Item No. 9

Meeting Date: **Wednesday 21st October 2020**

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 2020/21

Purpose of Report:	This report outlines the financial position of the Glasgow City Integration Joint Board as at 30th August 2020 (Health) and 28th August 2020 (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.

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 2020 (Health), and to 28th August 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 £1.094m lower than budget to date. Gross expenditure is £2.463m (0.48%) underspent, and income is under-recovered by £1.369m (2.82%).

2.2. Appendix 1 shows the current budget variance by both care group and subjective analysis.

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. 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
Secondment of Post to Scottish Government	£194,640	-£194,640	£0
Adults With Incapacity Care Home Resources	-£114,172	£114,172	£0
Increase in funding from Home Office - Unaccompanied Asylum Seeking Children	£1,231,453	-£1,231,453	£0
COVID19 Integration Authority Funding	£2,907,000	£0	£2,907,000
Acute Alcohol Brief Intervention Funding	£184,000	£0	£184,000
PCIP Tranche 1 Allocation	£5,681,757	£0	£5,681,757
GMS Cross Charge COVID	£177,059	£0	£177,059
Non cash limited 2020 update full year budget	£0	£8,040,745	£8,040,745
Re-parent of MH Legislation team to Forensic directorate (Acute Regional)	-£188,797	£22,596	-£166,201
Other Minor Adjustments	£58,228	-£61,347	-£3,119
Total	**£10,131,168**	**£6,690,073**	**£16,821,241**

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 £7.222m representing 52% 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 the Prescribing budget. Programme boards have re-commenced to support major savings initiatives, however it is anticipated that full delivery will not be achievable in 2020-21. An update on Prescribing is included at section 5.5.

4.2. Of the unachieved savings of £2.246m from prior years, £0.120m is still to be realised.

Currently £2.126m is forecast to be achieved, 95% 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.

5. Reasons for Major Budget Variances

5.1. Children and Families

5.1.1. Net expenditure is underspent by £2.644m.

5.1.2. Employee costs is underspent overall by £0.437m. £1.325m 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 £0.832m as the band 7 in-post WTE is greater than the funded establishment by 39.4 WTE, together with provision made for the students in training.

5.1.3 Purchased Placements is underspent by £1.416m and is reflective of demand.

5.1.4 Supported Living is underspent by £0.631m mainly in respect of the new investment funding for Family Support Services where there has been a delay in the progress of tendering activity.

5.2. Adult Services

5.2.1. Net expenditure is overspent by £0.139m.

5.2.2. Employee costs are underspent by £1.985m 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.

5.2.3 Third party costs are overspent by £1.595m 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.)

5.2.4 Income is under recovered by £0.506m which is attributable in the main to the level of unsubsidised housing benefit and provision for bad debt in Homelessness.

5.3. Older People and Physical Disability

5.3.1. Net expenditure is underspent by £1.968m.

5.3.2 Third Party Payments are underspent by £1.723m. Purchased Services are underspent across Personalisation, Supported Living, Discharge to Assess and Purchased Homecare Services.

5.4 Resources

5.4.1 Net expenditure is underspent by £0.193m

5.4.2 Employee costs is underspent by £0.145m due to a combination of vacancies and turnover.

5.4.3 Supplies and Services is underspent by £1.136m across the Equipu, Stairlifts and Ceiling Track Hoists as a result of less equipment being purchased/utilised by the partnership, primarily due to Covid. This is offset by a reduction in income recoveries of £1.191m.

5.5. Primary Care

5.5.1. Primary Care is showing an underspend position of £0.217m.

5.5.2. Vacancies within Prescribing Support Services and Health Improvement teams is resulting in an underspend of £0.271m.

5.5.3. Prescribing is currently overspending by £0.088m which is summarised in the table below.

Main Areas	£m
Schedule 4 GIC (Gross Ingredient Cost) – main GP prescribing budget	+ £0.333m
Invest to Save	- £0.000m
Over-recovery of discounts and rebates	- £0.245m
Net Underspend	+ £0.088m

5.5.4. Detailed reporting on this budget area is not available early in the year, however indications are that the overspend within this budget are as a result of price increases being experienced across a number of prescription drugs which are driven by pricing across a global market.

5.5.5. 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. The overspend to date can be managed within this contingency if required.

5.6. Response to COVID-19

5.6.1. 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 a first tranche payment of £8.722m to meet the initial costs of responding to COVID-19 for social care services only. An allocation is still awaited for health services. The IJB has provided 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 funding needs.

5.6.2. To date £10.100m has been spent responding to COVID-19. This has been off-set with underspends of £2.920m in care home expenditure and reductions in supplies across a number of services which is reflective of the reduction in services delivered in some areas. This represents a net cost of £7.180m to the IJB to date, of which £3.280m relates to social care services and £3.900m relates to health board services. At this time spend on health services remains unfunded and this represents an overspend of £3.900m to the IJB. Funding from the Scottish Government continues to be pursued.

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 £1.094m 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. 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

Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end August/Period 6 2020/21

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
156,197	Children and Families	62,220	64,864	-2,644
293,845	Adult Services	112,930	112,791	139
317,464	Older People (incl Dementia)	122,510	124,478	-1,968
40,414	Resources	17,113	17,306	-193
-740	Criminal Justice	-205	-94	-111
363,957	Primary Care	147,074	147,291	-217
8,722	COVID-19	7,180	3,280	3,900
1,179,859	**Total**	**468,822**	**469,916**	**-1,094**

	Funded By :-
426,261	Glasgow City Council
744,225	NHS Greater Glasgow & Clyde
8,722	NHS Greater Glasgow & Clyde - COVID-19
651	Drawdown of Earmarked Reserves
1,179,859	

Transfer to Reserves	**1,094**
Net Balance	0

Budget Variance by Subjective Analysis

Annual Budget £000	Expenditure	Actual to Date £000	Budget to Date £000	Variance to Date £000
490,453	Employee costs	203,096	201,866	1,230
27,191	Premises Costs	5,004	4,599	405
5,686	Transport Costs	2,041	2,256	-215
66,434	Supplies and Services	24,984	27,555	-2,571
317,001	Third party Costs	126,102	128,150	-2,048
41,499	Transfer Payments	16,289	15,642	647
868	Capital Financing Costs	0	0	0
130,527	Prescribing	49,614	49,526	88
210,453	Family Health Services	88,925	88,924	1
1,290,112	**Total Expenditure**	**516,055**	**518,518**	**-2,463**
110,253	**Income**	**47,233**	**48,602**	**-1,369**
1,179,859	**Net Expenditure**	**468,822**	**469,916**	**-1,094**