



## Item No. 13

Meeting Date Wednesday 15<sup>th</sup> March 2017

### Glasgow City Integration Joint Board

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

**Contact:** Sharon Wearing

**Tel:** 0141 287 8838

<p align="center"><b>GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING FOR MONTH 10 AND PERIOD 11 2016/17</b></p>
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<b>Purpose of Report:</b>	This report outlines the financial position of the Glasgow City Integration Joint Board as at 31 January 2017 (Health) and 20 January 2017 (Council), and highlights any areas of budget pressure and actions to mitigate these pressures.
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<b>Recommendations:</b>	The Integration Joint Board is asked to:  a) note the contents of this report; b) approve the required actions as a consequence of the budget changes noted in paragraph 3. c) note the summary of current Directions (Appendix 2).
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**Relevance to Integration Joint Board Strategic Plan:**

<p>This report outlines expenditure against budget in delivery of the range of Health and Social Care services described within the Integration Joint Board Strategic Plan.</p>
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**Implications for Health and Social Care Partnership:**

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	Not applicable at this time.
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<b>Personnel:</b>	Not applicable at this time.	
<b>Carers:</b>	Expenditure in relation to Carers' services is included within this report.	
<b>Provider Organisations:</b>	Expenditure on services delivered to clients by provider organisations is included within this report.	
<b>Equalities:</b>	Not applicable at this time.	
<b>Financial:</b>	Actions required to ensure expenditure is contained within budget.	
<b>Legal:</b>	Not applicable at this time.	
<b>Economic Impact:</b>	Not applicable at this time.	
<b>Sustainability:</b>	Not applicable at this time.	
<b>Sustainable Procurement and Article 19:</b>	Not applicable at this time.	
<b>Risk Implications:</b>	None at this time.	
<b>Implications for Glasgow City Council:</b>	None at this time.	
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	None at this time.	
<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 31 January 2017 (Health), and to 20 January 2017 (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 £1,000 less than budget to date. Gross expenditure is £206,000 (0.02%) overspent, and income is over-recovered by £207,000 (0.18%).
- 2.2 Appendix 1 shows this budget variance by both care group and subjective analysis.

## 3. Budget Changes

- 3.1 During month 10/period 11 the net expenditure budget has increased by £852,000. The month 10/period 11 changes to the gross expenditure and income budgets 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>
Increase in income and expenditure budgets funded from external sources	+£28,000	+£28,000	£0
Primary Care Mental Health Fund	+£792,000	0	+£792,000
Other NHS <£100,000	+£128,000	+£68,000	+£60,000
<b>Totals</b>	<b>+£948,000</b>	<b>+£96,000</b>	<b>+£852,000</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 £1,092,000.

- 4.1.2 Residential School placement numbers have decreased by 3 since period 10 to 99, with a decrease in full-year commitment of £174,000. The overspend to date is £483,000 and includes 8 placements within secure establishments. The full-year projected overspend is £571,000.
- 4.1.3 Purchased placements have decreased by 3 since period 10 to 421, with an increase in commitment of £168,000. The underspend to date for purchased placements is £41,000. The full-year projected underspend is £47,000.
- 4.1.4 Further pressures include overspends in employee costs (£147,000) as a consequence of turnover being lower than that anticipated within the Transformation Programme, premises costs (£242,000), Cordia Transport (£586,000) mainly in respect of young people in care being taken for contact visits with family or to school, Kinship Care (£278,000), and direct assistance payments (£480,000) and supported carers payments (£289,000) mainly for care leavers to support independent living. These overspends are partially offset by underspends which include provided foster care (£868,000), adoption allowances (£246,000), and the School Nursing service (£308,000).

## 4.2 Older People

- 4.2.1 There is a net underspend of £2,669,000 in the provision of services to Older People.
- 4.2.2 There is an underspend of approximately £2.1m relating to the phased introduction of the additional supported living services, an underspend of £747,000 in respect of employee costs, and an increased recovery of income from clients (£137,000). A programme of work to significantly grow the use of supported living utilising Cordia commenced in the second half of the financial year, although the number of clients has not yet reached anticipated levels. There has, however, been a significant increase in the number of older people who are receiving a personalised budget or direct payment, both of which are alternative means of supporting people to remain in their own homes.
- 4.2.3 Within employee costs there remains a budget pressure in respect of agency and overtime. The opening of the Commonwealth Care Home and Wallacewell Day Care will provide opportunities for LEAN processes and efficiencies to be implemented, which will help mitigate this position.
- 4.2.4 The continence service (specialist nursing and physio staff providing advice, treatment and support, together with the supply of product) is overspent by £154,000. The overspend occurs in the supply of product.
- 4.2.5 The supply of community equipment to aid hospital discharge or prevent admission ('EquipU') is overspent by £301,000. 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.

- 4.2.6 These pressures are also offset by an underspend within a number of nursing services (Out of Hours Nursing, Specialist Nursing and Rehabilitation Services) of £299,000, as a result of staff turnover.

#### 4.3 **Addictions**

- 4.3.1 Addictions are underspent by £270,000. This is within the Community Addiction Teams, which is, itself, £270,000 underspent. 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 £222,000. This occurs within Inpatient Services, with medical locums covering maternity leave accounting for the majority of this overspend. Clarification is also being sought around funding for some clinical time provided to the Camglen area of NHS Lanarkshire. An underspend within other community staffing budgets offsets on-going nursing pressures within Stobhill inpatient wards as a result of the requirement for special observations and cover for sickness absence. Following the rationalisation of elderly wards from Parkhead, a more expensive shift pattern has been in operation. This shift pattern was due to cease in the autumn as the longstanding grievance with Unison and IFON was understood to have been resolved. However, there is a further challenge to be worked through. The wards are budgeted for a long day shift pattern.

#### 4.5 **Learning Disability**

- 4.5.1 Learning Disability services are underspent by £352,000. This is the result of an underspend within NHS Community Teams.

#### 4.6 **Homelessness**

- 4.6.1 There is a net overspend of £1,065,000 within Homelessness services, which is mainly attributable to an under-recovery in housing benefit subsidy (£1.2m).

#### **4.7 Hosted Services**

4.7.1 Hosted Services are made up of Sexual Health Services and are underpent by £294,000. This is largely as a result of medical and nursing vacancies within the Sandyford Service, and recruitment difficulties within the Archway Service.

#### **4.8 Other Services**

4.8.1 Other Services are overspent by £1,128,000. This relates in part to accommodation costs, including the double running costs of Possilpark Health Centre (Glenfarg) earlier in the year. In addition, the ongoing costs of beds in Darnley and Quayside, accommodating adults with incapacity ('AWI') who have been discharged from acute services, remains a pressure which is being held centrally within Other Services. These beds are being used for this purpose by a number of other HSCPs in the NHS GGC area and are being recharged to them.

#### **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 The latest budgetary figures currently available are for December 2016. The NHS Board-wide position is an underspend of £1,312,000 on a budget of £182m. Within this, Glasgow City is underspent by £1,403,000 on a budget of £97m. The other NHS GGC HSCPs are showing a combined overspend of £91,000.

### **5. Action**

5.1 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.

## **6. Conclusion**

- 6.1 Net expenditure is £1,000 less than budget 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. It is anticipated at this stage that net expenditure will be in line with budget at the financial year end.
- 6.2 The Integration Joint Board Reserves Policy was approved at the meeting of 9 December 2016. It is proposed that any net underspend which may occur within 2016/17 be transferred to reserves at the end of the financial year in order to provide future security against unexpected cost pressures and aid financial stability.

## **7. Directions**

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

## **8. Recommendations**

- 8.1 The Integration Joint Board is asked to:
- a) note the contents of this report;
  - b) approve the required actions as a consequence of the budget changes noted in paragraph 3;
  - c) note the summary of current Directions (Appendix 2).



## DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	150317-13-a
2	Date direction issued by Integration Joint Board	15 <sup>th</sup> March 2017
3	Date from which direction takes effect	15 <sup>th</sup> March 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 outlined in section 3.1 of the report.
7	Full text of direction	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 Appendix 1.
8	Budget allocated by Integration Joint Board to carry out direction	As outlined in section 3.1 of the report.
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	26 <sup>th</sup> April 2017



## Glasgow City Integration Joint Board

## Budget Monitoring Statement to end January/Period 11 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
153,680	1,771	151,909	Children and Families	124,522	123,430	1,092
24,356	19,420	4,936	Prisons Healthcare and Criminal Justice	3,868	3,911	-43
234,192	22,445	211,747	Older People	155,685	158,354	-2,669
48,912	1,317	47,595	Addictions	39,405	39,675	-270
2,097	316	1,781	Carers	1,375	1,374	1
24,640	974	23,666	Elderly Mental Health	19,925	19,703	222
65,528	12,073	53,455	Learning Disability	37,391	37,743	-352
27,522	307	27,215	Physical Disability	21,618	21,618	0
105,868	13,155	92,713	Mental Health	73,434	73,315	119
76,978	35,826	41,152	Homelessness	22,770	21,705	1,065
129,452	0	129,452	Prescribing	106,641	106,641	0
178,088	8,815	169,273	Family Health Services	142,892	142,892	0
11,430	1,285	10,145	Hosted Services	7,982	8,276	-294
70,131	8,407	61,724	Other Services	39,133	38,005	1,128
<b>1,152,874</b>	<b>126,111</b>	<b>1,026,763</b>	<b>Totals</b>	<b>796,642</b>	<b>796,643</b>	<b>-1</b>

## Budget Variance by Subjective Analysis

Annual Budget		Actual to Date	Budget to Date	Variance to Date
£000	Expenditure	£000	£000	£000
328,344	Employee costs	266,615	269,850	-3,235
23,732	Premises Costs	19,961	19,060	901
4,214	Transport Costs	4,372	3,244	1,128
78,516	Supplies and Services	53,420	57,319	-3,899
374,621	Third party Costs	293,357	288,815	4,542
27,333	Transfer Payments	12,497	11,739	758
987	Capital Financing Costs	0	0	0
137,180	Prescribing	113,126	113,123	3
177,947	Family Health Services	150,030	150,022	8
<b>1,152,874</b>	<b>Total Expenditure</b>	<b>913,378</b>	<b>913,172</b>	<b>206</b>
<b>126,111</b>	<b>Income</b>	<b>116,736</b>	<b>116,529</b>	<b>207</b>
<b>1,026,763</b>	<b>Net Expenditure</b>	<b>796,642</b>	<b>796,643</b>	<b>-1</b>