



Item No. 10

Meeting Date Wednesday 6th September 2017

Glasgow City Integration Joint Board Finance and Audit Committee

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BUDGET MONITORING - MONTH 3 / PERIOD 4

Purpose of Report:	This report outlines the financial position of the Glasgow City Integration Joint Board as at 30 June 2017 (Health) and 7 July 2017 (Council), and highlights any areas of budget pressure and actions to mitigate these pressures.
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Recommendations:	The IJB Finance and Audit Committee is asked to: a) note the contents of this report.
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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.
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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.
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Provider Organisations:	Expenditure on services delivered to clients by provider organisations is included within this report.
Equalities:	Not applicable at this time.
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. 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 2017 to 30 June 2017 (Health), and to 7 July 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 £238,000 higher than budget to date. Gross expenditure is £136,000 (0.69%) overspent, and income is under-recovered by £102,000 (0.24%). If this position continued to the end of the financial year, it would be funded by a transfer from reserves.
- 2.2 Appendix 1 shows this 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 or service developments. During month 3/period 4 the net expenditure budget has increased by £18.969m. The month 3/period 4 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
Finance Staff Budget Transfer	+£390,000	£0	+£390,000
Recruitment & Retention – Deep End Pioneer	+£433,000	£0	+£433,000
Maryhill Health Centre (pending reparenting)	+£254,000	£0	+£254,000
Prescribing Change 16/17 to 17/18	-£2,071,000	£0	-£2,071,000
General Medical Services (GMS) cross-charge 17/18 uplift	+£1,860,000	£0	+£1,860,000
General Revenue Grant – Provision of Homelessness prevention	+£3,997,000	£0	+£3,997,000
Integrated Grant Fund Transfer - Permanency	+£80,000	£0	+£80,000
Integrated Grant Fund Transfer - Kinship	+£650,000	£0	+£650,000
Integrated Grant Fund Transfer – Independent Living Strategy	+£50,000	£0	+£50,000
Lord Provost Fund	+£85,000	+£85,000	£0
Reduction in Rent Income – TFF's	-£490,000	-£490,000	£0
HSCI Monies – Scottish Living Wage	+£13,240,000	£0	+£13,240,000
HSCI Monies – Veterans & Carers	+£930,000	+£930,000	£0
Scottish Govt – Technology Enable Care	+£350,000	+£350,000	£0
Scottish Govt – Integrated Care Fund For Carers Service	+£222,000	+£222,000	£0
Scottish Govt – Integrated Care Fund for Accommodation Based Strategy	+£8,305,000	+£8,305,000	£0
Increase in Income & Expenditure budgets from external sources	+£54,000	+£54,000	£0
Other NHS adjustments < £100,000	+£176,000	+£90,000	+£86,000
Totals	+£28,515,000	+£9,546,000	+£18,969,000

3.2 In addition there have been a number of budget transfers during the period to reflect service reconfigurations.

4. Transformation Programme

4.1 As the prescribing budget for 2017/18 has yet to be finalised, we have not yet brought a review and forecast of transformation savings across the IJB against targets. A report on the Prescribing budget and related savings, together with an update on the Transformation Programme will be brought to the next IJB meeting.

5. Reasons for Major Budget Variances

5.1 Children and Families

5.1.1 Net expenditure is overspent by £348,000.

5.1.2 Residential School placement numbers have decreased by 2 since Period 3 to 96, with a full-year commitment of £18.41m. The overspend to date is £208,000 and includes 3 placements within secure establishments. Based on these placement numbers, the full-year projected overspend is £676,000.

5.1.3 Purchased placements have increased by 1 since Period 3 to 410, with a full-year commitment of £24.74m. The underspend to date for purchased placements is £49,000. Based on these placement numbers, the full-year projected underspend is £159,000.

5.1.4 In other areas of the service there are overspends in employee costs (£317,000) predominantly in provided residential, and Cordia Transport (£128,000) mainly in respect of young people in care being taken for contact visits with family or to school. These overspends are partially offset by underspends which include provided foster care (£222,000) and shared care and community/purchased respite (£138,000).

5.1.5 Within School Nursing, a £400,000 savings target has been applied and largely achieved. Full achievement is expected by the end of the first half of year, with a further review of the service on-going. Year-to-date, this service is £20,000 overspent. Health Visiting development funding from the Scottish Government is expected but amounts are not yet confirmed and so a prudent position has been assumed so far, and this service is currently showing an overspend of £52,000. In addition, while some progress has been made towards the NHS Children's services savings programme, there currently remains a small gap, leaving an overspend of £35,000 year-to-date.

5.2 **Older People**

- 5.2.1 There is a net underspend of £261,000 in the provision of services to Older People.
- 5.2.2 There is an underspend of £308,000 as a consequence of the timing of the Prudential borrowing charges relating to the Older People's Residential and Day Care Strategy. These monies will be available in 2017/18 to fund the refurbishment of existing units that are being maintained.
- 5.2.3 The supply of community equipment to aid hospital discharge or prevent admission ('EquipU') is overspent by £89,000. 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 was allocated here from Delayed Discharge funding. There will remain a pressure which service managers will be expected to manage.
- 5.2.4 These pressures are offset by an underspend within Out of Hours Nursing (£74,000) and Rehabilitation Services (£40,000), as a result of staff turnover. Although some of the NHS Older People's savings have been achieved, unachieved savings relating to the Older People's System of Care programme to develop integrated teams are resulting in an overspend of £38,000 year-to-date.

5.3 **Addictions**

- 5.3.1 Addictions are underspent by £255,000. This is mainly the result of The Community Addiction Teams. Funding has been provided at the top of scale from the NHS Board-wide Resource Allocation Model, resulting in non-recurring savings in-year.

5.4 **Elderly Mental Health**

- 5.4.1 Elderly Mental Health services are overspent by £1,380,000. This includes the ongoing cost of beds in Darnley and Quayside, accommodating adults with incapacity ('AWI') who have been discharged from acute services. There is no specific budget for these costs which, year-to-date, amount to £339,000. The vast majority of the overspend relates to inpatient services. Year-to-date, this amounts to £1,150,000, almost all of which is due to unachieved savings of £1,139,000.
- 5.4.2 In relation to medical locums – a cost pressure of £120,000 last year - we have been successful in securing funding from NHS Lanarkshire for clinical time provided to the Cambuslang/Rutherglen area. This is now no longer a cost pressure.

5.4.3 An underspend of £40,000 within other community staffing budgets offsets nursing pressures of £35,000 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 is due to cease in July 2017.

5.5 **Learning Disability**

5.5.1 Learning Disability services are underspent by £156,000. This is mainly the result of an underspend within NHS Community Teams.

5.6 **Homelessness**

5.6.1 There is a net underspend of £224,000 within Homelessness services, which is mainly attributable to employee vacancies and savings generated within the housing support tender, together with vacancies across Occupational Therapy, Nursing and Admin.

5.7 **Adult Mental Health**

5.7.1 Adult Mental Health services are overspent by £399,000. Savings unachieved related to the move off Parkhead amount of £175,000 and within central Mental Health services amount to £114,000. Acute admission in the North of the city is overspent by £35,000 largely related to nursing pressures at Parkhead and the Intensive Psychiatric Care units. These pressures are partly offset by underspending within the South inpatient wards at Leverndale amounting to £80,000. Within hosted Mental Health services, there are overspends within Extra Contractual Referrals and unachieved savings, together totalling £152,000.

5.8 **Hosted Services**

5.8.1 Hosted Services are made up of Sexual Health Services and Police Custody Healthcare and are underspent by £143,000. This is largely as a result of medical and nursing vacancies within the Police Custody service, and turnover within Medical, Nursing and Psychology within Sexual Health.

5.9 **Other Services**

5.9.1 Other Services are underspent by £855,000. This relates largely to the Contingency budget which currently has no commitments against it, and employee costs within support services.

5.10 Prescribing Costs

- 5.10.1 Budgets and savings targets for Prescribing costs have yet to be finalised with the final position for 16/17 only recently being established. Accordingly, a breakeven has been reported at month 02. The NHS Board's and the IJB's financial plan for 2017/18 noted Prescribing costs as a key area of risk and added that they are demand driven and can vary considerably throughout the year.
- 5.10.2 The final position for Glasgow City HSCP in 2016/17 was an underspend of £2.5m, although additional funding of £1.9m had been added by the NHS Board from the original budget figure when budgets were thought to be significantly below forecast spend, leaving a net underspend position against the original budget of £0.6m

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. In particular, there is a review of the plan for inpatient bed closures in Adult and Older People Mental Health to examine the phasing of the closures and the achievability in 2017/18.

7. Conclusion

- 7.1 Net expenditure is £238,000 higher than budget to date. The overall position will be reviewed and updated through the normal monitoring process where any material change is identified over the course of the financial year. As noted above, budgets for Prescribing cost and related savings have yet to be finalised. In addition, a number of NHS 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 and will be reported on in future monitoring statements.
- 7.2 In line with the approved Reserves Policy, any net underspend which may occur within 2017/18 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. Alternatively, general reserves may be required to mitigate against the budget pressures referred to within this report. Earmarked reserves will be released as expenditure is incurred.

8. Recommendations

- 8.1 The Integration Joint Board is asked to:
- a) note the contents of this report.

Glasgow City Integration Joint Board

Budget Monitoring Statement to end June/Period 4 2017/18

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
150,952	2,106	148,846	Children and Families	41,079	40,731	348
23,021	18,376	4,645	Prisons Healthcare and Criminal Justice	2,454	2,441	13
229,404	21,959	207,445	Older People	42,073	42,334	-261
47,897	1,116	46,781	Addictions	11,966	12,221	-255
2,084	317	1,767	Carers	262	261	1
28,005	1,040	26,965	Elderly Mental Health	10,312	8,932	1,380
64,935	7,096	57,839	Learning Disability	8,071	8,227	-156
26,493	280	26,213	Physical Disability	6,507	6,516	-9
101,110	12,594	88,516	Mental Health	19,292	18,893	399
76,332	29,831	46,501	Homelessness	9,690	9,914	-224
125,280	0	125,280	Prescribing	31,803	31,803	0
179,792	8,772	171,020	Family Health Services	44,269	44,269	0
13,901	1,340	12,561	Hosted Services	3,118	3,261	-143
62,765	5,042	57,723	Other Services	13,304	14,159	-855
1,131,971	109,869	1,022,102	Totals	244,202	243,964	238

Add Transfer from Reserves

-238**0**

Budget Variance by Subjective Analysis

Annual Budget		Actual to Date	Budget to Date	Variance to Date
£000	Expenditure	£000	£000	£000
325,734	Employee costs	84,050	84,756	-706
24,545	Premises Costs	5,869	5,714	155
4,336	Transport Costs	1,274	1,055	219
65,246	Supplies and Services	15,291	16,658	-1,367
376,243	Third party Costs	93,143	93,192	-49
29,090	Transfer Payments	6,702	6,918	-216
840	Capital Financing Costs	0	0	0
135,250	Prescribing	33,756	33,756	0
179,651	Family Health Services	46,529	46,545	-16
-8,964	Unachieved Savings	0	-2,116	2,116
1,131,971	Total Expenditure	286,614	286,478	136
109,869	Income	42,412	42,514	-102
1,022,102	Net Expenditure	244,202	243,964	238