



Item No. 7

Meeting Date Wednesday 16 November 2016

Glasgow City Integration Joint Board Finance and Audit Committee

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GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING FOR MONTH 6 AND PERIOD 7 2016/17
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Purpose of Report:	This report outlines the financial position of the Glasgow City Integration Joint Board as at 30 September 2016 (Health) and 30 September 2016 (Council), and highlights any areas of budget pressure and actions to mitigate these pressures.
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Recommendations:	The Integration Joint Board Finance and Audit Committee is asked to: a) note the contents of this report,
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Implications for Integration Joint Board:

Financial:	Actions required to ensure expenditure is contained within budget.
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Personnel:	Not applicable at this time.
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Legal:	Not applicable at this time.
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Economic Impact:	Not applicable at this time.
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Sustainability:	Not applicable at this time.
Sustainable Procurement and Article 19:	Not applicable at this time.
Equalities:	Not applicable at this time.
Risk Implications:	None at this time.
Implications for Glasgow City Council:	None at this time.
Implications for NHS Greater Glasgow & Clyde:	None at this time.

1. Introduction

- 1.1 This monitoring statement provides a summary of the financial performance of the Glasgow City Integration Joint Board for the period 1 April 2016 to 30 September 2016 (Health), and to 30 September 2016 (Council).
- 1.2 It is based on information contained in the respective financial systems and includes accruals and adjustments in line with its financial policies.

2. Summary Position

- 2.1 Net expenditure is £110,000 (0.02%) less than budget to date. Gross expenditure is £142,000 (0.05%) underspent, and income is under-recovered by £32,000 (0.07%). Since the month 5/period 6 IJB budget monitoring report, plans to achieve the £4.8m additional NHS savings were approved by the IJB at its meeting on 21 September. This secured additional funding of £3.5m to cover the shortfall in savings achieved in 2016/17 and will allow the IJB to forecast a breakeven position in the current year.
- 2.2 Appendix 1 shows this budget variance by both care group and subjective analysis.

3. Budget Changes

3.1 During month 6/period 7 the net expenditure budget has increased by £7.3m. The month 6/period 7 changes to the gross income and expenditure budget are analysed in the table below.

Explanation	Changes to Expenditure Budget	Changes to income Budget	Net Expenditure Budget Change
Integrated Grant Fund Transfer – Older People Daycare	-£390,000	0	-£390,000
Homelessness Rent Income Reduction	-£1,402,000	-£1,402,000	0
Rodney Street Homelessness Hostel – Housing Benefit Subsidy	+£200,000	+£200,000	0
Homelessness - Bed & Breakfast Income Increase	+£1,299,000	+£1,299,000	0
Transfer from Homelessness to C&F Provided Residential (RALA)	+£100,000	+£100,000	0
Reduction in rent income in respect of Campus project	-£124,000	-£124,000	0
Home Office – Unaccompanied Asylum Seeking Children income	+£276,000	+£276,000	0
Home Office – Afghan income	+£200,000	+£200,000	0
Syrian VPR scheme – income	+£292,000	+£292,000	0
Crossmyloof Compensation payments monies	+£150,000	+£150,000	
Increase in Income and expenditure budgets funded from external sources	+£14,000	+£14,000	0
Transfer of Property Maintenance and PFI budgets to Facilities	-£3,752,000	0	-£3,752,000
Savings relief against additional £4.8m target	+£3,500,000	0	+£3,500,000
Re-transfer in of Mental Health ward savings in 16/17	-£100,000	0	-£100,000
Additional General Medical Services funding	+£4,673,000	0	+£4,673,000
Learning Disability Transfer	+£1,821,000	0	+£1,821,000
GP Recruitment and Retention Funding	+£400,000	0	+£400,000
Maryhill Health Centre unitary charge	+£899,000	0	+£899,000
GP clusters	+£144,000	0	+£144,000
Other NHS	+£67,000	0	+£67,000
Total Budget Changes	+£8,267,000	+£1,005,000	+£7,262,000

3.2 In addition there have been a number of budget transfers during the period to reflect service reconfigurations.

4. Reasons for Major Budget Variances

4.1 Children and Families

4.1.1 Net expenditure is overspent by £931,000.

4.1.2 Residential School placement numbers have decreased by 5 since period 6 to 95, with a decrease in full year commitment of £406,000. The overspend to date is £172,000 and includes 6 placements within secure establishments of which 1 is on remand. The full year projected overspend is £320,000.

4.1.3 Purchased placements have increased by 8 since period 6 to 415, with an increase in commitment of £483,000. The overspend to date for purchased placements is £98,000. The full year projected overspend is £181,000.

4.1.4 Further pressures include overspends in employee costs (£336,000) as a consequence of turnover being lower than that anticipated within the Transformation Programme, Cordia Transport (£364,000) mainly in respect of young people in care being taken for contact visits with family or to school, Kinship Care (£224,000), and direct assistance payments (£262,000) for care leavers to support independent living. These overspends are partially offset by underspends which include provided foster care (£359,000), adoption allowances (£184,000) and the School Nursing service (£164,000).

4.2 Older People

4.2.1 There is a net underspend of £729,000 in the provision of services to Older People.

4.2.2 There is an underspend of approximately £1.35m relating to the phased introduction of the additional supported living services, and an underspend of £350,000 in respect of employee costs. A programme of work to significantly grow the use of supported living utilising Cordia is currently being developed with a view to remedying the current underspend in the second half of the financial year.

4.2.3 The continence service (covering specialist nursing and physio staff providing advice, treatment and support, together with the supply of product) is overspent by £93,000. The overspend occurs in the supply of product.

4.2.4 The supply of community equipment to aid hospital discharge or prevent admission is overspent by £197,000. It is acknowledged that initiatives undertaken through the Change Fund and Integrated Care Fund have resulted in a higher level of spend in this area and so further funding has been allocated here from Delayed Discharge funding. There will remain a pressure which service

managers will be expected to manage. In recognition of the considerable pressure in this area, additional funding amounting to £240,000 has been added.

4.2.5 These pressures are also offset by an underspend within a number of nursing services (Out of Hours Nursing, and Other Nursing) of £147,000, as a result of staff turnover.

4.3 **Addictions**

4.3.1 Addictions are underspent by £336,000. This is largely within the Community Addiction Teams. Funding has been provided at the top of scale from the NHS Board-wide Resource Allocation Model, resulting in non-recurring savings in-year.

4.4 **Elderly Mental Health**

4.4.1 Elderly Mental Health services are overspent by £115,000. Medical locums covering maternity leave accounts for the majority of this overspend, with an underspend within other community staffing budgets offsetting on-going nursing pressures within Stobhill inpatient wards. Following the rationalisation of elderly wards from Parkhead, a more expensive shift pattern has been in operation. This is now coming to an end.

4.5 **Learning Disability**

4.5.1 Learning Disability services are underspent by £391,000. This is mainly due to an underspend on Purchased Services (£281,000) together with an increased recovery of client contributions (£197,000), partially offset by an overspend in employee costs (£96,000).

4.6 **Physical Disability**

4.6.1 Physical Disability services are underspent by £324,000. This is mainly due to an underspend on Purchased Services (£204,000) together with an increased recovery of client contributions (£158,000).

4.7 **Homelessness**

4.7.1 There is a net overspend of £604,000 within Homelessness services. This includes £718,000 attributable to an under-recovery in housing benefit subsidy, partially offset by an underspend of £191,000 as a result of the turnover and vacancies within Health staffing.

4.8 **Other Services**

4.8.1 Other Services are overspent by £268,000.

4.8.2 As noted above, additional funding of £3.5m from the NHS Board, to cover the shortfall in achievement of savings in-year, has been secured. This has allowed a major part of the overspend which previously sat within this area to be eliminated.

4.8.3 The overspend in Other Services now relates to accommodation costs, including the double running costs of Possilpark Health Centre (Glenfarg) which has been kept operational due to the lack of suitable accommodation for some of the services being provided from there, such as Specialist Children's Services, pending a permanent move to a new Health and Care Centre at Woodside which has been delayed. It is intended that this property be closed by the end of October, and existing staff moved to William Street and Possilpark Health Centre. This will reduce annual costs by approximately £300,000.

4.9 **Prescribing Costs**

4.9.1 Prescribing spend is currently managed on a risk-sharing basis between Partnerships and the NHS Board. Accordingly, a break-even position is being reported. The NHS Board's financial plan for 2016/17 noted prescribing costs as a key area of risk and added that Prescribing costs are demand driven and vary throughout the year. Although it is believed that projections of costs and savings are realistic, and monitored closely to ensure that we are aware of any changes in prescribing patterns.

4.9.2 At the end of July, the NHS Board-wide position was an overspend of £170,000 on a budget of £80m. Within this, Glasgow City Partnership was underspent by £381,000 on a budget of £42m.

5. **Non-Integrated Budgets – Specialist Children's Services**

5.1 In accordance with the Integration Joint Board's Integration Scheme, Specialist Children's services are operationally managed by the Integration Joint Board Chief Officer and operationally overseen by the Integration Joint Board but not delegated under the terms of the legislation and so the budgets don't sit within Glasgow City Integration Joint Board.

5.2 The most significant cost pressure areas are medical staffing, unachieved savings and the Physiotherapy Home Intensive Treatment Team ('PHITT') - a physio project in partnership with Women & Children's within Acute. In addition, there is a pressure in relation to the provision of community equipment through the EquipU service, to manage children at home.

6. Action

- 6.1 The Chief Officer, along with the Health and Social Care Partnership senior management team, continues to manage and review the budget across all areas of the Partnership. Work is being undertaken to achieve the shortfall in savings referred to in paragraph 4.8 on a recurrent basis by 31 March 2017 as approved by the Integration Joint Board on 21st September.

7. Conclusion

- 7.1 A net underspend of £110,000 is reported to date. The overall position continues to be reviewed and will be updated through the normal monitoring process where any material change is identified over the course of the financial year.

8. Recommendations

- 8.1 The Integration Joint Board Finance and Audit Committee is asked to:
- a) note the contents of this report;

Glasgow City Integration Joint Board

Budget Monitoring Statement to end September/Period 7 2016/17

Budget Variance by Care Group

Annual Gross Expenditure Budget	Annual Income Budget	Annual Net Expenditure Budget		Actual Net Expenditure to Date	Budgeted Net Expenditure to Date	Variance to Date
£000	£000	£000		£000	£000	£000
152,971	1,773	151,198	Children and Families	76,962	76,031	931
24,303	19,420	4,883	Prisons Healthcare and Criminal Justice	1,437	1,444	-7
232,777	21,829	210,948	Older People	94,513	95,242	-729
48,245	1,254	46,991	Addictions	25,103	25,439	-336
2,097	316	1,781	Carers	904	904	0
24,697	941	23,756	Elderly Mental Health	11,942	11,827	115
64,943	12,021	52,922	Learning Disability	25,708	26,099	-391
27,255	279	26,976	Physical Disability	12,797	13,121	-324
104,190	12,376	91,823	Mental Health	45,633	45,731	-98
76,390	35,641	40,749	Homelessness	14,569	13,965	604
129,452	0	129,452	Prescribing	63,390	63,390	0
178,088	8,815	169,273	Family Health Services	85,009	85,009	0
11,334	1,178	10,156	Hosted Services	4,790	4,933	-143
73,390	6,514	66,876	Other Services	25,834	25,566	268
1,150,132	122,348	1,027,784	Totals	488,591	488,701	-110

Non-Integrated Budgets

29,243	7,334	21,908	Specialist Children's Services	11,873	11,266
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Budget Variance by Subjective Analysis

Annual Budget		Actual to Date	Budget to Date	Variance to Date
£000	Expenditure	£000	£000	£000
326,947	Employee costs	163,277	163,570	-293
26,828	Premises Costs	13,922	13,346	576
4,249	Transport Costs	2,672	1,973	699
76,579	Supplies and Services	30,699	31,360	-661
372,242	Third party Costs	174,389	175,269	-880
27,180	Transfer Payments	9,269	8,855	414
987	Capital Financing Costs	0	0	0
137,173	Prescribing	67,275	67,275	0
177,947	Family Health Services	89,270	89,267	3
1,150,132	Total Expenditure	550,773	550,915	-142
122,348	Income	62,182	62,214	-32
1,027,784	Net Expenditure	488,591	488,701	-110