson	34	0	34	5	29	DWP funding to assist with any defaults on loans paid out by ScotWest Credit Union.
Shifting the Balance of Care	Gillian McCready	25	0	25	25	0	This will fund a contribution towards 2 McMillan posts.
Healthier Wealthier Children	Andrina Hunter	14	0	14	14	0	Full spend expected in 2011/12.
Total		298	0	298	269	29	