



Item No. 8

Meeting Date

Wednesday 8th December 2021

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

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

Contact: Sharon Wearing

Phone: 0141 287 8838

**Glasgow City Integration Joint Board Budget Monitoring
for Month 7 and Period 8 2021/22**

Purpose of Report:

This report outlines the financial position of the Glasgow City Integration Joint Board as at 31st October (Health) and 22nd October (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.

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 31st October 2021 (Health), and to 22nd October 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 £2.143m lower than budget to date. Gross expenditure is £0.400m (0.05%) underspent, and income is over-recovered by £1.743m (1.78%).
- 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 7/Period 8 the net expenditure budget has increased by £18.074m. 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
Unaccompanied Asylum Seeking Children (UASC) Income	£385,736	-£385,736	£0
Scottish Government Funding - Care Experienced Children	£1,059,000	-£1,059,000	£0
CAMHS Funding	£3,008,865	£0	£3,008,865
Buprenorphine Funding	£888,501	£0	£888,501
COVID Funding	£9,500,000	£0	£9,500,000
Test & Protect Funding	£461,000	£0	£461,000
Family Nurse Partnership Funding - Hosted By Glasgow City	£3,211,800	£0	£3,211,800
Non Cash Limited Funding	£361,797	£22,966	£384,763
Resource Transfer Monies	£250,000	-£250,000	£0
CAMHS Waiting List Funding	£559,535	£0	£559,535
Other Adjustments	£275,593	-£215,108	£60,485
Total	£19,961,827	-£1,886,878	£18,074,949

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 £1.017m.
- 5.1.2 Employee costs is underspent by £0.530m. Vacancies and turnover are resulting in an underspend of £1.557m. This is partially offset by overtime in the Children's Houses which is overspent by £0.278m mainly due to absence cover and additional support for young people with complex needs, and Health Visiting which is overspent by £0.709m linked to the unfunded national regrading in 2018.
- 5.1.3 Premises costs is overspent by £0.467m 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 £0.423m. Residential Schools are overspent by £0.712m, with current placements totalling 37 which represents a net reduction of 4 since 1 April 2021. Purchased foster placements total 189, a net decrease of 22 since 1 April 2021, with an underspend of £0.644m. Provided fostering is underspent by £0.497m with placement numbers of 516, offset by an overspend in Kinship of £0.250m with placement numbers of 1,401. Personalisation and Direct Payments is overspent overall by £0.198m, and other Purchased and Community placements are overspent by £0.324m all due to demand. Direct Assistance is over by £0.097 mainly in respect of Section 22 payments.
- 5.1.5 Income is over-recovered by £1.291m. Unaccompanied Asylum Seeking Children (UASC) income is over-recovered by £0.984m based on cases accepted to date by the Home Office. There is an over-recovery of £0.255m in relation to income from staff secondments and inter-agency adoption placements.

5.2 Adult Services

- 5.2.1 Net expenditure is underspent by £0.912m.
- 5.2.2 Employee costs are underspent by £3.047m 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 £0.811m 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. Mental Health is overspent by £0.318m mainly due to refurbishments and other property work on Inpatient sites and other minor works at Hunter Street for the Complex Needs Service.

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- 5.2.4 Third Party and Transfer Payment costs are overspent by £1.212m attributable to Learning Disabilities and Mental Health Purchased Services and Personalisation. These budgets historically reflect significant pressure due to new demand for support and unachieved savings. In the current year this budget pressure has been suppressed by part year reductions of support linked to Covid (as a result of either the Provider's inability to deliver support, or service users choosing to temporarily reduce support), estimated at £1.5m. Without the impact of Covid, the pressure within these budgets would be in the region of £2.7m, with a full year impact of £4.6m.
- 5.2.5 Income is over recovered by £0.326m which is attributable to an over recovery of £0.688m 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. This is offset by an under recovery in rents and fees and charges.

5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is over-spent by £0.214m.
- 5.3.2 Employee costs are overspent by £1.308m. Homecare services are overspent by £1.479m and Older People Residential by £0.721m. 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 £2.691m to date. The pandemic has had a significant impact on our assumptions. Year to date admissions are 3% less than planning assumptions and discharges 27% higher than planning assumptions.
- 5.3.4 Other purchased services are overspent by £1.512m. Personalisation is overspent by £2.609m, with a full year impact of £3.855m, as a result of increased new demand, transitions and unachieved savings. This overspend is offset by continuing underspends in Supported Living, Purchased Homecare and Purchased Day Care.
- 5.3.5 Transport is overspent by £0.070m, there is an overspend in repairs of £0.281m 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 £0.291m mainly within long stay income.

5.4 Resources

- 5.4.1 Net expenditure is overspent by £1.170m.
- 5.4.2 Employee costs is overspent by £0.131m. This is due to lack of turnover across a number of areas.

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5.4.3 Supplies and Services is overspent by £0.981m. There is a net overspend of £0.120m 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 £0.500m resulting from the provision for I.T. licenses which are to be renewed this financial year.

5.4.4 Income is over-recovered by £0.111m. There is an over-recovery in income of £0.147m mainly due to increased activity across the Equipu, Stairlifts and Ceiling Track Hoists in Supplies and Services. These services have a net position of £0.118m over. This is offset by some small under-recoveries in other areas totalling £0.036m.

5.5 Criminal Justice

5.5.1 Net expenditure is underspent by £0.196m.

5.5.2 The service is showing an underspend of £0.196m 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 £1.082m.

5.6.2 Vacancies within Prescribing Support Services and Health Improvement teams are contributing to an underspend of £0.539m due mainly to slippage in appointments to vacancies. Further underspend of £0.452m in Third Party costs and Supplies & Services relates to delays in implementing purchased services.

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	0.839
Other	-0.839
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.

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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 £27.248m, of which £17.125m is held in earmarked reserves and £10.123m has been received in 20021/22. To date costs of £14.4m have been incurred.
- 5.7.2 Full year costs of £43m 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 £2.143m lower 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 A probable outturn has been completed for the IJB and is reporting an underspend of £4.7m. However, it should be recognised, that similar to last year, this outturn has been completed with a high level of uncertainty. The IJB continues to operate under the powers introduced by the emergency legislation in relation to Covid 19. As a result, the final position is expected to change as we continue to respond to the challenges of the pandemic over the winter months and await confirmation of future funding allocations from the Scottish Government. In addition, additional funding linked to Winter Planning has recently been allocated by the Scottish Government and will have implications for the outturn projected.
- 7.4 If the final position remains an underspend, then this will be considered as part of the IJBs financial plans when the annual accounts close in June and is likely to include smoothing the delivery of unachieved savings carrying forward from this year and service pressures which continue into next year.
- 7.5 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.

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Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end October/Period 8 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
171,349	Children and Families	91,878	92,895	-1,017
316,635	Adult Services	172,667	173,579	-912
318,145	Older People (incl Dementia)	170,503	170,288	214
59,812	Resources	9,169	8,319	849
-658	Criminal Justice	159	354	-196
370,093	Primary Care	213,811	214,893	-1,082
24,502	COVID-19	14,379	14,379	0
1,259,877	Total	672,564	674,707	-2,143

	Funded By :-
437,951	Glasgow City Council
781,870	NHS Greater Glasgow & Clyde
40,056	Drawdown of Earmarked Reserves
1,259,877	

-	Transfer from Reserves	2,143
	Net Balance	0

Budget Variance by Subjective Analysis

Annual Budget £000		Actual to Date £000	Budget to Date £000	Variance to Date £000
	Expenditure			
561,305	Employee costs	312,048	311,131	917
25,447	Premises Costs	8,018	6,047	1,970
6,136	Transport Costs	3,207	3,362	-155
85,398	Supplies and Services	39,943	43,670	-3,727
329,337	Third party Costs	182,210	183,625	-1,415
34,700	Transfer Payments	24,004	22,000	2,004
765	Capital Financing Costs	0	0	0
128,351	Prescribing	74,409	74,409	0
217,464	Family Health Services	128,510	128,504	6
1,388,902	Total Expenditure	772,348	772,749	-400
129,025	Income	99,784	98,041	1,743
1,259,877	Net Expenditure	672,564	674,707	-2,143