



Item No. 8

Meeting Date

Wednesday 20th October 2021

**Glasgow City
Integration Joint Board
Finance, Audit and Scrutiny Committee**

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 2021/22**

Purpose of Report:

This report outlines the financial position of the Glasgow City Integration Joint Board as at 30th August 2021 (Health) and 27th August 2021 (Council) and highlights any areas of budget pressure and actions to mitigate these pressures.

Background/Engagement:

The financial position of the Glasgow City Integration Joint Board is monitored on an ongoing basis throughout the financial year and reported to each meeting of the Board.

Recommendations:

The IJB Finance, Audit and Scrutiny Committee is asked to:

- a) note the contents of this report; and
- b) approve the recurring funding for the package of care outlined at section 5.2.6

Relevance to Integration Joint Board Strategic Plan:

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.

Implications for Health and Social Care Partnership:

**Reference to National Health
& Wellbeing Outcome:**

Not applicable at this time.

Personnel:

Not applicable at this time.

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Carers:	Expenditure in relation to Carers' services is included within this report.
Provider Organisations:	Expenditure on services delivered to clients by provider organisations is included within this report.
Equalities:	Not applicable at this time.
Fairer Scotland Compliance:	The expenditure on services supports the delivery of a Fairer Scotland.
Financial:	Actions required to ensure expenditure is contained within budget.
Legal:	Not applicable at this time.
Economic Impact:	Not applicable at this time.
Sustainability:	Not applicable at this time.
Sustainable Procurement and Article 19:	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. Purpose

- 1.1. This monitoring statement provides a summary of the financial performance of Glasgow City Integration Joint Board for the period 1 April 2020 to 30th August 2021 (Health), and to 27th August 2021 (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 £0.827m higher than budget to date. Gross expenditure is £2.865m (0.52%) overspent, and income is over-recovered by £2.038m (3.54%).
- 2.2. Appendix 1 shows the current budget variance by both care group and subjective analysis.

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3. Budget Changes

- 3.1 Throughout the financial year, adjustments are made to the original approved budget as a result of additional funding allocations and service developments. During Month 5/Period 6 the net expenditure budget has increased by £4.75m. The changes to the gross expenditure and income budgets are analysed in the table below.

Explanation	Changes to Expenditure Budget	Changes to Income Budget	Net Expenditure Budget Change
Health Board Resource Transfer Budget Adjustment	-£1,175,000	£1,175,000	£0
Acute Alcohol Brief Intervention Funding	£180,480	£0	£180,480
GP Prescribing Funding	£113,300	£0	£113,300
AFC Pay award 2nd uplift	£4,358,000	£0	£4,358,000
Children's Services Change Funds	£90,500	-£90,500	£0
Staff secondments	£136,511	-£136,511	£0
Sexual Health Funding	£87,427	-£87,427	£0
Other Adjustments	£276,398	-£181,916	£94,482
Total	£4,067,616	£678,646	£4,746,262

4. Transformation Programme

- 4.1 The overall savings target for 2021/22 is £5.879m. At this stage of the year it is anticipated that actual savings realised will be £5.505m representing 94% of the target.
- 4.2 The unachieved savings target from prior years is £2.969m. At this stage of the year it is anticipated that £0.314m is forecast to be achieved. Delivery of savings had been impacted by the need to focus resources in responding to COVID-19. These are mainly linked to savings identified for the Maximising Independence Programme and Transport savings. Programme boards have re-commenced to support major savings initiatives; however, it is anticipated that full delivery will not be achievable in 2021-22.
- 4.3 The savings realised are reflected in the overall financial position reported in this monitoring statement.

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5. Reasons for Major Budget Variances

5.1 Children and Families

- 5.1.1 Net expenditure is underspent by £0.380m.
- 5.1.2 Employee costs is underspent by £0.313m. Vacancies and turnover are resulting in an underspend of £1.048m. This is partially offset by overtime in the Children's Houses which is overspent by £0.233m mainly due to absence cover and additional support for young people with complex needs, and Health Visiting which is overspent by £0.533m linked to the unfunded national regrading in 2018.
- 5.1.3 Premises costs is overspent by £0.219m mainly due to repairs and refurbishments being undertaken in the Children's Houses.
- 5.1.4 Third Party and Transfer Payment costs are overspent by £0.665m. Residential Schools are overspent by £0.534m, with current placements totaling 38 which represents a net reduction of 3 since 1 April 2021. Purchased foster placements total 194, a net decrease of 17 since 1 April 2021, with an underspend of £0.447m. Provided fostering is underspent by £0.223m with placement numbers of 530, offset by an overspend in Kinship of £0.196m with placement numbers of 1,426. Personalisation and Direct Payments is overspent overall by £0.191m, and other Purchased and Community placements are overspent by £0.330m all due to demand.
- 5.1.5 Income is over-recovered overall by £1.034m. Unaccompanied Asylum Seeking Children (UASC) income is over-recovered by £0.818m based on cases accepted to date by the Home Office. There is an over-recovery of £0.196m in relation to income from staff secondments and inter-agency adoption placements.

5.2 Adult Services

- 5.2.1 Net expenditure is overspent by £0.242m.
- 5.2.2 Employee costs are underspent by £1.087m throughout all services due to periods of vacancies, turnover and difficulties recruiting to posts. Recruitment has continued to be progressed in all areas. 130 student nurses have recently been appointed to fill vacancies throughout Inpatients, Community & Specialist services from September. Service reviews, in both Sexual Health Services & Complex Needs Services, have concluded and are now in the implementation phase which should see new posts being filled.
- 5.2.3 Premises costs are overspent by £0.424m in Homelessness. This is mainly in relation to repairs and furniture costs for temporary furnished flats when void to get them ready to re-let.
- 5.2.4 Third Party and Transfer Payment costs are overspent by £1.661m attributable to Learning Disabilities and Mental Health Purchased Services and Personalisation. This reflects an increase in demand experienced within these services, including new demand and unachieved savings linked to Maximising Independence Programme.

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- 5.2.5 Income is over recovered by £0.684m for housing benefit subsidy for homelessness temporary furnished flats. This is the net effect for temporary furnished flats and bed and breakfast rooms out with properties used for placements as a result of COVID.
- 5.2.6 Adult Services has recently assessed the needs of an adult who requires an individual support package at a cost of £297,840 per annum recurringly. This package of care has been recommended following consideration of a range of service option to meet these individual care needs. This support package has also been considered by the Chief Officer and Chief Finance Officer and has been approved for consideration by IJB FASC. The IJB FASC is asked to approve this commitment on a recurring basis funded from within existing budgets.

5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is over spent by £1.209m.
- 5.3.2 Employee costs are overspent by £1.052m. Homecare services are overspent by £1.007m and Older People Residential by £0.484m. The impact of COVID on staff absence and supporting additional needs of service users during the pandemic has added to overtime and agency costs throughout the service. Overspends are partly offset by underspends in Community Health Services and Carers Services due to ongoing vacancies and delays in recruitment.
- 5.3.3 Purchased care homes are underspending by £1.443m to date. The pandemic has had a significant impact on our assumptions. Year to date admissions are 3% less than planning assumptions and discharges 15% higher than planning assumptions.
- 5.3.4 Personalisation is overspending by £2.075m. This reflects an increase in demand experienced, including new demand. Other purchased services are underspending by £0.349m which is reflective of demand and the ability of the HSCP and providers to respond to services as we emerge out of the pandemic.
- 5.3.5 Transport is overspent by £0.043m, there is an overspend in repairs of £0.207m due to the ageing fleet of vehicles, this is partly offset by underspends in fuel and external vehicle hires.
- 5.3.6 Income is over recovered by £0.091m mainly within long stay income.

5.4 Resources

- 5.4.1 Net expenditure is overspent by £0.597m.
- 5.4.2 Employee costs is overspent by £0.177m. This is due to the net impact of incremental drift and lack of turnover across a number of areas.

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- 5.4.3 Supplies and Services is overspent by £0.543m. There is an overspend of £0.028m mainly across the Equipu, Stairlifts and Ceiling Track Hoists as activity increases & more equipment is being purchased/utilised by the partnership. There is also an overspend of £0.515m resulting from the provision for I.T. licenses which are to be renewed this financial year.
- 5.4.4 There is an over-recovery in income of £0.212m mainly due to increased activity across the Equipu, Stairlifts and Ceiling Track Hoists in Supplies and Services. These services have a net position of £0.011m over.

5.5 Criminal Justice

- 5.5.1 Net expenditure is underspent by £0.142m.
- 5.5.2 The service is showing an underspend of £0.142m due mainly to slippage in appointments to vacancies and delays in implementing purchased services.

5.6 Primary Care

- 5.6.1 Primary Care is showing an underspend position of £0.698m.
- 5.6.2 Vacancies within Prescribing Support Services and Health Improvement teams are contributing to an underspend of £0.332m due mainly to slippage in appointments to vacancies. Further underspend of £0.366m in Third Party costs and Supplies & Services relates to delays in implementing purchased services. Some of this may be required to be earmarked to meet future commitments.
- 5.6.3 Prescribing is currently showing a break even position which is summarised in the table below.

Main Areas	£m
Schedule 4 GIC (Gross Ingredient Cost) – main GP prescribing budget	0.257
Other	-0.257
Net Spend	0.000

- 5.6.4 Prescribing volumes remain volatile this year and prices have also been subject to fluctuation due to short-supply; in addition, there are one-off windfalls from discount rebates and tariff swap reduction.
- 5.6.5 The IJB holds earmarked reserves of £2.962m to offer a contingency in this budget due to the anticipated risk associated with pricing and also the potential impact of BREXIT.

5.7 Response to COVID-19

- 5.7.1 Funding of costs associated with COVID-19, for services delegated to the IJB, will be routed through Greater Glasgow and Clyde Health Board and passed through to the IJB to meet costs. To date the IJB has received £17.125m of funding to meet costs in 2021-22 and this is held in earmarked reserves. To date costs of £10.1m have been incurred.

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- 5.7.2 Full year costs of £37m are anticipated and discussions with Scottish Government continue in relation to this funding. The IJB continues to provide the Scottish Government with regular updates in relation to forecasted spend for all services and the cost of responding to the pandemic and this will be used by the Scottish Government in assessing future funding needs. At this stage full funding is anticipated.

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.

7. Conclusion

- 7.1 Net expenditure is £0.827m higher than budget to date.
- 7.2 A number of savings initiatives through the transformation programme have yet to achieve the required level of savings. These initiatives are being critically reviewed and closely monitored by the IJB's Integration Transformation Board.
- 7.3 In line with the approved Reserves Policy, any net overspend which may occur within 2021/22 will be met from general reserves at the end of the financial year.

8. Recommendations

- 8.1 The IJB Finance, Audit and Scrutiny Committee is asked to:
- a) note the contents of this report; and
 - b) approve the recurring funding for the package of care outlined at section 5.2.6.

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Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end August/Period 6 2021/22

Budget Variance by Care Group

Annual Net Expenditure Budget £000		Actual Net Expenditure to Date £000	Budgeted Net Expenditure to Date £000	Variance to Date £000
158,636	Children and Families	65,635	66,014	-380
312,028	Adult Services	126,168	125,926	242
315,574	Older People (incl Dementia)	122,320	121,111	1,209
41,390	Resources	19,784	19,187	597
-658	Criminal Justice	473	615	-142
368,221	Primary Care	152,484	153,182	-698
10,176	COVID-19	10,176	10,176	0
1,205,366	Total	497,038	496,211	827

	Funded By :-
434,575	Glasgow City Council
759,395	NHS Greater Glasgow & Clyde
11,396	Drawdown of Earmarked Reserves
1,205,366	

Transfer from Reserves	- 827
Net Balance	0

Budget Variance by Subjective Analysis

Annual Budget £000		Actual to Date £000	Budget to Date £000	Variance to Date £000
525,750	Employee costs	225,114	223,401	1,712
25,712	Premises Costs	5,850	4,779	1,071
6,104	Transport Costs	2,282	2,422	-141
72,195	Supplies and Services	28,743	31,011	-2,268
325,653	Third party Costs	132,532	131,447	1,085
34,700	Transfer Payments	17,908	16,507	1,401
765	Capital Financing Costs	0	0	0
128,239	Prescribing	54,109	54,109	0
216,108	Family Health Services	90,035	90,032	3
1,335,225	Total Expenditure	556,573	553,708	2,865
129,859	Income	59,535	57,497	2,038
1,205,366	Net Expenditure	497,038	496,212	827