



Item No. 10

Meeting Date Wednesday 13th June 2018

Glasgow City Integration Joint Board Finance and Audit Committee

Report By: Sharon Wearing, Chief Officer Finance and Resources

Contact: Sharon Wearing

Tel: 0141 287 8838

OUTTURN REPORT 2017/18

Purpose of Report:	To provide a high level overview of the Integration Joint Board's draft outturn position for 2017/18, and to note the proposed transfer of funds to reserves to allow completion of the Integration Joint Board's accounts by the statutory deadline of 30 September 2018.
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 and Audit Committee is asked to: <ul style="list-style-type: none">a) note the proposed transfer to Earmarked Reserves of £19.617m as outlined in paragraph 4.3;b) note the contents of this report; andc) note the Annual Financial Statement for 2018-19.

Relevance to Integration Joint Board Strategic Plan:

It is important for the long term financial stability of both the Integration Joint Board and of the parent bodies that sufficient usable funds are held in reserve to manage unanticipated pressures from year to year.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	None
Personnel:	None
Carers:	None
Provider Organisations:	None
Equalities:	None
Financial:	In accordance with the Integration Joint Board's Reserves Policy, approved in December 2016, it is recommended that the IJB holds sufficient funds in reserve to manage unanticipated pressures from year to year. Reserves must be reviewed on an annual basis to support budget planning and delivery of the service plan strategy. Longer term the IJB Reserve Policy recommends holding general reserves which equates to 2% of net expenditure.
Legal:	None
Economic Impact:	None
Sustainability:	None
Sustainable Procurement and Article 19:	None
Risk Implications:	It is important that sufficient usable funds are held in reserve to manage unanticipated pressures from year to year.
Implications for Glasgow City Council:	None
Implications for NHS Greater Glasgow & Clyde:	None

1. Introduction

- 1.1 To provide a high level overview of Glasgow City Integration Joint Board's (IJB) draft outturn position for 2017/18, and to note the proposed transfer of funds to reserves to allow completion of the IJB's accounts by the statutory deadline of 30 September 2018.

2. Approved Budget

- 2.1 The 2017/18 budget was approved by the IJB on 20 September 2017. In order to monitor financial performance accurately, budgets have been updated each period to reflect new monies, operational changes and any additional approvals. There have also been adjustments to income and expenditure budgets, and budget realignments between and within care groups, to reflect service reconfigurations.
- 2.2 The significant budget changes since Month 10/Period 12 are as follows;

Description	Changes to Expenditure Budget	Changes to income Budget	Net Expenditure Budget Change
Transfer of Argyle and Bute Income from Service Level Agreements with GG&C HB.		+£769,600	-£769,600
Blood borne virus funding for needle exchange & hepatitis C programs	+£672,172		+£672,172
Funding for Steve Retson Project, a sexual health/public health program	+£200,000		+£200,000
Primary Care Transformation Fund Redesign	+£251,780		+£251,780
Syrian Refugee Funding	+£55,500		+£55,500
General Medical Services – final funding allocations	+£419,284		+£419,284
Family Health Services – final funding allocations	+£324,911	+£15,200	+£309,711
Psychological Services – funding	+£768,871		+£768,871
Prescribing – final funding allocation	+£1,938,400		+£1,938,400
Other Minor Adjustments	+£150,994		+£150,994
Totals	+£4,781,912	+£784,800	+£3,997,112

- 2.3 Work continues to be progressed in relation to the sum set aside for hospital services, however arrangements under the control of Integration Authorities are not yet operating as required by the legislation and statutory guidance.
- 2.4 In the meantime, IJBs and Health Boards are required to agree a figure for the sum set aside to be included in their respective 2017/18 annual accounts. Where the required arrangements are not yet in place, Integration Authorities should use the sum identified by the Health Board and made available to the Integration Authority when the budget was agreed for 2017/18. We recognise that this means that the sum set aside recorded in annual accounts will not reflect actual hospital use in 2017/18. This is a transitional arrangement for 2017/18.
- 2.5 As a result of the communication from the Scottish Government, the draft set-aside budget of £120.803m has been confirmed by the Health Board as the final set aside budget for 2017/18. The figure is based on the average of 2013/14 and 2014/15 activity with a 1% uplift applied to budgets.

3. Reserves Policy

- 3.1 At its meeting of 9 December 2016, the IJB approved the Reserves Policy, which recommended creation of reserves of up to 2% of net expenditure. Based on 2017/18 net expenditure this amounts to £23.1m. This amount refers to general reserves only, and excludes any earmarked reserves which are held for specific purposes.
- 3.2 It is important for the long term financial stability of both the IJB and of the parent bodies that sufficient usable funds are held in reserve to manage unanticipated pressures from year to year. Similarly, it is also important that in-year funding available for specific projects and government priorities are able to be earmarked and carried forward into the following financial year, either in whole or in part, to allow for the spend to be committed and managed in a way that represents best value for the IJB in its achievement of the national outcomes.

4. Outturn Position

- 4.1 Budget Monitoring throughout 2017-18 has forecast an underspend of £3.946m, against which an underspend of £4.200m was actually delivered. The main broad themes are:-
- An underspend within Children Services, mainly as a result of early delivery of future year savings (£2.577m);
 - Budgeted contingency not required to be utilised in 2017/18 (£1.725m);
 - An underspend within Older People services mainly in relation to slippage within the Older People's Residential and Day Care Strategy and the over recovery of income (£2.701m); and
 - An underspend within Addiction Services due to staff turnover and occupancy levels within residential rehabilitation services (£1.557m).

This has been off-set by overspends, the main areas being attributable to unachieved savings from 2017/18 and 2016/17 (£1.868m). The Transformation Programme Board continues to monitor these savings to ensure these are secured moving forward. There are also ongoing costs of beds in Darnley and Quayside, accommodating adults with incapacity ('AWI') who have been discharged from acute services, for which there is no budget in 2017/18 (£1.748m) and an increase in demand for packages of care within Learning Disability (£0.708m).

- 4.2 In addition there has been a number of commitments made in 2017/18 in relation to local and national priorities (£15.417m) which will not complete until future years. These are:-
- Funding received for the delivery of national and local priorities including Primary Care and Mental Health Transformation which is required to meet future year commitments (£12.412m);
 - Commitments which were made in 2017/18, where implementation has been delayed until 2018/19 (£3.005m).

- 4.3 This results in a balance of £19.617m which is available for earmarking. Full details of proposed earmarked carry forwards for 2017/18 are shown below:-

Scottish Government Funding	£ millions
Health Visiting	£ 0.365
Primary Care Transformation Fund	£ 3.042
Psychological Therapies	£ 0.069
GP Recruitment & Retention	£ 0.234
Mental Health Innovation Fund	£ 0.230
Smoking Cessation Funds	£ 0.030
TEC Enabled Care	£ 0.326
Scottish Living Wage	£ 6.719
GP Improvement Fund	£ 0.891
See Hear Monies	£ 0.019
Sub Total	£ 11.925
Other External Funding	
NHS Education for Scotland Income - Clinical Psychology	£ 0.227
Syrian Replacement Programme Monies (SRP)	£ 0.260
Sub Total	£ 0.487
Commitments from 17/18 Expenditure Delayed Till 2018/19	
Clinical Boundaries Training	£ 0.029
Contribution to Joint Support Active Glasgow Strategy	£ 0.020
Capital Investment Programme - Various Sites including Fit Out of 4 Day Care Units and Refurbishment of Chaplet Childrens Unit	£ 2.956
Sub Total	£ 3.005
Commitments to Fund Non Recurringly	
Food Train Funding 2018/19	£ 0.020
Fit out of Residential and Day Care Centres	£ 2.500
Safer Consumption Fit Out	£ 1.000
Martyr School	£ 0.300
Implementation of New Framework Tender & Free Personal Care	£ 0.380
Sub Total	£ 4.200
Total	£ 19.617

5. Risks and Budget Pressures

- 5.1 As described at paragraph 3.2 above, it is important that sufficient usable funds are held in reserve to manage unanticipated pressures from year to year. Given the level of savings that have been attributable to the Integration Joint Board in 2018/19, close financial control will be required to ensure that the level of achievement of approved savings is tracked over the course of the financial year.
- 5.2 In addition, a number of ongoing budget pressures will continue into 2018/19, and the IJB will be advised of the impact of these within regular budget monitoring statements, together with proposed management actions to mitigate these budget pressures.
- 5.3 The availability of funds within a General Reserve will therefore be an essential factor in the management of the IJB's 2018/19 revenue budget. At 31 March 2018, the IJB's general reserve will be maintained at £7.429m, and represents

0.6% of net expenditure in 2017/18. This is below the 2% target set by the IJB's Reserves Policy and is a position which will require to be built up over time as commitments allow.

6. Annual Financial Statement

- 6.1 The IJB has a requirement to publish an Annual Financial Statement each year which provides details on the total resources available to deliver on the Strategic Plan. Appendix 1 contains the 2018/19 Annual Financial Statements and reflects the funding which has been delegated by the Health Board and the Local Authority.

7. Recommendations

- 7.1 The IJB Finance and Audit Committee is asked to:
- a) note the proposed transfer to Earmarked Reserves of £19.617m as outlined in paragraph 4.3;
 - b) note the contents of this report; and
 - c) note the Annual Financial Statement for 2018-19.

Glasgow City IJB Annual Financial Statement 2018/19

Table 1

Services Provided in Pursuance of Integration Functions to Service Users by Care Group per Strategic Plan

Care Group	Gross Exp Budget £000	Income Budget £000	Net Annual Budget £000
Children and Families	154,528.17	1,680.00	152,848.17
Prisons Healthcare and Criminal Justice	21,945.96	2,856.40	19,089.56
Older People	223,936.05	13,095.30	210,840.75
Addictions	42,241.29	1,310.60	40,930.69
Carers	9,584.10	75.50	9,508.60
Elderly Mental Health	30,955.25	1,072.30	29,882.95
Learning/Physical Disability	94,915.55	800.50	94,115.05
Mental Health	102,030.51	13,194.20	88,836.31
Homelessness	78,859.94	29,244.00	49,615.94
GP Prescribing	132,931.30	0.00	132,931.30
Family Health Services	180,363.90	8,787.00	171,576.90
Hosted Services	14,173.58	1,713.10	12,460.48
Support Services	53,101.55	4,843.60	48,257.95
SUB TOTAL	1,139,567.14	78,672.50	1,060,894.64
Set Aside Budget	0.00	0.00	0.00
TOTAL	1,139,567.14	78,672.50	1,060,894.64
Development & Regeneration Services - Aids & Adaptations	2,000.00	0.00	2,000.00
Land & Environmental Services - Assisted Garden Maintenance	1,290.00	0.00	1,290.00
Financial Services - Apprenticeship Levy	980.00	0.00	980.00
OVERALL TOTAL	1,143,837.14	78,672.50	1,065,164.64

The above total integrated IJB budget has been allocated to NHS Greater Glasgow & Clyde and Glasgow City Council according to directions given to each organisation in the proportions noted below in tables 2 and 3.

The Gross Expenditure and Income figures above have been reduced by £124.1m to remove the double-count for Resource Transfer.

Table 2
Direction to NHS Greater Glasgow & Clyde

Care Group	Gross Exp Budget £000	Income Budget £000	Net Annual Budget £000
Children and Families	15,039.77	180	14,859.77
Prisons Healthcare and Criminal Justice	7,016.96	0	7,016.96
Older People	44,677.15	112	44,565.15
Addictions	25,192.79	1,098.30	24,094.49
Carers	0.00	0.00	0.00
Elderly Mental Health	30,955.25	1072.3	29,882.95
Learning/Physical Disability	3,434.95	0	3,434.95
Mental Health	82,471.41	13,178.90	69,292.51
Homelessness	2,634.14	0	2,634.14
GP Prescribing	132,931.30	0	132,931.30
Family Health Services	180,363.90	8,787.00	171,576.90
Hosted Services	14,173.58	1,713.10	12,460.48
Support Services	18,337.05	1,869.90	16,467.15
Resource Transfer	124,104.70	0	124,104.70
SUB TOTAL	681,332.94	28,011.50	653,321.44
Set Aside Budget			
TOTAL	681,332.94	28,011.50	653,321.44

The 2018/19 Set Aside Budget for unscheduled care services consumed by your HSCP in Acute hospitals is still to be advised as the calculations are currently being updated. The Board is currently working with HSCPs and Scottish Government colleagues to review the basis for calculation using current activity levels and actual budgets and to agree details of how it will work in practice. This will remain a notional budget in 2018/19.

Table 3
Direction to Glasgow City Council

Care Group	Gross Exp Budget £000	Income Budget £000	Net Annual Budget £000
Children and Families	139,488.40	2,040.00	137,448.40
Prisons Healthcare and Criminal Justice	14,929.00	2,856.40	12,072.60
Older People	179,258.90	38,377.30	140,881.60
Addictions	17,048.50	5,408.30	11,640.20
Carers	9,584.10	75.50	9,508.60
Elderly Mental Health	0.00	0.00	0.00
Learning/Physical Disability	91,480.60	32,091.50	59,389.10
Mental Health	19,559.10	14,512.30	5,046.80
Homelessness	76,225.80	29,571.00	46,654.80
GP Prescribing	0.00	0.00	0.00
Family Health Services	0.00	0.00	0.00
Hosted Services	0.00	0.00	0.00
Support Services	34,764.50	49,833.40	-15,068.90
Resource Transfer	0.00	0.00	0.00
SUB TOTAL	582,338.90	174,765.70	407,573.20
Development & Regeneration Services - Aids & Adaptations	2,000.00		2,000.00
Land & Environmental Services - Assisted Garden Maintenance	1,290.00		1,290.00
Financial Services - Apprenticeship Levy	980.00		980.00
TOTAL	586,608.90	174,765.70	411,843.20