



**Item No: 10**

**Meeting Date: Wednesday 4<sup>th</sup> April 2018**

**Glasgow City  
Integration Joint Board  
Finance & Audit Committee**

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

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**GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING  
FOR MONTH 10 AND PERIOD 12 2017/18**

<b>Purpose of Report:</b>	This report outlines the financial position of the Glasgow City Integration Joint Board as at 31 January 2018 (Health) and 16 February 2018 (Council), and highlights any areas of budget pressure and actions to mitigate these pressures.
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<b>Background/Engagement:</b>	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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<b>Recommendations:</b>	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:**

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	Not applicable at this time.
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<b>Personnel:</b>	Not applicable at this time.
<b>Carers:</b>	Expenditure in relation to Carers' services is included within this report.
<b>Provider Organisations:</b>	Expenditure on services delivered to clients by provider organisations is included within this report.
<b>Equalities:</b>	Not applicable at this time.
<b>Financial:</b>	Actions required to ensure expenditure is contained within budget.
<b>Legal:</b>	Not applicable at this time.
<b>Economic Impact:</b>	Not applicable at this time.
<b>Sustainability:</b>	Not applicable at this time.
<b>Sustainable Procurement and Article 19:</b>	Not applicable at this time.
<b>Risk Implications:</b>	None at this time.
<b>Implications for Glasgow City Council:</b>	None at this time.
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	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 31 January 2018 (Health), and to 16 February 2018 (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 £4.333m less than budget to date. Gross expenditure is £3.452m (0.36%) underspent, and income is over-recovered by £0.881m (0.84%). If this position continued to the end of the financial year, the net underspend would be transferred to reserves.
- 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. During Month 10/Period 12 the net expenditure budget has increased by £0.814m. The changes to the gross expenditure and income budgets are analysed in the table below.

<b>Explanation</b>	<b>Changes to Expenditure Budget*</b>	<b>Changes to Income Budget</b>	<b>Net Expenditure Budget Change</b>
Reversal of Transfer of Hospice Income Budget		-£726,196	+£726,196
Blood bourne virus nurses	+£39,200		+£39,200
Esteem Capital Works – Transfer to Capital	-£56,115		-£56,115
Income Offsets – Salary Recharge JM	+£167,495	+£167,495	+£0
Smoking Cessation post	-£14,500		-£14,500
Income Offsets – Various	+£170,605	+£170,605	+£0
BEF 5034 – On-going Costs – Corporate Finance	-£40,000	0	-£40,000
Corporate Finance – CBS staff transfer to SWS	+£154,000	£0	+£154,000
Other minor adjustments	+£5,151	-£57	+£5,208
<b>Total</b>	<b>+£425,836</b>	<b>-£388,153</b>	<b>+£813,989</b>

\* This will be the subject of further changes prior to the end of the financial year, and will include year-end adjustments in relation to final budget transfers from Glasgow City Council.

- 3.2 In addition there have been a number of budget transfers during the period to reflect service reconfigurations.
- 3.3 Whilst the staffing budget includes a pressure in relation to the increased pay award, this will be managed bottom-line this financial year. However, it has been agreed that the additional budget will be made available next financial year.

#### **4. Transformation Programme**

- 4.1 The overall savings target for 2017/18 is £17.392m with expected achievement of £16.627m, leaving a shortfall of £0.765m within Adult Mental Health, Physical Disabilities and Children's and Families.

#### **5. Reasons for Major Budget Variances**

##### **5.1 Children and Families**

- 5.1.1 Net expenditure is underspent by £1.610m.
- 5.1.2 Residential School placement numbers have remained the same since Period 11 at 71, with a full-year commitment of £16.351m. This represents a total reduction of 25 from the start of the year. The underspend to date is £1.280m and includes 1 placement within a secure establishment.
- 5.1.3 Purchased placements have decreased by 7 since Period 11 to 379, with a full-year commitment of £24.479m, and an underspend to date of £1.1193m. The majority of placements are in purchased fostering.
- 5.1.4 In other areas of the service there are underspends in provided foster care due to reducing placement numbers (£1.138m), kinship care (£0.088m), and shared care and community respite (£0.205m).
- 5.1.5 These underspends are partially offset by an overspend in transport costs (£1.003m) mainly in respect of young people in care being taken for contact visits with family or to school. Employee costs (£0.988m) are also overspent mainly as a result of the cost of operating the temporary residential unit for Unaccompanied Asylum Seeking Young Women until the end of September, which involved the recruitment of additional staff and overtime working. Overtime has also been required to cover for staff absence in relation to sickness and maternity leave.
- 5.1.6 Some progress has been made towards the NHS Children's Services savings programme but there currently remains a gap, resulting in a year to date overspend of £0.119m and £0.143m on a full year basis. This is due to turnover savings allocated within this service which have been difficult to achieve due to the need to maintain health visiting numbers. This position will continue to be monitored across the service.
- 5.1.7 Health Visiting development funding from the Scottish Government has been partially distributed and will give provision for growth in the trained staff cohort. The staffing growth mirrors the academic year rather than the fiscal year and this presents some phasing challenges which it is proposed to address utilising the carry forward facility for earmarked reserves. An estimated value of carry forward required is £0.300m.

## **5.2 Prison Healthcare and Criminal Justice**

5.2.1 Net expenditure is overspent by £0.158m.

5.2.2 Clinical supplies account for the majority of the Prison Healthcare overspend. Within employee costs, there are some pressures associated with increased sessional Medical costs and a Health Improvement post which are offset by vacancies and turnover in other professions. The use of bank staff to partially cover turnover is ongoing. It is hoped that the recruitment of Advanced Nurse Practitioners will reduce the reliance on Medical Staffing over time and will therefore have a favourable impact on the budget position.

## **5.3 Older People and Physical Disability**

5.3.1 Net expenditure is underspent by £1.555m.

5.3.2 There is an underspend of £0.501m mainly in relation to slippage within the Older People's Residential and Day Care Strategy. Income is also over-recovered (£0.701m) mainly in relation to client contributions for care home fees and recovery of Direct Payments.

5.3.3 A number of other services are also experiencing underspends including:-

- Adaptations (£0.189m) due to a downturn in activity in the supply of hoists and stairlifts in service user homes.
- Residential (£0.111m) and Supported Living (£0.112m) linked to demand
- Staff within Out of Hours, Senior and District Nursing and Rehabilitation Services due to staff turnover (£0.475m)

5.3.4 This has been offset with an overspend in Personalisation (£0.453m) and Older People's System of Care programme (£0.124m) which is attributable to unachieved savings from 2017/18 and 2016/17. The savings for Older People's System of Care will be achieved by financial year end.

## **5.4 Addictions**

5.4.1 Net expenditure is underspent by £1.201m.

5.4.2 This is mainly attributable to Purchased Services (£0.605m), where occupancy levels within residential rehabilitation services have reduced. There is a non-recurring underspend mainly within the Community Addiction Teams (£0.526m) due to staff turnover, and recruitment is ongoing.

## **5.5 Elderly Mental Health**

5.5.1 Net expenditure is overspent by £3.084m.

5.5.2 The main cause of the overspend is within inpatient services (£2.021m) and is mainly due to unachieved savings from 2016/17 (£1.627m). Work is underway to progress

plans to secure delivery of these savings. The balance is within ward nurse pay (£0.394m) and is linked to staff sickness and patient observations.

- 5.5.3 There are ongoing costs 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 £1.424m.
- 5.5.4 This is off-set with an underspend within other community staffing budgets linked to turnover (£0.361m).

## **5.6 Learning Disability**

- 5.6.1 Learning Disability services are underspent by £0.385m.
- 5.6.2 This is as a result of income over recovery (£0.300m) in respect of Direct Payments and outstanding client contributions and an underspend in Supplies and Services within provided Day Services (£0.166m).
- 5.6.3 This is partially off-set with an overspend within employee costs (£0.100m). This reflects an overspend within Assessment and Care Management of (£0.236m), which is partially offset by vacancies within the NHS Community Teams and Allied Health Professionals.

## **5.7 Homelessness**

- 5.7.1 Homelessness services are underspent by £0.034m.
- 5.7.2 Income is under-recovered by £0.547m in relation to recovery of rental income and unsubsidised Housing Benefit.
- 5.7.3 Property rates (£0.221m) are overspent across various properties, and City Building recharges are overspent for Temporary Furnished Flats (TFFs) (£0.628m). Spend on B & B (£0.582m) is also overspent.
- 5.7.4 This is off-set with an underspend in relation to net savings made from prior year tendering activity (£0.932m) and an underspend which is mainly attributable to vacancies across Occupational Therapy, Nursing and Admin in the Health team (£0.476m). There is also an underspend on purchased services (£0.642m) due to void periods.
- 5.7.5 Scottish government funding has been received to support Afghan refugees. This support spans financial years and as a result it is estimated that £0.500m will be required to be carried forward to 2018-19.

## **5.8 Adult Mental Health**

- 5.8.1 Adult Mental Health services are underspent by £1.009m.

- 5.8.2 There are underspends in a number of services largely due to periods of vacancies and turnover (£1.179m). There is also an underspend relating to Direct Payments (£0.149m) and short stay wards across the city (£0.180m). A further review of the alignments of these budgets is required in order to determine the degree of contingency available in the event of a downward trend in income from other boards as they develop their community capacity.
- 5.8.3 There are overspends across the city in respect of Psychiatric Medical staffing (£0.339m), due to agency usage to cover vacancies and maternity leave cover and unfunded sessions which are currently under review. In addition to this Junior Doctor rotations (£0.279m) is overspent. Funding is received from NHS Education (NES) to support an approved number of Doctors post graduate training however funding is received at mid-point of the grade and no allowance is made for vacancies. There are therefore a number of component parts contributing to the emerging variance. Work is ongoing with Medical Staffing, Clinical Director Mental Health, Mental Health Business Support and Acute finance colleagues to ascertain the pressures linked.
- 5.8.4 Savings unachieved amount to £0.085m year to date and relate to the citywide Out of Hours review and an historic workforce target held centrally.

## **5.9 Hosted Services (Glasgow)**

- 5.9.1 Hosted Services in Glasgow IJB are underspent by £0.256m.
- 5.9.2 This is largely as a result of medical and nursing vacancies within the Police Custody Healthcare service (£0.222m).
- 5.9.3 Within Sexual Health Services there is an underspend due to turnover in medical, nursing & admin as posts are held pending the outcome of the current Program Board Review (£0.320m). This position is offset with an overspend in non-pay mainly attributable to pressure within drugs due to the cumulative cost for new PrEP prescribing of (£0.428m).

## **5.10 Other Services**

- 5.10.1 Other Services are underspent by £1.509m. This relates largely to the Contingency budget which has some commitments against it for new service provision but expenditure has slipped in the current year.

## **5.11 Prescribing Costs**

- 5.11.1 A break-even position has been reported at Month 10 in line with the risk sharing agreement with the Health Board, however the risks on short supply, off patent savings, increased demand and price inflation should be noted, with the potential impact for 2018/19.

## **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 £4.333m less than budget to date, with the recent Probable Outturn projecting a year end underspend of £3.946m. The overall position will be kept under review to the end of the financial year to ensure any material changes are identified, such as performance during the approaching winter months. 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.
- 7.2 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.
- 7.3 A number of potential risks are highlighted throughout this monitoring report which will require to be mitigated going forward, and consideration will be given to providing for ear-marked reserves in these areas.

## **8. Recommendations**

- 8.1 The IJB Finance and Audit Committee is asked to:
- a) note the contents of this report.



## Glasgow City Integration Joint Board

## Budget Monitoring Statement to end January/Period 12 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
154,466	2,461	152,005	Children and Families	131,879	133,489	-1,610
23,823	18,437	5,386	Prisons Healthcare and Criminal Justice	4,796	4,638	158
262,601	22,767	239,834	Older People/Physical Disability	195,739	197,294	-1,555
42,780	1,421	41,359	Addictions	33,522	34,723	-1,201
2,105	298	1,807	Carers	1,545	1,559	-14
29,298	1,077	28,221	Elderly Mental Health	27,101	24,017	3,084
67,284	392	66,892	Learning Disability	53,453	53,838	-385
106,591	13,452	93,139	Mental Health	76,192	77,201	-1,009
77,196	29,438	47,758	Homelessness	38,316	38,350	-34
127,530	0	127,530	Prescribing	108,346	108,346	0
181,661	8,772	172,889	Family Health Services	145,098	145,100	-2
16,141	1,657	14,484	Hosted Services	9,990	10,246	-256
60,202	5,912	54,289	Other Services	31,797	33,306	-1,509
<b>1,151,677</b>	<b>106,084</b>	<b>1,045,593</b>		<b>857,775</b>	<b>862,108</b>	<b>-4,333</b>

	Funded By :-
387,025	Glasgow City Council
652,891	NHS Greater Glasgow & Clyde
5,677	Drawdown of Earmarked Reserves
<b>1,045,593</b>	

Add Transfer to Reserves			<b>4,333</b>
Net Balance			0

## Budget Variance by Subjective Analysis

Annual Budget		Actual to Date	Budget to Date	Variance to Date
£000	Expenditure	£000	£000	£000
332,516	Employee costs	282,975	283,287	-312
24,577	Premises Costs	21,777	20,392	1,385
4,356	Transport Costs	4,538	3,372	1,166
75,305	Supplies and Services	55,427	57,856	-2,429
372,188	Third party Costs	310,242	315,638	-5,396
29,407	Transfer Payments	22,383	22,209	174
840	Capital Financing Costs	0	0	0
133,780	Prescribing	113,574	113,577	-3
181,521	Family Health Services	152,512	152,507	5
-2,813	Unachieved Savings	0	-1,958	1,958
<b>1,151,677</b>	<b>Total Expenditure</b>	<b>963,428</b>	<b>966,880</b>	<b>-3,452</b>
<b>106,084</b>	<b>Income</b>	<b>105,653</b>	<b>104,772</b>	<b>881</b>
<b>1,045,593</b>	<b>Net Expenditure</b>	<b>857,775</b>	<b>862,108</b>	<b>-4,333</b>