

**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 9 and Period 10 2020/21**

Purpose of Report:	This report outlines the financial position of the Glasgow City Integration Joint Board as at 31 st December 2020 (Health) and 18 th December 2020 (Council) and highlights any areas of budget pressure and actions to mitigate these pressures.
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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.
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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 packages of care outlined at section 5.2.4.
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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.
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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 December 2020 (Health), and to 18th December 2020 (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 £15.779m lower than budget to date. Gross expenditure is £15.779m (1.62%) underspent, and income is under-recovered by £0.090m (0.10%).
- 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 9/Period 10 the net expenditure budget has increased by £15.075m. 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
Primary Care Improvement Fund Tranche 2	£7,891,048		£7,891,048
Adult Social Care Winter Plan	£7,340,000		£7,340,000
Anchor funding	£140,000		£140,000
MH Outcomes Framework Specialist Children's	£88,671		£88,671
HSCP Non-cash Ltd (NCL) Dental income		£-395,000	£-395,000
District Nurse training budget	£91,000	£-91,000	£0
Increase to Accommodation Budget per spend (SW Homelessness)	£9,147,582	£-9,147,582	£0
Other Minor Adjustments	£33,633	£-23,214	£10,419
Total	£24,731,934	£-9,656,796	£15,075,138

4. Transformation Programme

- 4.1 The overall savings target for 2020/21 is £13.770m. At this stage of the year it is anticipated that actual savings realised will be £10.001m representing 73% of the target. Delivery of savings has 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 2020-21. The tender for transport has been delayed and discussions continue with the Council to expedite this.
- 4.2 The unachieved savings target from prior years is £2.246m. At this stage of the year it is anticipated that £2.246m is forecast to be achieved, 100% of the total savings target. These are mainly linked to savings identified for the Maximising Independence Programme.
- 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 £3.685m.
- 5.1.2 Employee costs is underspent overall by £0.735m. £1.931m is due to a number of vacancies which are currently being recruited to. This is offset within Community Nursing by Health Visiting which is overspent by £1.211m as the band 7 in-post WTE is greater than the funded establishment by 35.9 WTE, together with provision made for the students in training.
- 5.1.3 Residential Schools is overspent by £0.556m, with current placements totalling 48 which represents a net reduction of 6 since 1 April 2020.
- 5.1.4 Purchased Placements is underspent by £1.594m and is reflective of demand and the ability of the HSCP and providers to respond to service during the pandemic.
- 5.1.5 Supported Living is underspent by £1.089m mainly in respect of the new investment funding for Family Support Services where there was a delay in the progress of tendering activity, which has been impacted by responding to the pandemic.
- 5.1.6 Income is over-recovered overall by £0.713m. UASC income is over-recovered by £0.112m in respect of the confirmation of outstanding cases from last financial year. There is an over-recovery of £0.312m in relation to income from staff secondments and external funding, and £0.240m for inter-agency adoption placements.

5.2 Adult Services

- 5.2.1 Net expenditure is underspent by £1.261m.
- 5.2.2 Employee costs are underspent by £3.265m throughout all services due to periods of vacancies, turnover and difficulties recruiting to posts. Recruitment has been delayed due to covid19 restrictions but continues to be progressed for vacant posts in all services. Service reviews, in both Sexual Health Services & Complex Needs Services, have concluded and are now in the implementation phase which should see a number of new posts filled.
- 5.2.3 Third party costs are overspent by £1.579m attributable in the main to Learning Disabilities Purchased Services (including Self Directed Support). This is attributable to unachieved savings and the impact of transition from Children and Families, and onwards to Older People. High cost services continue to be managed via the Management and Allocation of Community Resource Options Group (MACRO). Service uptake and delivery continue to be severely impacted by Covid, and as such the budget position is based on a high level of uncertainty.
- 5.2.4 Adult Services has recently assessed the needs of 4 adults who required individual support packages at a combined cost of £916,194 per annum recurringly. In accordance with Glasgow City Council standing orders, these were considered and approved at Glasgow City Council's Contract and Property Committee on 8th October, 26th November and 14th January. These packages of care have been recommended following consideration of a range of service option

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to meet these individual care needs. The IJB is asked to approve these commitments on a recurring basis funded from within existing budgets.

5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is underspent by £7.197m.
- 5.3.2 Employee costs are underspent by £0.549m mainly in Community Health settings, Homecare services and Hospital discharge due to staff vacancies which are currently being recruited.
- 5.3.3 Purchased care homes are underspending by £4.274m to date. The pandemic has had a significant impact on our assumptions, and so far year to date we have seen both a 10% decrease in admissions levels, and a 37% increase in discharge levels over the same time.
- 5.3.4 Other purchased services are underspent by £1.821m including Personalisation, Supported Living, Discharge to Assess and Purchased Homecare Services and are reflective of demand and the ability of the HSCP and providers to respond to service during the pandemic. Discharge to Assess is a new service that has started but has been impacted by the pandemic.
- 5.3.5 Supplies and services are underspending by £0.711m mainly within Care Alarms services in relation to the purchase of telecare equipment and is reflective of services operating at a reduced capacity during the pandemic.

5.4 Resources

- 5.4.1 Net expenditure is underspent by £0.850m.
- 5.4.2 Employee costs is underspent by £0.537m due to vacancies / turnover across a number of areas.
- 5.4.3 Supplies and Services is underspent overall by £1.230m. There is an underspend of £0.544m within Equipu, Stairlifts and Ceiling Track Hoists as less equipment is being purchased/utilised by the partnership, primarily due to COVID-19. This is offset by a reduction in income recoveries. Property and ICT is underspent by £0.263m due to delays in expenditure commitments. Postages is underspent by £0.100m due to reduced activity. Finally, there is an underspend of £0.296m resulting from the reversal of a prior year over-accrual and delays in expenditure commitments.
- 5.4.4 There is an under-recovery in Income of £0.918m mainly due to lack of activity caused by COVID-19. This is across Stairlifts, Ceiling Track & Hoists, EquipU and Linguistics. This is reflected in the underspend in Supplies and Services. These services have a net position of £0.139m over.

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5.5 Criminal Justice

5.5.1 Net expenditure is underspent by £0.278m

5.5.2 The service is showing an underspend of £0.278m due mainly to slippage in appointments to vacancies and delays in implementing purchased services. Some of this will be required to be earmarked to meet future commitments.

5.6 Primary Care

5.6.1 Primary Care is showing an underspend position of £4.585m.

5.6.2 Vacancies within Prescribing Support Services and Health Improvement teams is resulting in an underspend of £0.883m.

5.6.3 Prescribing is currently underspending by £3.702m which is summarised in the table below.

Main Areas	£m
Schedule 4 GIC (Gross Ingredient Cost) – main GP prescribing budget	-1.675
Invest to Save	0.000
Over-recovery of discounts and rebates	-2.027
Net Underspend	-3.702

5.6.4 Prescribing volumes remain significantly lower this year, approx. 5.5% reduction over the same period last year. This has negated the impact of higher prices due to short-supply; in addition, there are one-off windfalls from discount rebates and tariff swap reduction.

5.6.5 This budget area will continue to be closely monitored. At the end of the financial year the IJB earmarked £2.962m in earmarked reserves to offer a contingency in this budget due to the anticipated risk associated with pricing both during the COVID-19 pandemic 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. Discussions with Scottish Government continue in relation to this funding. To date the IJB has been allocated £46.772m to meet the initial costs of responding to COVID-19. This equates to £37.327m for social care services and £9.445m for health services. 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.

5.7.2. To date £25.198m has been spent responding to COVID-19, of which £14.677m relates to social care services and £10.521m relates to health board services.

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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 £15.779m 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 In line with the approved Reserves Policy, any net underspend which may occur within 2019/20 will 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.
- 7.4 The probable outturn for 2020/21 has now been completed and is reporting an overspend of £4.6m, however it should be recognised that this outturn has been completed with a high level of uncertainty. Social Work Services continue to operate under the powers introduced by the emergency legislation in relation to Covid 19 and expect these to be in place until June this year. 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. The Health and Social Care Partnership continue to provide the Scottish Government with regular updates in relation to forecasted spend for all services and the cost of responding to the pandemic. Indications at this stage are that further funding will be allocated in December and in the new calendar year.
- 7.5 If full funding for COVID is received the IJB will end the year with an underspend. It is recommended that this is held in General Reserves to offer the IJB a reasonable contingency to deal with the risks which will exist in 2021/22 in relation to further COVID costs, potential financial implications of BREXIT and the ability to deliver further transformational savings while we respond to the pandemic.
- 7.6 A number of potential risks are highlighted throughout this monitoring report which will require to be mitigated going forward and these will be considered as part of our revenue budget plans for 2020/21.

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 packages of care outlined at section 5.2.4.

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Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end December/Period 10 2020/21

Budget Variance by Care Group

Annual Net Expenditure Budget £0		Actual Net Expenditure to Date £0	Budgeted Net Expenditure to Date £0	Variance to Date £0
158,104	Children and Families	112,117	115,802	-3,685
302,885	Adult Services	217,967	219,228	-1,261
311,419	Older People (incl Dementia)	208,809	216,006	-7,197
47,867	Resources	31,868	32,718	-850
-740	Criminal Justice	-768	-490	-278
362,168	Primary Care	268,602	273,187	-4,585
46,772	COVID-19	25,198	23,121	2,077
1,228,475	Total	863,793	879,572	-15,779

	Funded By :-
426,294	Glasgow City Council
789,056	NHS Greater Glasgow & Clyde
11,395	NHS Greater Glasgow & Clyde - COVID-19
1,730	Drawdown of Earmarked Reserves
1,228,475	

Transfer to Reserves	15,779
Net Balance	0

Budget Variance by Subjective Analysis

Annual Budget £0		Actual to Date £0	Budget to Date £0	Variance to Date £0
	Expenditure			
493,647	Employee costs	361,011	359,789	1,222
25,285	Premises Costs	7,291	5,771	1,520
5,829	Transport Costs	3,972	4,108	-136
149,797	Supplies and Services	74,732	85,184	-10,452
326,955	Third party Costs	224,680	229,493	-4,813
34,814	Transfer Payments	30,109	29,443	666
868	Capital Financing Costs	0	0	0
124,624	Prescribing	90,370	94,071	-3,701
213,530	Family Health Services	162,673	162,668	5
1,375,349	Total Expenditure	954,838	970,527	-15,689
146,874	Income	91,045	90,955	90
1,228,475	Net Expenditure	863,793	879,572	-15,779