



Item No. 10

Meeting Date

Wednesday 9th December 2020

**Glasgow City
Integration Joint Board
Finance, Audit and Scrutiny Committee**

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**GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING
FOR MONTH 7 AND PERIOD 8 2020/21**

Purpose of Report:

This report outlines the financial position of the Glasgow City Integration Joint Board as at 31st October 2020 (Health) and 23rd October 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.

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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 3st October 2020 (Health), and to 23rd October 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 £9.685m lower than budget to date. Gross expenditure is £12.198m (1.66%) underspent, and income is under-recovered by £2.513m (3.70%).
- 2.2. Appendix 1 shows the current budget variance by both care group and subjective analysis.

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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 7/Period 8 the net expenditure budget has increased by £23.758m. 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
Transfers to Health Board - Facilities Management Funding	-£739,627	£115,362	-£624,265
Scottish Government Funding - COVID-19	£28,037,000	£0	£28,037,000
Primary Care Improvement Plan Baseline Pharmacy Costs	£1,071,444	£0	£1,071,444
Scottish Government Funding - Mental Health Outcomes Bundle	£796,871	£272,000	£1,068,871
Prescribing - Amendment to Tariff Arrangements	-£5,895,693	£0	-£5,895,693
Funding for Psychology Trainees	£116,187	-£116,187	£0
Income - Seconded Employees	£203,370	-£203,370	£0
Other Minor Movements	£145,756	-£45,063	£100,693
Total	£23,735,308	£22,742	£23,758,050

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 £10.001m representing 73% 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 Transport savings. Programme boards have re-commenced to support major savings initiatives, however it is anticipated that full delivery will not be achievable in 2020-21. The tender for transport has been delayed and discussions continue with the Council to expedite this.
- 4.2 The unachieved savings target from prior years is £2.246m. At this stage of the year it is anticipated that £2.246m is forecast to be achieved, 100% 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.

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5. Reasons for Major Budget Variances

5.1 Children and Families

- 5.1.1 Net expenditure is underspent by £3.019m.
- 5.1.2 Employee costs is underspent overall by £0.655m. £1.623m 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 £0.960m as the band 7 in-post WTE is greater than the funded establishment by 34.7 WTE, together with provision made for the students in training.
- 5.1.3 Residential Schools is overspent by £0.417m, with current placements totalling 51 which represents a net reduction of 3 since 1 April 2020. There has been increased pressure on Secure in respect of Remand placements as a result of the pandemic.
- 5.1.4 Purchased Placements is underspent by £1.532m and is reflective of demand and the ability of the HSCP and providers to respond to service during the pandemic.
- 5.1.5 Supported Living is underspent by £0.868m mainly in respect of the new investment funding for Family Support Services where there was a delay in the progress of tendering activity, which has been impacted by responding to the pandemic.
- 5.1.6 Provided Foster Care is underspent by £0.170m due to reducing placement numbers, and Community Respite is underspent by £0.248m due to availability and reduced demand and the ability of the HSCP and providers to respond to service during the pandemic.

5.2 Adult Services

- 5.2.1 Net expenditure is underspent by £1.833245m.
- 5.2.2 Employee costs are underspent by £2.860m 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 £1.352m 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 Supplies and services are underspending by £0.588m and is reflective of services operating at a reduced capacity during the pandemic.

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5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is underspent by £5.431m.
- 5.3.2 Employee costs are underspent by £0.810m mainly in Community Health settings, Homecare services and Hospital discharge due to staff vacancies which are currently being recruited.
- 5.3.3 Purchased care homes are underspending by £2.216m to date. Previously this had been included as an off-set in our returns to Scottish Government on the cost of responding to the pandemic. The Scottish Government have changed their funding arrangements, at this stage, and removed non delivery of savings and offset savings from these arrangements. The pandemic has had a significant impact on our assumptions, and so far year to date we have seen both a 15% increase in admissions levels, and a 68% increase in discharge levels over the same time. The increase in admissions have taken place from June onwards and the increase in discharges occurring, in the main, at the start of the year, with discharge levels now returning to normal pre-pandemic levels at this time.
- 5.3.4 Other purchased services are underspent by £1.611m including Personalisation, Supported Living, Discharge to Assess and Purchased Homecare Services and are reflective of demand and the ability of the HSCP and providers to respond to service during the pandemic. Discharge to Assess is a new service that has started but has been impacted by the pandemic.
- 5.3.5 Supplies and services are underspending by £0.692m mainly within Care Alarms services in relation to the purchase of telecare equipment and is reflective of services operating at a reduced capacity during the pandemic.

5.4 Resources

- 5.4.1 Net expenditure is underspent by £0.166m.
- 5.4.2 Employee costs is underspent by £0.367m due to vacancies / turnover across a number of areas.
- 5.4.3 Premises is overspent by £0.338m and is predominantly linked to the refurbishment works at Borron Street.
- 5.4.4 Supplies and Services is underspent by £1.188m. The is mainly due to an underspend within Equipu, Stairlifts and Ceiling Track Hoists and the ability to respond to service during the pandemic. This is offset by a reduction in income recoveries.
- 5.4.5 There is an under-recovery in Income of £1.235m due to lack of activity caused by COVID-19. This is across Stairlifts, Ceiling Track & Hoists, EquipU and Linguistics. This is reflected in the underspend in Supplies and Services.

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5.5 Criminal Justice

5.5.1 Net expenditure is underspent by £0.220m

5.5.2 The non-grant funded element of the service is showing an underspend of £0.220m due mainly to slippage in appointments to vacancies and delays in implementing purchased services.

5.6 Primary Care

5.6.1 Primary Care is showing an underspend position of £1.384m.

5.6.2 Vacancies within Prescribing Support Services and Health Improvement teams is resulting in an underspend of £0.637m.

5.6.3 Prescribing is currently underspending by £0.750m which is summarised in the table below.

Main Areas	£m
Schedule 4 GIC (Gross Ingredient Cost) – main GP prescribing budget	0.009
Invest to Save	0.000
Over-recovery of discounts and rebates	-0.759
Net Overspend	-0.750

5.6.4 Indications are that prescribing volumes remain will remain low this year, approx. 5.5% reduction on the same period last year. This has negated the impact of higher prices due to short-supply; in addition, there are one-off windfalls from discount rebates and tariff swap reduction.

5.6.5 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.

5.7 Response to COVID-19

5.7.1 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 £39.432m to meet the initial costs of responding to COVID-19. This equates to £29.987m for social care services and £9.445m for health services. The IJB continues to provide 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 future funding needs.

5.7.2. To date £18.726m has been spent responding to COVID-19, of which £9.886m relates to social care services and £8.840m relates to health board services.

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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 £9.685m 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 The probable outturn for 2020/21 has now been completed and is reporting an overspend of £4.6m, however it should be recognised that this outturn has been completed with a high level of uncertainty. Social Work Services continue to operate under the powers introduced by the emergency legislation in relation to Covid 19 and expect these to be in place until June next year. As a result the final position is expected to change as we continue to respond to the challenges of the pandemic over the winter months and await confirmation of future funding allocations from the Scottish Government. The Health and Social Care Partnership continue to provide the Scottish Government with regular updates in relation to forecasted spend for all services and the cost of responding to the pandemic. Indications at this stage are that further funding will be allocated in December and in the new calendar year.
- 7.5 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

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Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end October/Period 8 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
157,725	Children and Families	86,649	89,668	-3,019
302,083	Adult Services	163,232	165,065	-1,833
313,933	Older People (incl Dementia)	161,084	166,515	-5,431
38,415	Resources	20,582	20,416	166
-740	Criminal Justice	-283	-63	-220
358,175	Primary Care	209,072	210,456	-1,384
39,432	COVID-19	18,726	16,690	2,036
1,209,023	Total	659,062	668,747	-9,685

	Funded By :-
426,294	Glasgow City Council
769,909	NHS Greater Glasgow & Clyde
11,395	NHS Greater Glasgow & Clyde - COVID-19
1,425	Drawdown of Earmarked Reserves
1,209,023	

Transfer to Reserves	9,685
Net Balance	0

Budget Variance by Subjective Analysis

Annual Budget £000		Actual to Date £000	Budget to Date £000	Variance to Date £000
	Expenditure			
492,150	Employee costs	281,304	280,791	513
25,240	Premises Costs	4,330	3,447	883
5,682	Transport Costs	2,955	3,115	-160
105,284	Supplies and Services	41,176	49,631	-8,455
318,928	Third party Costs	173,975	178,713	-4,738
34,814	Transfer Payments	23,523	23,017	506
868	Capital Financing Costs	0	0	0
124,627	Prescribing	70,261	71,011	-750
210,522	Family Health Services	126,960	126,957	3
1,318,115	Total Expenditure	724,484	736,682	-12,198
109,092	Income	65,422	67,935	-2,513
1,209,023	Net Expenditure	659,062	668,747	-9,685