



Item No: 10

Meeting Date: Wednesday 24th April 2019

Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee

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

Contact: Sharon Wearing

Tel: 0141 287 8838

GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING FOR MONTH 11 AND PERIOD 12 2018/19

Purpose of Report:	This report outlines the financial position of the Glasgow City Integration Joint Board as at 28 February 2019 (Health) and 15 February 2019 (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 b) approve the expenditure in relation to the package of care outlined at section 5.2.7, on a recurring basis.
-------------------------	---

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. The cost of a care package has been identified at section 5.2.7 and can be funded within the existing 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 the Glasgow City Integration Joint Board for the period 1 April 2018 to 28 February 2019 (Health), and to 15 February 2019 (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 £1.197m lower than budget to date. Gross expenditure is £0.583m (0.05%) overspent, and income is over-recovered by £1.780m (2.07%).

This position reflects the IJB's share of the costs of services which have transferred from Cordia LLP, following approval at November's IJB to fund split these 50/50 with the Council.

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 11/Period 12 the net expenditure budget has increased by £2.177m. 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
Integrated Grant Fund - Govanhill Comm Safety	£257,000	£0	£257,000
Integrated Grant Fund – Children's Services Kinship Care	£80,000	£0	£80,000
Integrated Grant Fund – Children's Services Early Intervention	£650,000	£0	£650,000
Realignment of Budgets Within Older People to Reflect Income Recovered	£474,567	£-474,567	£0
Back-scanning funding from Health Board	£593,000	£-593,000	£0
Mental Health Outcomes Framework	£1,068,871	£0	£1,068,871
Supported Time out service	£110,000	£0	£110,000
Lanarkshire SLA adjustment	£-98,376	£98,376	£0
Practice Education Facilitator (payment on behalf) NES	£271,695	£-271,695	£0
Community Health Activity income(GCC)	£96,236	£-96,236	£0
Other Minor Adjustments	£41,228	£-30,343	£10,885
Total	£3,544,221	£-1,367,465	£2,176,756

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 £13.895m 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 continues. A part year

delivery of the Property Rationalisation saving is also resulting in an in-year under delivery of £0.249m.

- 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 £5.583m.

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 16 since 1st April. At period 12 the underspend is £1.554m. The full year projected underspend is £1.680m. Purchased placements is also underspending by £1.714m with a full year projected underspend of £1.860m. The majority of placements are in purchased fostering, where numbers have reduced by 20 since 1st April.

5.1.3 Employee costs is underspent by £1.498m mainly due to vacancies in Social Worker posts, which is partially offset by overtime in the residential units and provision for the Health Visitors regrading.

5.1.4 In other areas of the service there are underspends in provided foster care due to reducing placement numbers (£0.940m), personalisation (£0.610m) and shared care and community respite (£0.240m).

5.1.5 There is an overspend of £0.917m in Direct Assistance mainly in respect of Section 29 payments to Care Leavers linked to increasing numbers in the community eligible for funding and accommodation costs for young people with no recourse to public funds.

5.1.6 There is an overspend in rents of £0.288m related to the part year delivery of the saving in terminating the lease for Stanley Street and tenancies for UASCs and Care leavers, and £0.256m for City Building repairs mainly in respect of the provided residential units, security work at Orr Street and relocation costs to Martyr's School.

5.1.7 Income is over-recovered by £0.896m due to higher than budgeted income from the Home Office in respect of UASC cases as a result of additional income for 17/18 and more eligible cases approved for 18/19, income from staff secondments and inter-agency adoptions, and recovery of overpayments to carers.

5.2 Adult Services

- 5.2.1 Net expenditure is overspent by £0.886m.

5.2.2 Purchased Services (including SDS) within Learning Disability are overspent by £2.736m. This overspend is attributable to unachieved savings and the impact of transitional drift from Children and Families, and onwards to Older People. The Chief Finance and Resources Officer has met with Assistant Chief Officers to address these issues.

- 5.2.3 Expenditure in relation to Housing First (£0.925m) has been incurred and is reflected in the overspend above. Scottish Government funding is being pursued.
- 5.2.4 Mental Health is overspent by (£0.419m). There are overspends across the city in respect of Medical staffing (£0.221m), due to vacancy cover, maternity leave and unfunded sessions which are currently under review. In addition, Junior Doctor rotations (£0.349m) continue to overspend. 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. Nursing cumulative overspend of (£0.528m) due to continued pressures in Inpatient wards, increasing acute admissions and the need for enhanced observations. Long Term Sick is also being reported as a rising pressure. Action plans to improve absence management are currently being developed.
- 5.2.5 Mental Health purchased Services is reporting an overspend of £0.207m due in the main to a high cost support package impacting in the current financial year.
- 5.2.6 This is offset by underspends in a number of services largely due to periods of vacancies and turnover (£3.261m). Recruitment is ongoing.
- 5.2.7 Adult Services has recently assessed the needs of 1 adult who requires an individual care package with an annual commitment of £200,000. In line with Glasgow City Council standing orders, this was considered and approved by Glasgow City Council's Contracts and Property Committee on 28 February 2019. The package of care has been recommended following consideration of a range of service options to meet the individual's care needs. The IJB Finance, Audit and Scrutiny Committee are asked to approve this commitment on a recurring basis, funded from within existing budgets.

5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is overspent by £3.647m.
- 5.3.2 Purchased Care Homes is £2.870m overspent due to increased placements, linked to demand, resulting in the non-delivery of a planned saving for 2018/19.
- 5.3.3 Employee costs within Older People is overspent by £2.751m. The re-integration of Cordia LLP to GCC has resulted in an employee costs pressure of £1.573m within homecare. In addition overspends are continuing within Area Services Fieldwork £0.700m due to lower expected levels of staff turnover and agency and overtime in Residential and Day Care £0.947m. This is due to staff absence and additional support for individual residents requiring end of life care. Also Mental Health services are overspent by £0.338m with respect to inpatient ward nursing pressures. This has been partially off-set with underspends in a number of services largely due to periods of vacancies and turnover (£0.613m).
- 5.3.4 The demand for beds in Darnley, Quayside and offsite purchases, accommodating adults with incapacity ('AWI') continues in 2018/19 with an overspend of £0.672m 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 mitigated in part by an underspend of £0.576m via a review currently underway of older people mental health and continuing care beds.

- 5.3.5 Personalisation is overspent £0.307m, this is offset with an underspend in traditional Supported Living (£1.385m) and Older People Purchased Day Care (£0.462m). These underspends being a consequence of the introduction of personalisation and the transfer of this demand to these new budget areas.
- 5.3.6 A number of other areas are also experiencing underspends including:-
- Income is over-recovered (£1.006m) and relates mainly to the recovery of overpayments of Physical Disability Direct Payments and an increase in incapax and interim funders within Older People.

5.4 Resources

- 5.4.1 Net expenditure is underspent by £0.101m.
- 5.4.2 Staffing is underspent by £0.443m as a result of turnover throughout the year in areas including Admin/Business Support, Senior Management and Planning which offset pressures in Prescribing Support, and full year budget available for new posts in Financial Assessment and Income Team filled part year.
- 5.4.3 Supplies and Services is overspent by £0.461m due to investment required in infrastructure to support service delivery, which is partially offset by slippage across a number of areas including Accommodation, Planning, Senior Management and Primary Care Clinical Directors.
- 5.4.4 Income over-recovered by £0.106m in respect of prior year accrual.

5.5 Prescribing

- 5.5.1 Prescribing is showing a breakeven position at Month 11.
- 5.5.2 The removal of the risk share arrangements in 2018/19 requires the IJB to deal with over and underspends. Monitoring arrangements have been put in place, and shows that Glasgow City is showing an overspend of £0.424m. The prescribing budget includes an element for contingency to assist with the management of risk such as global prices and this contingency can accommodate this small overspend. The requirement for this contingency will continue to be monitored, with earmarking to reserves being considered, where this is appropriate.
- 5.5.3 This will continue to be closely monitored and will be the subject of future updates to the IJB.

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 £1.197m lower than budget to date. A probable outturn has been completed and is projecting a year end underspend of £2.046m, subject to the use of reserves to fund the overspend in Homecare Services and the receipt of Scottish Government funding for Housing First. The overall position has been kept under review

and it is anticipated that the projected year end underspend will improve further at the year end. In addition to this it is anticipated that some of the Scottish Government funding received in areas including ADP, Action 15 and Primary Care will require to be carried forward and earmarked to enable the IJB to deliver on these commitments moving forward. 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. General reserves will be required to fund the IJB's share of the cost pressures for 2018/19 as a result of services which have transferred from Cordia LLP.
- 7.3 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 2019/20.

8. Recommendations

- 8.1 The IJB Finance, Audit and Scrutiny Committee is asked to:
- a) note the contents of this report
 - b) approve the expenditure in relation to the package of care outlined at section 5.2.7, on a recurring basis.

Budget Monitoring Statement to end February/Period 12 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
152,207	2,276	149,931	Children and Families	126,066	131,649	-5,583
323,117	47,797	275,320	Adult Services	237,688	236,802	886
290,061	20,049	270,012	Older People Services	233,538	229,891	3,647
60,240	3,478	56,762	Resources	39,135	39,236	-101
17,797	18,637	-840	Criminal Justice	-1,673	-1,601	-72
128,701	0	128,701	Prescribing	114,875	114,875	0
195,380	9,114	186,266	Family Health Services	168,919	168,894	25
7,136	204	6,932	Other Services	6,398	6,397	1
1,174,639	101,555	1,073,084	Total	924,946	926,143	-1,197

	Funded By :-
395,361	Glasgow City Council
675,890	NHS Greater Glasgow & Clyde
1,833	Drawdown of Earmarked Reserves
1,073,084	

Add Transfer to Reserves			1,197
Net Balance			0

Budget Variance by Subjective Analysis

Annual Budget		Actual to Date	Budget to Date	Variance to Date
£000	Expenditure	£000	£000	£000
380,658	Employee costs	333,711	336,145	-2,434
24,963	Premises Costs	12,342	11,573	769
5,851	Transport Costs	5,287	4,900	387
80,685	Supplies and Services	59,746	58,381	1,365
327,716	Third party Costs	286,321	286,404	-83
29,855	Transfer Payments	22,968	22,414	554
830	Capital Financing Costs	0	0	0
128,701	Prescribing	114,875	114,875	0
195,380	Family Health Services	177,343	177,318	25
1,174,639	Total Expenditure	1,012,593	1,012,010	583
101,555	Income	87,664	85,884	1,780
1,073,084	Net Expenditure	924,929	926,126	-1,197