



# Item No. 23

Meeting Date **Monday, 31<sup>st</sup> October 2016**

## Glasgow City Integration Joint Board

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

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**GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING  
FOR MONTH 5 AND PERIOD 6**

<b>Purpose of Report:</b>	This report outlines the financial position of the Glasgow City Integration Joint Board as at 31 August 2016 (Health) and 2 September 2016 (Council), and highlights any areas of budget pressure and actions to mitigate these pressures.
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<b>Recommendations:</b>	<p>The Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> <li>a) note the contents of this report,</li> <li>b) note the summary of current Directions (Appendix 2).</li> </ul>
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**Implications for IJB:**

<b>Financial:</b>	Actions required to ensure expenditure is contained within budget.
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<b>Personnel:</b>	Not applicable at this time.
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<b>Legal:</b>	Not applicable at this time.
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<b>Economic Impact:</b>	Not applicable at this time.
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<b>Sustainability:</b>	Not applicable at this time.
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<b>Sustainable Procurement and Article 19:</b>	Not applicable at this time.
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<b>Equalities:</b>	Not applicable at this time.
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<b>Risk Implications:</b>	None at this time.
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<b>Implications for Glasgow City Council:</b>	None at this time.
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<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	None at this time.
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<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 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 August 2016 (Health), and to 2 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 £1.866m (0.5%) greater than budget to date. Gross expenditure is £1.605m (0.4%) overspent, and income is under-recovered by £261,000 (0.4%). The main reason for the overspend is the additional savings allocation from the NHS Board amounting to £4.8m for the full year. At the time that the month 5 month-end was being finalised, our plans to achieve these savings, although developed, had yet to be approved by the Integration Joint Board, and so no additional non-recurring relief was assumed. Glasgow City Integration Joint Board approved these plans at its meeting on 21 September 2016 and so it will be assumed in future months that the shortfall in the achievement of the £4.8m of additional savings noted above will be covered by additional non-recurring funding. This is discussed further in paragraph 4.6 below.

### 3. Budget Changes

3.1 During month 5/period 6 the net expenditure budget has reduced by £1.8m. The month 5/period 6 changes to the gross income and expenditure budget are analysed in the table below.

<b>Explanation</b>	<b>Changes to Expenditure Budget</b>	<b>Changes to income Budget</b>	<b>Net Expenditure Budget Change</b>
Integrated Grant Fund Transfer - 372/10 Children's Services - Permanency	+650,000	0	+650,000
Integrated Grant Fund Transfer - 373/10 Children's Services - Kinship Care	+80,000	0	+80,000
Facilities Co-ordinator – Orchard Grove Residential Unit – Transfer to Access	-20,000	0	-20,000
Increase in Income and expenditure budgets funded from external sources	-5,000	-5,000	0
Transfer of utilities budgets to Facilities Directorate	-3,478,000	0	-3,478,000
Restructure of Human Resources budget	-684,000	0	-684,000
Mental Health Innovation Fund (Prison Services)	+230,000	0	230,000
Savings relief deferral (C&F)	+193,000	0	193,000
Smoking Prevention	+544,000	0	544,000
Carers' Information Strategy	+300,000	0	300,000
Other NHS (<£100,000)	+538,000	+142,000	396,000
<b>Total Budget Changes</b>	<b>-1,652,000</b>	<b>+137,000</b>	<b>-1,789,000</b>

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 £1.118m. See Appendix 1.

4.1.2 Residential School placement numbers have decreased by 3 since period 5 to 100, with a decrease in full year commitment of £451,000. The overspend to date is £335,000 and includes 6 placements within secure establishments of which 1 is on remand. The full year projected overspend is £726,000.

- 4.1.3 Purchased placements have increased by 4 since period 5 to 407, although commitment has decreased by £339,000 mainly due to one young person being moved out of a very high cost purchased service. The underspend to date for purchased placements is £12,000. The full year projected overspend is £26,000.
- 4.1.4 Further pressures include overspends in employee costs (£403,000) as a consequence of turnover being lower than that anticipated within the Transformation Programme, Cordia Transport (£242,000) mainly in respect of young people in care being taken for contact visits with family or to school, Kinship Care (£170,000), and direct assistance payments (£225,000) for care leavers to support independent living. These overspends are partially offset by underspends which include provided foster care (£263,000), adoption allowances (£123,000) and the School Nursing service (£124,000).

## 4.2 **Older People**

- 4.2.1 There is a net underspend of £1.203m in the provision of services to Older People.
- 4.2.2 There is an underspend of approximately £1.25m relating to the phased introduction of the additional supported living services, and an underspend of £235,000 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 £94,000. 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 £157,000. 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 is to be allocated in 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, Treatment Room Nursing and Other Nursing) of £123,000, as a result of staff turnover.

## 4.3 **Addictions**

- 4.3.1 Addictions are underspent by £264,000. 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 **Homelessness**

4.4.1 There is a net overspend of £544,000 within Homelessness services. This includes £650,000 attributable to an under-recovery in housing benefit subsidy, partially offset by an underspend of £163,000 as a result of the turnover and vacancies within Health staffing.

#### 4.5 **Mental Health**

4.5.1 Mental Health services are underspent by £12,000.

4.5.2 The previous underspend within Adult Inpatient Services was mainly attributable to accommodation cost savings on the Gartnavel site as a result of converting from oil to gas supply. This investment was undertaken by the NHS Board and the underspending budgets have been transferred to the Facilities Directorate resulting in a reduction in the underspend in-month.

4.5.3 There is an underspend of £53,000 across the range of Purchased Services.

#### 4.6 **Other Services**

4.6.1 Other Services are overspent by £2.090m.

4.6.2 The Other Services care group includes the effects of additional savings allocation of £4,849,000 (full-year) from the NHS Board. The year-to-date impact of this is £2,020,000 and is the main reason for the net overspend.

4.6.3 The NHS Board has identified in its financial plan that £32.0m of non-recurring relief (across acute, partnerships and NHS corporate) is potentially available to offset the in-year shortfall against savings targets.

4.6.4 Discussions are underway to determine how non-recurring funding will be allocated to Partnerships for the current-year shortfall against savings targets. The NHS Board has indicated that it will provide relief for the in-year shortfall against the £4,849,000 additional savings, provided there are plans in place to cover this recurrently by 1 April 2017. At the time that the month 5 month-end was being finalised, our plans, although developed, had yet to be approved by the Integration Joint Board, and so no additional non-recurring relief was assumed. Glasgow City Integration Joint Board approved these plans at its meeting on 21 September 2016 and so it will be assumed in future months that the shortfall in the achievement of the £4.8m of additional savings noted above will be covered by additional non-recurring funding. Accordingly, the Integration Joint Board is forecasting a full-year breakeven position.

4.6.5 The bulk of the remainder of the overspend in Other Services relates to accommodation costs, including the double running costs of Possilpark Health Centre (Glenfarg) which was 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 September, and existing staff moved to William Street and Possilpark Health Centre. This will reduce annual costs by approximately £300,000.

#### 4.7 **Prescribing Costs**

4.7.1 Prescribing spend is currently managed on a risk-sharing basis between Partnerships and the NHS Board. Accordingly, a break-even position is currently 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.

4.7.2 At the end of June, the NHS Board-wide position was an overspend of £340,000 on a budget of £60m. Within this, Glasgow City Partnership was underspent by £35,000 on a budget of £32m.

### 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.

5.2 The most significant cost pressure is in relation to Physiotherapy Home Intensive Treatment Team ('PHITT') - a physio project in partnership with Women & Children's within Acute. The project is currently unfunded and discussions are ongoing with Acute Services to evaluate the benefits and consequential efficiencies experienced in terms of hospital care. 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. Paragraph 4.6 identifies the main cause of the current overspend and that the expected solution in-year is the further allocation of additional NHS Board funding. Work is being undertaken to achieve the shortfall in savings on a recurrent basis by 31 March 2017 as approved by the Integration Joint Board on 21<sup>st</sup> September.

## **7. Conclusion**

- 7.1 A net overspend of £1.866m is reported to date. However, as noted above in paragraph 4.6.4, the Integration Joint Board is now able to forecast a full-year breakeven position. 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. Directions**

- 8.1 A summary of all current directions is attached to this report.

## **9. Recommendations**

- 9.1 The Integration Joint Board is asked to:
- a) note the contents of this report;
  - b) note the summary of current Directions (Appendix 2).

## Glasgow City Integration Joint Board

## Budget Monitoring Statement to end August/Period 6

## 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
151,708	1,613	150,095	Children and Families	64,923	63,805	1,118
24,307	19,420	4,887	Prisons Healthcare and Criminal Justice	1,054	1,072	-18
232,521	21,678	210,843	Older People	76,916	78,119	-1,203
48,147	1,137	47,010	Addictions	20,235	20,499	-264
2,097	316	1,781	Carers	841	841	0
24,720	939	23,781	Elderly Mental Health	9,985	9,881	104
63,148	11,954	51,194	Learning Disability	18,660	18,989	-329
26,333	279	26,054	Physical Disability	10,718	10,761	-43
107,598	12,327	95,271	Mental Health	38,678	38,690	-12
76,279	35,641	40,638	Homelessness	12,133	11,589	544
129,452	0	129,452	Prescribing	53,300	53,300	0
173,415	8,815	164,600	Family Health Services	66,662	66,663	-1
11,380	1,199	10,181	Hosted Services	4,447	4,567	-120
70,828	6,092	64,736	Other Services	22,415	20,325	2,090
<b>1,141,931</b>	<b>121,410</b>	<b>1,020,521</b>	<b>TOTALS</b>	<b>400,967</b>	<b>399,101</b>	<b>1,866</b>

## Non-Integrated Budgets

13,026	2,582	10,444	Specialist Children's Services	4,823	4,728	95
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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
325,074	Employee costs	136,531	136,602	-71
28,085	Premises Costs	10,756	10,109	647
4,249	Transport Costs	2,226	1,639	587
76,011	Supplies and Services	24,609	25,221	-612
374,747	Third party Costs	150,525	151,832	-1,307
27,180	Transfer Payments	8,449	8,117	332
987	Capital Financing Costs	0	0	0
137,172	Prescribing	56,541	56,534	7
173,275	Family Health Services	70,047	70,045	2
-4,849	Unallocated Savings	0	-2,020	2,020
<b>1,141,931</b>	<b>Total Expenditure</b>	<b>459,684</b>	<b>458,079</b>	<b>1,605</b>
<b>121,410</b>	<b>Income</b>	<b>58,717</b>	<b>58,978</b>	<b>-261</b>
<b>1,020,521</b>	<b>Net Expenditure</b>	<b>400,967</b>	<b>399,101</b>	<b>1,866</b>



Reference No.	Date Made	Short Description	Direction to	Full Text	Budget	Review Date	Status
210916-8-a	21-Sep-16	Budget	Both Council and Health Board	Glasgow City Council and NHS Greater Glasgow and Clyde 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. <a href="https://www.glasgow.gov.uk/CHttpHandler.ashx?id=35267&amp;p=0">https://www.glasgow.gov.uk/CHttpHandler.ashx?id=35267&amp;p=0</a>	Budget allocated to Glasgow City Council: Gross £570,740,000 Income £179,058,000 Net £391,682,000  Budget allocated to the Health Board of: Gross £643,378, 400 Income £ 27,663,900 Net £615,714,500	Apr-17	Current
100516-10-a	21-Sep-16	Commissioning and Procurement Strategy	Both Council and Health Board	Glasgow City Council and NHS Greater Glasgow and Clyde are directed to: <ul style="list-style-type: none"> <li>Implement the 2016-17 Commissioning and Procurement Strategy for the Glasgow City Health and Social Care Partnership as outlined at <a href="https://www.glasgow.gov.uk/CHttpHandler.ashx?id=33437&amp;p=0">https://www.glasgow.gov.uk/CHttpHandler.ashx?id=33437&amp;p=0</a></li> <li>Carry out tender activity as noted within the strategy document, and any other tender activity required to support achievement of the Strategic Plan, as advised by the Chief Officer: Strategy, Planning and Commissioning and the Chief Officer: Finance and Resources</li> </ul>	All in-scope budgets as identified by the Chief Officer: Finance and Resources	Apr-17	Current

Reference No.	Date Made	Short Description	Direction to	Full Text	Budget	Review Date	Status
100516-13-a	21-Sep-16	Free Personal Care etc rates	Council only	Glasgow City Council is directed to implement the increased fee rates for the National Care Home Contract, Free Personal and Nursing Care and Personal Expenses Allowances as outlined at <a href="https://www.glasgow.gov.uk/CHttpHandler.ashx?id=33440&amp;p=0">https://www.glasgow.gov.uk/CHttpHandler.ashx?id=33440&amp;p=0</a>	The increase to Social Work Services expenditure of £2,916,870 is funded by the additional monies provided to integration authorities in 2016/17 for social care. The full year effect of £4,418,000 in 2017/18 will be similarly treated.	Apr-17	Current
240616-8-a	21-Sep-16	Transformation Programme	Both Council and Health Board	Glasgow City Council and NHS Greater Glasgow and Clyde are directed to work together with the Chief Officer, the Chief Officer: Finance and Resources, and others as necessary to develop an integrated, partnership approach to development of a transformation programme for health and social care services in Glasgow, and to the budget setting process for the Council and Health Board as it relates to health and social care services, as outlined at <a href="https://www.glasgow.gov.uk/CHttpHandler.ashx?id=33909&amp;p=0">https://www.glasgow.gov.uk/CHttpHandler.ashx?id=33909&amp;p=0</a>	The 2017/18 budget, as notified to the Integration Joint Board by the Chief Officer: Finance and Resources	Apr-17	Current
210916-12-a	21-Sep-16	Homelessness	Both Council and Health Board	Glasgow City Council and NHS Greater Glasgow and Clyde are directed to deliver homelessness services in line with the Homelessness Strategy outlined in this report ( <a href="https://www.glasgow.gov.uk/CHttpHandler.ashx?id=35270&amp;p=0">https://www.glasgow.gov.uk/CHttpHandler.ashx?id=35270&amp;p=0</a> ), as advised and instructed by the Chief Officer: Planning, Strategy and Commissioning	As advised by the Chief Officer: Finance and Resources	Apr-17	Current
210916-15-a	21-Sep-16	Unaccompanied Asylum Seeking Children	Council only	Glasgow City Council are directed to continue to support young unaccompanied asylum seeking children who present in the city, and to continue to engage with the Home Office and others with regard to the issues outlined in this report ( <a href="https://www.glasgow.gov.uk/CHttpHandler.ashx?id=35273&amp;p=0">https://www.glasgow.gov.uk/CHttpHandler.ashx?id=35273&amp;p=0</a> )	As advised by the Chief Officer: Finance and Resources	Apr-17	Current

Reference No.	Date Made	Short Description	Direction to	Full Text	Budget	Review Date	Status
210916-21-a	21-Sep-16	Occupational Therapy	Both Council and Health Board	Glasgow City Council and NHS Greater Glasgow and Clyde are directed to develop and deliver Occupational Therapy services as outlined in this report ( <a href="https://www.glasgow.gov.uk/CHttpHandler.ashx?id=35278&amp;p=0">https://www.glasgow.gov.uk/CHttpHandler.ashx?id=35278&amp;p=0</a> )	As advised by the Chief Officer: Finance and Resources	Apr-17	Current
210916-22-a	21-Sep-16	Assistive Technology	Both Council and Health Board	Glasgow City Council are directed to identify the best approach to implementing the recommendations outlined in the PA Consulting report described in this paper ( <a href="https://www.glasgow.gov.uk/CHttpHandler.ashx?id=35279&amp;p=0">https://www.glasgow.gov.uk/CHttpHandler.ashx?id=35279&amp;p=0</a> ), and to subsequently implement those recommendations.	As advised by the Chief Officer: Finance and Resources	Apr-17	Current
311016-5-a	31-Oct-16	Community Justice functions	Both Council and Health Board	Glasgow City Council and NHS Greater Glasgow and Clyde are directed to support the transition of the new Community Justice arrangements as outlined in this paper.	£50,000 expenditure to be funded from the social work, health and Integrated Care Fund budgets as determined by the Chief Officer: Finance and Resources.	30-Sep-17	Pending
311016-6-a	31-Oct-16	Winter Planning	Both Council and Health Board	Glasgow City Council and NHS Greater Glasgow and Clyde are directed to work closely to respond to demand during the winter months and to monitor and report variance from planned activity	As directed by the Chief Officer: Finance and Resources	Mar-17	Pending
311016-7-a	31-Oct-16	Homelessness (multi agency out of hours hub)	Council only	Implement the proposed pilot as outlined in this report	As advised by the Chief Officer: Finance and Resources	May-17	Pending

Reference No.	Date Made	Short Description	Direction to	Full Text	Budget	Review Date	Status
311016-8-a	31-Oct-16	Continuing and Complex Care	Health Board only	NHS Greater Glasgow and Clyde are directed to begin work on testing the transitional model for continuing and complex care in North East Glasgow with immediate effect.	Direction to be carried out from within existing resource allocation as directed by the Chief Officer: Finance and Resources. A number of financial risks outlined in this report will be kept under review by the Chief Officer: Finance and Resources, and reported to the Integration Joint Board in due course.	30-Sep-17	Pending
311016-9-a	31-Oct-16	Alcohol and Drugs (safer consumption facility)	Both Council and Health Board	Glasgow City Council and NHS Greater Glasgow and Clyde are jointly directed to begin work on the development and implementation of a co-located safer consumption facility and heroin assisted treatment service pilot in Glasgow city centre.	Direction to be carried out from within existing resource allocation as directed by the Chief Officer: Finance and Resources. A full costing will be provided as part of the pilot development for approval by the Chief Officer: Finance and Resources	30-Sep-17	Pending
311016-10-a	31-Oct-16	Proof of Concept	Council only	Glasgow City Council is directed to continue to develop and test the terms, arrangements and processes for the Proof of Concept with final proposals to be reported to the Integration Joint Board in the future.	Direction to be carried out from within existing resource allocation as directed by the Chief Officer: Finance and Resources	30-Jun-17	Pending