

Report To: Community Health & Care
Partnership Sub-Committee

Date: 20 October 2011

Report By: Robert Murphy
Corporate Director
Inverclyde Community Health &
Care Partnership

Report No: CHCP/48/2011/LB

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Subject: Community Health & Care Partnership – Financial Report
2011/12 as at Period 5 to 31 August 2011.

1.0 PURPOSE

1.1 The purpose of this report is to advise the Inverclyde CHCP Sub-Committee of the 2011/12 Revenue and Capital Budget current year position as at Period 5 to 31 August 2011.

2.0 SUMMARY

REVENUE 2011/12

2.1 The total Health and Community Care Partnership revenue revised budget for 2011/12 is £121,371,000 with a further £298,000 brought forward as Earmarked Reserves within Social Work. The current projection is an overspend of £284,000 being 0.2% of the revised budget.

2.2 The Social Work revised budget is £48,465,000 with a projected underspend of £160,000 (0.3%) after containing budgeted savings of £1,645,000. A detailed review of employee cost projections/budgets and saving opportunities remains ongoing and the results of this exercise will continue to be reported throughout the year.

This is a reduction in projected costs of £486,000 since period 3, due to the following;

- £270,000 Alcohol & Drugs Partnership income, now allocated to appropriate expenditure budgets.
- £225,000 Reduction in Residential Childcare based on current placements.

2.3 The Health revised budget is £72,906,000 and is currently projected to overspend by £444,000 (0.6%) after containing annual savings of £493,000. This is an increase in projected costs of £284,000 since period 3, mainly due to the projected increase in prescribing costs of £364,000.

It should be noted that this savings target has increased by £85,000 since period 3 due to a Tranche II exercise by the Board. This increase has been funded centrally on a non recurring basis for this financial year; work is ongoing to identify savings on a recurring basis for 2012/13. The Tranche I savings of £408,000 have been achieved.

3.0 RECOMMENDATIONS

- 3.1 The Sub-Committee note the current projected revenue budget overspend of £284,000 for 2011/12 as at 31 August 2011.
- 3.3 The Sub-Committee note the current projected Social Work capital slippage of £300,000 as at 31 August 2011.
- 3.4 The Sub-Committee approve the Social Work budget virements detailed on Appendix 7.

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Inverclyde Community Health & Care
Partnership

4.0 BACKGROUND

- 4.1 The purpose of the report is to advise the Sub-Committee of the current position of the 2011/12 CHCP revenue and capital budget and to highlight the main issues contributing to the £284,000 projected revenue overspend and the current capital programme position.
- 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

2011/12 CURRENT REVENUE POSITION; OVERSPEND £284,000

- 5.1 The Social Work revised budget is £48,465,000 with a projected underspend of £160,000 after containing budgeted savings of £1,645,000.

This is a reduction in projected costs of £486,000 since period 3, due to the following:

- £270,000 Alcohol & Drugs Partnership income, now allocated to appropriate expenditure budgets.
 - £225,000 Reduction in Residential Childcare based on current placements.
- a) Employee Costs: The previously projected overspend of £300,000 has reduced to £131,000 as a result of the ongoing application of income and actions implemented to reduce this cost, although there remains a shortfall against the Turnover Savings Target of £416,000. The individual movements in Employee costs are reported within each Service area below.
- b) Strategy: The projected overspend of £36,000 is an increase in costs of £42,000 since last reported, due to software costs for SWIFT of £23,000 and an income shortfall of £12,000.
- c) Older Persons: The projected underspend of £233,000 relates to:
- An employee cost underspend of £57,000.
 - Residential and Nursing Care is projecting an underspend of £186,000 per the current client profile.

This is a reduction in projected costs of £152,000 since last reported based on the current client placements.

Implications from the implementation of the Homecare Review will be included in future reports to the Sub Committee as they crystallise.

- d) Learning Disabilities: The projected overspend of £129,000 represents a small increase of £14,000 since last reported and is due to employee and client placement costs.
- e) Mental Health: The projected overspend of £129,000 represents an increase in costs of £137,000 since period 3, due to:
- £99,000 employee costs overspend.
 - £30,000 Housing Support projected overspend based on current client commitments.
- f) Children & Families: The projected underspend of £53,000 relates to:
- An overspend of £91,000 on employee costs, a reduction of £102,000 since last reported.

- Adoption / Fostering and Kinship overspend of £301,000, which is an increase of £55,000 since period 3 due to increased placements.
- A projected underspend in Residential Childcare of £449,000, a cost reduction of £182,000 since last reported due to 3 children moving out of purchased residential care. The projected underspend 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.

An update report on the Looked After Strategy will be presented to a future sub-committee.

- g) Physical & Sensory: The projected underspend is £15,000. This is a reduction in costs of £72,000 since last reported reflecting revisions to staffing and client costs and the application of income.
- h) Addictions / Substance Misuse: The projected underspend of £256,000 reflects the application of the Alcohol & Drugs Partnership funding to the costs (predominantly employee) incurred by the Service. This is a non recurring underspend in the current financial year as the Service redesign to meet savings proposals will eliminate this in 2012/13.
- i) Support / Management: The projected overspend of £58,000 related to employee costs and is an increase in costs of £64,000 since last reported, resulting from the review of employee costs and budgets.
- j) Assessment & Care Management: The projected overspend of £63,000 relates to employee costs and represent a reduction of £90,000 since period 3 reflecting results of employee cost analysis and 2 posts funded from Delayed Discharge.
- k) Mainstream Delayed Discharge: Nil variance against the previously projected underspend of £54,000 for employee costs due to the need to fund 2 Assessment & Care Management posts from this budget.
- l) Homelessness: The projected underspend of £18,000 reflects the decreased use of Bed & Breakfast facilities and is a cost reduction of £10,000 from that previously reported.

5.2 The Health budget is £72,906,000 and is currently projected to overspend by £444,000 after containing a revised annual savings target of £493,000.

This is an increase in projected costs of £284,000 since period 3, mainly due to the projected increase in prescribing costs of £364,000.

5.3 At the last sub-committee all budgets were reported as on target, with the exception of redeployment costs for Mental Health Inpatient Services, this cost will be funded centrally by the Board for this financial year and the Service redesign work remains ongoing to mitigate this pressure in 2012/13. Projections for all budget areas are detailed below.

- a) Children & Families: A projected overspend of £68,000 due to staff regrading and cost of supplies.
- b) Family Health Services: Projected at £60,000 overspend in line with prior year. There remain ongoing discussions with GP Practices to contain this cost, however with pressures elsewhere in the Health budget it is prudent to project this overspend, hence the movement from period 3.
- c) Health & Community Care: A projected overspend of £58,000 reflecting ongoing cost and volume pressures for continence products.

- d) Management & Administration: A projected overspend of £55,000 based on current staffing costs.
- e) Learning Disabilities: The projected underspend of £17,000 based on current activity.
- f) Addictions: The projected underspend of £68,000 reflects employee cost slippage within specific Alcohol funding.
- g) Mental Health Communities: The projected overspend of £75,000 results from pharmacy supplies and Psychology employee costs – however it should be noted that there is a corresponding underspend within Mental Health Inpatients within these areas.
- h) Mental Health Inpatient Services: The projected underspend of £127,000 includes pharmacy and employee costs, per (g) above along with a forecast underspend on the Key Enterprise contract.
- i) Planning & Health Improvement: A projected underspend of £24,000 based on current activity.
- k) Prescribing: The projected overspend of £364,000 excludes the cost pressure relating to short supplies as this will be covered centrally. It is expected that the CHP/CHCP Prescribing Advisors will make inroads into the remaining pressures over the course of the year, however at this point it is prudent to show the possible overspend.

Whilst prescribing costs were equalised across the Board in 2010/11 it is not assumed that this will be the case for the current financial year.

- l) Change Fund: This is currently projected to be spent in full in the current financial year. Progress is reviewed on a regular basis.

6.0 2011/12 CURRENT CAPITAL POSITION – NIL PROJECTED VARIANCE

- 6.1 The Social Work capital budget is £1,395,000. As previously reported 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. The contract has been awarded and work is due to commence October 2011.
- 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 £284,000 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 51% of the projected spend for 2011/12.

9.0 VIREMENT

9.1 The virement requests are detailed in Appendix 7 and are reflected within this report.

10.0 EQUALITIES

10.1 There are no equality issues within this report.

11.0 OTHER ISSUES

11.1 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.

11.2 The Government's spending review indicates that the Change Plan will be funded in 2012/13 and will require specific Council contributions in addition to existing Health resources. 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 5: 1 April 2011 - 31 August 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	47,819	47,827	8	0.02%
Clinical Supplies	35,824	36,162	36,129	(33)	-0.09%
Non Clinical Supplies	26,477	24,898	25,101	203	0.82%
Prescribing	17,161	17,858	18,222	364	2.04%
Resource Transfer (Health)	8,646	8,646	8,646	0	0.00%
Change Fund	0	1,147	1,147	0	0.00%
Income	(14,479)	(15,159)	(15,417)	(258)	1.70%
	120,750	121,371	121,655	284	0.23%

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 / Planning & Health Improvement	2,538	2,711	2,723	12	0.44%
Older Persons	20,138	20,837	20,604	(233)	(1.12%)
Learning Disabilities	4,404	6,431	6,543	112	1.74%
Mental Health - Communities	2,682	3,157	3,361	204	6.46%
Mental Health - Inpatient Services	9,153	9,393	9,266	(127)	(1.35%)
Children & Families	14,086	13,566	13,581	15	0.11%
Physical & Sensory	2,371	2,424	2,409	(15)	(0.62%)
Addiction / Substance Misuse	2,257	2,811	2,487	(324)	(11.53%)
Assessment & Care Management / Health & Community Care	5,907	5,629	5,750	121	2.15%
Support / Management / Admin	4,176	3,908	4,021	113	2.89%
Mainstream Delayed Discharge	626	574	574	0	0.00%
Criminal Justice **	0	0	0	0	0.00%
Housing Support	3,787	0	0	0	#DIV/0!
Homelessness	360	512	494	(18)	(3.52%)
Family Health Services	22,458	21,767	21,827	60	0.28%
Prescribing	17,161	17,858	18,222	364	2.04%
Resource Transfer	8,646	8,646	8,646	0	0.00%
Change Fund	0	1,147	1,147	0	0.00%
CHCP NET EXPENDITURE	120,750	121,371	121,655	284	0.23%

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

PARTNERSHIP ANALYSIS	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over/(Under) Spend £000	Percentage Variance
NHS	72,229	72,906	73,350	444	0.61%
Council	48,521	48,465	48,305	(160)	(0.33%)
CHCP NET EXPENDITURE	120,750	121,371	121,655	284	0.23%

() denotes an underspend per Council reporting conventions

SOCIAL WORK**REVENUE BUDGET PROJECTED POSITION****PERIOD 5: 1 April 2011 - 31 August 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	26,288	26,419	131	0.50%
1,521	Property costs	1,660	1,644	1,609	(35)	(2.13%)
1,254	Supplies and Services	880	876	916	40	4.57%
444	Transport and Plant	351	366	444	78	21.31%
890	Administration Costs	805	868	994	126	14.52%
33,544	Payments to Other Bodies	32,128	32,408	32,166	(242)	(0.75%)
(15,043)	Income	(13,306)	(13,985)	(14,243)	(258)	1.84%
50,067	SOCIAL WORK NET EXPENDITURE	48,521	48,465	48,305	(160)	(0.33%)

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	1,654	1,690	36	2.18%
19,595	Older Persons	20,138	20,837	20,604	(233)	(1.12%)
3,750	Learning Disabilities	3,835	5,862	5,991	129	2.20%
1,083	Mental Health	770	1,245	1,374	129	10.36%
10,988	Children & Families	10,582	10,502	10,449	(53)	(0.50%)
2,346	Physical & Sensory	2,371	2,424	2,409	(15)	(0.62%)
597	Addiction / Substance Misuse	516	995	739	(256)	(25.73%)
3,220	Support / Management	2,503	2,441	2,499	58	2.38%
1,471	Assessment & Care Management	1,463	1,419	1,482	63	4.44%
642	Mainstream Delayed Discharge	626	574	574	0	0.00%
1	4 Criminal Justice	0	0	0	0	0.00%
4	4,872 Housing Support	3,787	0	0	0	
2	491 Homelessness	360	512	494	(18)	(3.52%)
50,067	SOCIAL WORK NET EXPENDITURE	48,521	48,465	48,305	(160)	(0.33%)

() 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 5: 1 April 2011 - 31 August 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					
9,912	Clinical Salaries	15,534	18,169	18,099	(70)	(0.39%)
1,749	Non Clinical Salaries	5,584	3,362	3,309	(53)	(1.58%)
611	Clinical Supplies	912	851	916	65	7.64%
2,129	Non Clinical Supplies	3,107	2,280	2,418	138	6.05%
21,637	Family Health Services (net)	22,458	21,767	21,767	0	0.00%
17,619	Prescribing (net)	17,161	17,858	18,222	364	2.04%
8,603	Resource Transfer	8,646	8,646	8,646	0	0.00%
	Change Fund	0	1,147	1,147	0	0.00%
(955)	Income	(1,173)	(1,174)	(1,174)	0	0.00%
61,305	HEALTH NET EXPENDITURE	72,229	72,906	73,350	444	0.61%

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					
3,080	Children & Families	3,504	3,064	3,132	68	2.22%
21,637	Family Health Services	22,458	21,767	21,827	60	0.28%
3,965	Health & Community Care	4,444	4,210	4,268	58	1.38%
1,674	Management & Admin	1,673	1,467	1,522	55	3.75%
538	Learning Disabilities	569	569	552	(17)	(2.99%)
375	Addictions	1,741	1,816	1,748	(68)	(3.74%)
2,887	Mental Health - Communities	1,912	1,912	1,987	75	3.92%
1	** Mental Health - Inpatient Services	9,153	9,393	9,266	(127)	(1.35%)
927	Planning & Health Improvement	968	1,057	1,033	(24)	(2.27%)
17,619	Prescribing	17,161	17,858	18,222	364	2.04%
8,603	Resource Transfer	8,646	8,646	8,646	0	0.00%
	Change Fund	0	1,147	1,147	0	0.00%
61,305	HEALTH NET EXPENDITURE	72,229	72,906	73,350	444	0.61%

() denotes an underspend per Council reporting conventions

1 Developed to CHCP May 2011.

REVENUE BUDGET YEAR TO DATE**PERIOD 5: 1 April 2011 - 31 August 2011**

SOCIAL WORK SUBJECTIVE ANALYSIS	Budget to Date as at Period 5 £000	Actual to Date as at Period 5 £000	Variance to Date as at Period 5 £000	Percentage Variance
SOCIAL WORK				
Employee Costs	9,912	8,590	(1,322)	(13.34%)
Property costs	626	594	(32)	(5.11%)
Supplies and Services	365	554	189	51.78%
Transport and Plant	151	160	9	5.96%
1 Administration Costs	338	159	(179)	(52.96%)
1 Payments to Other Bodies	13,461	11,551	(1,910)	(14.19%)
1 Income	(6,363)	(5,616)	747	(11.74%)
SOCIAL WORK NET EXPENDITURE	18,490	15,992	(2,498)	(13.51%)

HEALTH SUBJECTIVE ANALYSIS	Budget to Date as at Period 5 £000	Actual to Date as at Period 5 £000	Variance to Date as at Period 5 £000	Percentage Variance
HEALTH				
Clinical Salaries	7,826	7,748	(78)	(1.00%)
Non Clinical Salaries	1,066	1,057	(9)	(0.84%)
Clinical Supplies	354	341	(13)	(3.67%)
Non Clinical Supplies	781	882	101	12.93%
2 Family Health Services (net)	9,118	9,142	24	0.26%
Prescribing (net)	7,482	7,701	219	2.93%
Resource Transfer	3,603	3,603	0	0.00%
Income	(611)	(611)	0	0.00%
HEALTH NET EXPENDITURE	29,619	29,863	244	0.82%

() 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 5: 1 April 2011 to 31 August 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 31/08/11 £000	Est. 2012/13 £000	Est. 2013/14 £000	Future Years £000	Future Years £000	Start Date	Original Completion Date	Current Completion Date	Status
SOCIAL WORK													
Prudential Borrowing													
Redholm Childrens Home	1,400	80	1,250	950	0	370				01/10/11			Contract awarded - there remains a 2 month delay in project due to tendering exercise.
Wellpark 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	Work progressing and to be contained within budget.
CHCP Formula Allocation	83	0	83	83	0					Sep-11	by 31/03/11	31/03/11	Programme of works agreed for his allocation along with a further £48k revenue funding.
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

Project	Lead Officer/ Responsible Manager	C/f Funding 2010/11 £,000	New Funding 2011/12 £,000	Total Funding 2011/12 £,000	Actual To Period 5 2011/12 £,000	Projected Spend 2011/12 £,000	Amount to be Earmarked for 2012/13 & Beyond £,000	Lead Officer Update
Telecare Grant	Gillian McCreedy	133	0	133	65	133	0	No new funding and full spend expected in 2011/12.
Financial Inclusion - Scottish Government	Helen Watson	42	0	42	11	23	19	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	0	0	50	Carry forward of reserve to fund implementation of homecare review. Expenditure for this current financial year expect to be funded by Change Fund.
Growth Fund - Loan Default Write Off	Helen Watson	34	0	34	2	5	29	DWP funding to assist with any defaults on loans paid out by ScotWest Credit Union.
Shifting the Balance of Care	Gillian McCreedy	25	0	25	0	0	25	This will fund a contribution towards 2 Macmillan posts. Expenditure for this current financial year expect to be funded by Change Fund.
Healthier Wealthier Children	Andrina Hunter	14	0	14	11	14	0	Full spend expected in 2011/12.
Total		298	0	298	89	175	123	

CHCP - HEALTH & SOCIAL CARE**VIREMENT REQUESTS**

Budget Heading	Increase Budget £	(Decrease) Budget £
1. Water Charges Business Stream Savings	810	
1. Water Charges Business Stream Savings		(810)
2. Service Strategy - SWIFT		(7,290)
2. ICT Employee Costs	7,290	
	8,100	(8,100)

Note

1. Allocation of Corporate Procurement Workstream savings to specific service areas.
2. Transfer of 25% contribution to ICT for Systems Post.