



# Item No: 6

Meeting Date: Wednesday 21<sup>st</sup> June 2017

## Glasgow City Integration Joint Board

Report By: Sharon Wearing, Chief Officer, Finance and Resources

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### OUTTURN REPORT 2016/17

<b>Purpose of Report:</b>	To provide a high level overview of the Integration Joint Board's draft outturn position for 2016/17, and to seek approval for the transfer of funds to reserves to allow completion of the Integration Joint Board's accounts by the statutory deadline of 30 September 2017.
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<b>Recommendations:</b>	The Integration Joint Board is asked to: <ul style="list-style-type: none"><li>a) agree the set-aside budget of £120.8m which has been notified by Health for 2016/17;</li><li>b) approve the transfer to Earmarked Reserves of £11.880m as outlined in paragraph 3.3;</li><li>c) approve the transfer to general reserves of £7.429m as outlined in paragraph 4; and</li><li>d) note the contents of this report.</li></ul>
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#### Relevance to Integration Joint Board Strategic Plan:

It is important for the long term financial stability of both the Integration Joint Board and of the parent bodies that sufficient usable funds are held in reserve to manage unanticipated pressures from year to year.

#### Implications for Health and Social Care Partnership:

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	None
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<b>Personnel:</b>	None
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<b>Carers:</b>	None	
<b>Provider Organisations:</b>	None	
<b>Equalities:</b>	None	
<b>Financial:</b>	In accordance with the Integration Joint Board's Reserves Policy, approved in December 2016, total reserves of £19.309m will be established in 2016/17.	
<b>Legal:</b>	None	
<b>Economic Impact:</b>	None	
<b>Sustainability:</b>	None	
<b>Sustainable Procurement and Article 19:</b>	None	
<b>Risk Implications:</b>	It is important that sufficient usable funds are held in reserve to manage unanticipated pressures from year to year.	
<b>Implications for Glasgow City Council:</b>	None	
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	None	
<b>Direction Required to Council, Health Board or Both</b>	Direction to:	
	1. No Direction Required	
	2. Glasgow City Council	
	3. NHS Greater Glasgow & Clyde	
	4. Glasgow City Council and NHS Greater Glasgow & Clyde	✓

## 1. Introduction

- 1.1 To provide a high level overview of Glasgow City Integration Joint Board's (IJB) draft outturn position for 2016/17, and to seek approval for the transfer of funds to reserves to allow completion of the IJB's accounts by the statutory deadline of 30 September 2017.

## 2. Approved Budget

2.1 The 2016/17 budget was approved by the IJB on 21 September 2016. In order to monitor financial performance accurately, budgets have been updated each period to reflect new monies, operational changes and any additional approvals. There have also been adjustments to income and expenditure budgets, and budget realignments between and within care groups, to reflect service reconfigurations.

2.2 The significant budget changes since Month 11/Period 12 are as follows;

Description	Changes to Expenditure Budget	Changes to income Budget	Net Expenditure Budget Change
Homecare Redevelopment	-£1,500,000	£0	-£1,500,000
CFCR – Petershill Business Centre	-£500,000	£0	-£500,000
SALIX project – ICT shutdown	-£86,000	£0	-£86,000
Scottish Government grant redetermination (sensory impairment)	+£36,000	£0	+£36,000
Complex Care Beds – Transfer from NHSGGC	+£4,258,000	0	+£4,258,000
Prescribing	-£2,100,000	0	-£2,100,000
Psychological Therapies SG Allocation	+£486,000	0	+£486,000
Delayed Discharges	+£305,000	0	+£305,000
Urgent Care Programme	+£523,000	0	+£523,000
Family Health Services Amendments	+£2,720,000	0	+£2,720,000
NES Trainees	+£135,000	+£135,000	0
Other NHS <£100,000	+£327,000	+£192,000	+£135,000
<b>Totals</b>	<b>+£4,604,000</b>	<b>+£327,000</b>	<b>+£4,277,000</b>

2.3 In relation to the sum set aside for hospital services, the Scottish Government recognise that, in many partnership areas, arrangements under the control of Integration Authorities are not yet operating as required by the legislation and statutory guidance. The Scottish Government will shortly issue advice to Health Boards and Integration Authorities to help them establish arrangements that meet these requirements for 2017/18 and subsequent years.

2.4 In the meantime, IJBs and Health Boards are required to agree a figure for the sum set aside to be included in their respective 2016/17 annual accounts. Where the required arrangements are not yet in place, Integration Authorities should use the sum identified by the Health Board and made available to the Integration Authority when the budget was agreed for 2016/17. We recognise that this means that the sum set aside recorded in annual accounts will not reflect actual hospital use in 2016/17. This is a transitional arrangement for 2016/17 only.

2.5 As a result of the communication from the Scottish Government, the draft set-aside budget of £120.8m has been confirmed by the Health Board as the final set aside budget for 2016/17. The figure is based on the average of 2013/14 and 2014/15 activity with a 1% uplift applied to budgets.

### 3. Reserves Policy

- 3.1 At its meeting of 9 December 2016, the IJB approved the Reserves Policy, which recommended creation of reserves of up to 2% of net expenditure. Based on 2016/17 budgets, this amounts to £20.5m. This amount refers to general reserves only, and excludes any earmarked reserves which are held for specific purposes.
- 3.2 It is important for the long term financial stability of both the IJB and of the parent bodies that sufficient usable funds are held in reserve to manage unanticipated pressures from year to year. Similarly, it is also important that in-year funding available for specific projects and government priorities is able to be earmarked and carried forward into the following financial year, either in whole or in part, to allow for the spend to be committed and managed in a way that represents best value for the IJB in its achievement of the national outcomes.
- 3.3 The proposed earmarked carry forwards for 2016/17 are shown below:

<b>GCIJB Earmarked Reserves</b>	<b>£</b>
GP Recruitment & Retention NE	217,000
Carers	320,000
Parenting	35,000
Homelessness	25,000
Primary Care Mental Health Fund	777,000
Sexual Assault Referral Centre 2nd Suite	560,000
Sexual health city centre premises refurbishment costs	75,000
GP Clusters	110,350
Family Functioning Therapy	600,000
O.D. Transitional Funds	145,000
South Locality HQ	144,000
Mental Health Psychological Therapies	300,000
Health Improvement - LGBTY	50,000
British Heart Foundation - Health Improvement	554,000
Prison healthcare - Mental Health Innovations	390,000
NHS Education for Scotland Income 16/17	116,500
Transforming Out Of Hours Care	523,000
AWI/Delayed Discharge	3,000,000
Cost of additional Social Care staff (SLW)	2,390,000
Technology Enabled Care fund	400,000
Glasgow & Partners Emergency Services - contingency	200,000
Glasgow SRP Funding per Home Office	200,000
Sensory Impairment - commitments for See Hear, etc	112,200
Sheltered Housing Transitional Funding	500,000
Welfare Rights Officers	135,600
<b>Total Earmarked Reserves</b>	<b>11,879,650</b>

#### **4. Outturn Position**

- 4.1 During 2016/17, financial pressures across care groups were closely monitored and corrective actions identified to mitigate these pressures. After taking account of the transfer to earmarked reserves of £11.880m per paragraph 3.3 above, there was a net surplus of £7.429m. The main reasons for this position are noted below.
- 4.2 Within the IJB's 2016/17 funding was a budgeted contingency amount of £3.5m, which was intended to be transferred to reserves if not required during the year. There was an underspend of £3m relating to the phased introduction of additional supported living services in the second half of the financial year, which did not reach anticipated levels in 16/17.
- 4.3 It is proposed to transfer this surplus of £7.429m to general reserves in 2016/17.

#### **5. Risks and Budget Pressures**

- 5.1 As described at paragraph 3.2 above, it is important that sufficient usable funds are held in reserve to manage unanticipated pressures from year to year. Given the level of savings that have been attributable to the Integration Joint Board in 2017/18, close financial control will be required to ensure that the level of achievement of approved savings is tracked over the course of the financial year.
- 5.2 In addition, a number of ongoing budget pressures will continue into 2017/18, and the IJB will be advised of the impact of these within regular budget monitoring statements, together with proposed management actions to mitigate these budget pressures.
- 5.3 The availability of funds within a General Reserve will therefore be an essential factor in the management of the IJB's 2017/18 revenue budget.

#### **6. Recommendations**

- 6.1 The Integration Joint Board is asked to:
- a) agree the set-aside budget of £120.8m which has been notified by Health for 2016/17;
  - b) approve the transfer to Earmarked Reserves of £11.880m as outlined in paragraph 3.3;
  - c) approve the transfer to general reserves of £7.429m as outlined in paragraph 4; and
  - d) note the contents of this report.



## DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1		210617-6-a
2	Date direction issued by Integration Joint Board	21 June 2017
3	Date from which direction takes effect	21 June 2017
4	Direction to:	Glasgow City Council and NHS Greater Glasgow and Clyde jointly
5	Does this direction supersede, amend or cancel a previous direction – if yes, include the reference number(s)	No
6	Functions covered by direction	All functions delegated to the IJB from Glasgow City Council and NHS Greater Glasgow and Clyde
7	Full text of direction	<p>a) Glasgow City Council and NHS Greater Glasgow and Clyde jointly are directed to deliver services in line with the Integration Joint Board's Strategic Plan 2016-19, as advised and instructed by the Chief Officer and within the revised budget levels outlined in paragraph 2.2 of the report,</p> <p>b) NHS Greater Glasgow and Clyde is directed to set-aside the sum of £120.8m in 2016/17 for delegated services provided in large hospitals, as outlined in paragraph 2.5 of the report, and</p> <p>c) Glasgow City Council and NHS Greater Glasgow and Clyde jointly are directed to carry forward reserves totalling £19.309m on behalf of the IJB (GCC £19.295m, NHSGG&amp;C £0.014m), as outlined in paragraph 4 of the report.</p>
8	Budget allocated by Integration Joint Board to carry out direction	<p>a) As outlined in paragraph 2.2 of the report,</p> <p>b) £120.8m, and</p> <p>c) £19.309m.</p>
9	Performance monitoring arrangements	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
10	Date direction will be reviewed	June 2018