



MONITORING OF THE SHADOW INTEGRATED BUDGET 2014/15

Aim

1.1 To provide the Shadow Board with:

- Periodic budget monitoring statements for the Partnership's Integrated Budget based on actual expenditure and income to 30 September 2014.
- Explanations of the major variances between projected outturn expenditure/income and the current approved budget.

Projected Outturn

2.1 At 30th September 2014, pressures of £0.4m are evident and managers continue to work on action to manage this situation.

2.2 A key underlying factor in the ability to report this position is due to the considerable investment made in the revenue budgets supporting the delivery of services in year and during the 2014/15 financial planning process. Recurrent annual additional budgetary provision was made in 2014/15 complementing the additional provision made in 13/14 to meet the pressures arising as a result of increasing number of older people requiring social care services, and the increasing numbers of clients with learning and physical disabilities and the complexity of their needs. Nonetheless, all services remain under pressure which management teams are addressing through the identification and implementation of a range of remedial actions.

2.3 Joint Learning Disability Service

The Joint Learning Disability Service while still experiencing pressure due to increased number of packages has reduced the project outturn from £0.455m at the end of June to £0.107m at the end of September against the shadow integrated budget of £17.473m. The pressures in this area mainly relate young adults with complex needs coming into the service and requiring increasingly costly packages. While investment was made in this service in 2014/15 demand has outstripped funding.

2.4 Joint Mental Health Service

At September the Mental Health Service is currently reporting an overspend on the in year position due to increased patient dependency in the older adults service but is projecting a small underspend on the outturn position. Work within the service will continue to ensure that this position, however challenging, is achieved at the year end.

2.5 Older People Service

Adult services have seen an increase in demand during the six months to September 2014 which has resulted in a projected overspend of £0.176m. Although additional investment has been made in the older peoples service across areas such as homecare and residential care, this service continues to be under pressure due to increased demand above the level budgeted.

2.6 Physical Disability Service

Increasing client numbers and the complexity of need as well as market rates for homecare continues to cause financial pressures in the physical disability service resulting in an overspend of £0.178m at the end of September.

2.7 Generic Services

Generic Service are currently projecting an almost break even position overall however there are individual areas of concern.

2.8 Community Nursing and Community Hospitals are predicting a break even out turn although they are experiencing financial pressures due to a variety of reasons including the impact of service redesign, maternity leave and sickness absence. These issues are being addressed by management to ensure that budget variances are minimised and that the appropriate policies such as sickness absence are being actively adhered to.

2.9 The GP prescribing budget is reporting a year end overspend of £0.4m. This projection should be treated with a degree of caution due to the ever changing position on drug pricing. Shortages in supply of certain drugs is causing volatility in the price, leading to difficulty in accurately projecting the out turn position.

2.10 Considerable savings are being projected within Generic Services. This is a managed position in order to enable a balanced projected outturn overall for those local authority budgets which form part of the integrated service. These savings are attributable to a range of measures including strict vacancy management, particularly in localities, a review of all discretionary spend and a reduction in specific areas of committed expenditure within Health Improvement and at Station Court, in particular.

Implications

3.1 Financial Recommendations

There are no costs attached to any of the recommendations contained in this report its content being specifically related to the monitoring of the shadow integrated revenue budget for 2014/15.

3.2 Risk and Mitigations

There is a risk that further cost pressures may emerge before the year-end which may impact on the projected outturn for the year. In addition barriers may emerge to the delivery of planned efficiency and savings plans within partner organisations.

3.3 The potential for projected adverse variances against service budgets is highlighted within the Partner Board Risk Register.

3.4 The risks identified above are being managed and mitigated through:-

- Monthly reports of actual expenditure and income against approved budgets being made available to budget managers in both partner organisations.
- Review of budget variances and monitoring of management actions to control expenditure by Finance, Service staff and Directors within both organisations.
- Engagement with service managers and review of monthly management accounts by senior management in both organisations.
- Other specific processes of accountability such as departmental business transformation boards, efficiency panels, etc to ensure the monitoring and delivery of financial planning savings targets.

3.5 *Equalities*

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

3.6 *Acting Sustainably*

There are no significant effects on the economy, community or environment.

3.7 *Carbon Management*

No effect on carbon emissions are anticipated from the recommendation of this report.

3.8 *Rural Proofing*

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

3.9 *Changes to Scheme of Administration or Scheme of Delegation*

No changes to either organisation's Scheme of Administration or the Scheme of Delegation is required as a result of this report.

Summary

- 4.1 The revenue monitoring position set out in this report is based on the actual income and expenditure to the 30 September 2014. At this point the Partnership is experiencing a projected pressure for 2014/15 of £0.4m. Management teams are working with finance to identify and implement a range of remedial actions to reduce this position in addition to delivering the range of management actions to address the underlying pressures identified on which the projected outturn position is predicated.

Recommendation

It is recommended that the Integration Shadow Board:

Approves the budget monitoring reports at Appendix 1 and notes the projected outturn position to 31 March 2015 reported at this time.

Notes that Budget Holders/Managers must continue to work to deliver planned savings measures and bring forward actions to meet both underlying pressures and those currently projected in the current forecast year end position of £0.4m.

Policy/Strategy Implications	In compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and any consequential Regulations, Orders, Directions and Guidance.
Consultation	Members of the Integration Programme Board have been consulted on the report and the position reported to the Shadow Board. The report has also been reviewed by and approved by relevant Management Teams within both partner organisations.
Risk Assessment	A full risk assessment and risk monitoring process for the Integration Programme is being developed as part of the Integration Programme arrangements.
Compliance with requirements on Equality and Diversity	An equality impact assessment will be undertaken on the arrangements for Joint Integration when agreed.
Resource/Staffing Implications	It is anticipated that the Integration Shadow Board will oversee services which have a budget of over £130m, within the existing scope. The budget will change as other functions are brought within the scope of the Integration Shadow Board.

Approved by

Name	Designation	Name	Designation
David Robertson	Chief Financial Officer	Carol Gillie	Director of Finance

Author(s)

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