



Item No: 10

Meeting Date: Wednesday 5th December 2018

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

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**GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING
FOR MONTH 6 AND PERIOD 7 2018/19**

Purpose of Report:	This report outlines the financial position of the Glasgow City Integration Joint Board as at 30 September 2018 (Health) and 28 September 2018 (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 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.
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.
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 2018 to 30 September 2018 (Health), and to 28 September 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 £0.689m less than budget to date. Gross expenditure is £0.255m (0.05%) overspent, and income is over-recovered by £0.944m (2.33%). 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 6/Period 7 the net expenditure budget has increased by £8.855m. 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
General Medical Service - GP Contract	£6,248,174	£0	£6,248,174
Child Health Weight	£184,000	£0	£184,000
Psychological Therapies income	£300,000	£-300,000	£0
Agenda For Change Pays uplift consequential	£2,420,800	£0	£2,420,800
Other Minor Adjustments	£134,728	£-132,219	£2,509
Total	£9,287,702	£-432,219	£8,855,483

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

4. Transformation Programme

- 4.1 The overall savings target for 2018/19 is £16.964m. At this stage of the year, it is anticipated that actual savings will amount to £13.938m representing 82% of target. This is linked to the delivery of a saving in purchased services in Learning Disability (£0.500m) and care home placements within Older People (£2.232m) which have been challenging to deliver due to the demand experienced in both services. Further scrutiny of the financial position, including authorisations, reviews and transitions from Children and Family, Adults and Older People is currently underway.
- 4.2 This is reflected in the overall financial position reported in this monitoring statement and delivery will continue to be monitored by the Integration Transformation Board.

5. Reasons for Major Budget Variances

5.1 Children and Families

- 5.1.1 Net expenditure is underspent by £2.338m
- 5.1.2 Work continues in support of the Transformation Programme within Children and Families and has secured a further reduction in Residential School placement numbers of 11 since 1st April. At period 7 the underspend is £0.594m, with a full year projected underspend of £1.104m. Purchased placements (£0.846m) is also underspending with a full year projected underspend of £1.572m. The majority of placements are in purchased fostering which has reduced by 9 since 1st April.
- 5.1.3 In other areas of the service there are underspends in provided foster care due to reducing placement numbers (£0.522m), personalisation (£0.348m) and shared care and community respite (£0.134m).
- 5.1.4 These underspends are partially offset by an overspend in transport costs (£0.192m) mainly in respect of young people in care being taken for contact visits with family or to school. This is a known pressure and budget re-alignment has been actioned to alleviate it, with cost reduction measures also ongoing.
- 5.1.5 Direct assistance (£0.356m) is overspent mainly in respect of Section 29 payments to care leavers linked to increasing numbers in the community eligible for funding.
- 5.1.6 Income (£0.454m) is over-recovered as a result of higher than budgeted income from the Home Office in respect of UASC cases eligible for funding, and income from staff secondments.

5.2 Adult Services

- 5.2.1 Net expenditure is overspent by £1.203m.
- 5.2.2 Purchased Services and Direct Payments within Learning Disability are overspent by £1.484m. This overspend is attributable to unachieved savings, as a result of demand, and the impact of transitional drift from Children and Families, and onwards to Older People. A realignment of budget and options for remedial action are currently being considered.
- 5.2.3 Mental Health is overspent by £0.604m. There are overspends across the city in respect of Psychiatric Medical staffing (£0.161m), due to maternity leave and vacancy cover and unfunded sessions which are currently under review. In addition to this Junior Doctor rotations (£0.228m) 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.
- 5.2.4 This is offset by underspends in a number of services largely due to periods of vacancies and turnover (£1.098m). Recruitment is ongoing.

5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is overspent by £0.822m.
- 5.3.2 Purchased Care Homes (£1.622m) is overspent due to increased placements, linked to demand, resulting in the non delivery of a planned saving for 2018/19.
- 5.3.3 The demand for beds in Darnley, Quayside and offsite purchases, accommodating adults with incapacity ('AWI') continues in 2018/19 with an overspend of £0.371m reported year to date. The 2018/19 budget approved in March recognised that the pressure in this area was higher than the funding identified. This pressure is currently funded in part at £0.194m via a review currently underway of older people mental health and continuing care beds.
- 5.3.4 Employee costs (£0.541m) within Older People is overspent, mainly in Area Services (£0.466m) due to lower expected levels of staff turnover. Residential (£0.450m) is overspent as a result of the need to use agency and overtime to cover for sickness absence, end of life care and maternity leave. This has been partially off-set by health underspends in a number of services largely due to periods of vacancies and turnover (£0.263m).
- 5.3.5 Traditional purchased services (£1.398m) and aids for daily living (£0.074m) are reporting an underspend, which is reflective of the introduction of personalisation and the transfer of demand to personalisation budgets.

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 £0.689m less than budget to date. 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 2018/19 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 is asked to:

a) note the contents of this report.

Glasgow City Integration Joint Board

Budget Monitoring Statement to end September/Period 7 2018/19

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
151,704	2,425	149,279	Children and Families	70,965	73,303	-2,338
319,062	46,909	272,153	Adult Services	132,650	131,447	1,203
286,976	11,557	275,419	Older People Services	126,961	126,139	822
46,574	271	46,303	Resources	17,833	18,142	-309
17,497	18,327	-830	Criminal Justice	16	82	-66
128,701	0	128,701	Prescribing	62,081	62,081	0
188,505	8,499	180,006	Family Health Services	91,600	91,588	12
6,455	158	6,297	Other Services	2,999	3,012	-13
1,145,474	88,146	1,057,328	Total	505,105	505,794	-689

	Funded By :-
392,022	Glasgow City Council
663,827	NHS Greater Glasgow & Clyde
1,478	Drawdown of Earmarked Reserves
1,057,327	

Add Transfer to Reserves			689
Net Balance			0

Budget Variance by Subjective Analysis

Annual Budget		Actual to Date	Budget to Date	Variance to Date
£000	Expenditure	£000	£000	£000
340,907	Employee costs	169,365	170,079	-714
24,979	Premises Costs	6,172	6,027	145
5,401	Transport Costs	2,797	2,532	265
70,117	Supplies and Services	28,233	28,449	-216
356,159	Third party Costs	168,339	167,896	443
29,783	Transfer Payments	13,354	13,034	320
830	Capital Financing Costs	0	0	0
128,701	Prescribing	62,081	62,081	0
188,505	Family Health Services	96,157	96,145	12
1,145,382	Total Expenditure	546,498	546,243	255
88,146	Income	41,485	40,541	944
1,057,236	Net Expenditure	505,013	505,702	-689