



Item No. 11

Meeting Date Wednesday 18th October 2017

Glasgow City Integration Joint Board Finance & Audit Committee

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<p style="text-align: center;">GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING FOR MONTH 5 AND PERIOD 6 2017/18</p>

<p>Purpose of Report:</p>	<p>This report outlines the financial position of the Glasgow City Integration Joint Board as at 31 August 2017 (Health) and 1 September 2017 (Council), and highlights any areas of budget pressure and actions to mitigate these pressures.</p>
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<p>Recommendations:</p>	<p>The IJB Finance & Audit Committee is asked to:</p> <p>a) note the contents of this report.</p>
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Relevance to Integration Joint Board Strategic Plan:

<p>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.</p>

Implications for Health and Social Care Partnership:

<p>Reference to National Health & Wellbeing Outcome:</p>	<p>Not applicable at this time.</p>
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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 2017 to 31 August 2017 (Health), and to 1 September 2017 (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 £1.692m less than budget to date. Gross expenditure is £1.740m (0.37%) underspent, and income is under-recovered by £0.048m (0.11%). If this position continued to the end of the financial year, the net underspend would be transferred to reserves.
- 2.2 Appendix 1 shows this 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 5/Period 6 the net expenditure budget has increased by £6.188m. 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
Disregard to value of War Pensions from SWS Financial Assessments	-£664,000	-£664,000	£0
Termination of SG grant funding for Glasgow Whole Systems Approach	-£122,000	-£122,000	£0
Decrease in income and expenditure budgets funded from external sources	-£18,000	-£18,000	£0
GIRFEC Health Visitor Financial Framework	+£1,832,400	£0	+£1,832,400
Prescribing Amendments	+£2,250,000	£0	+£2,250,000
Carers Information Strategy	+£497,571	£0	+£497,571
Additional Cost of Teaching (ACT) Funding	+£1,203,853	£0	+£1,203,853
Child Healthy Weight	+£189,000	£0	+£189,000
MH Care Education Facilitators (NES)	+£127,300	+£127,300	£0
Secondees to Scottish Government	+£120,000	+£120,000	£0
Other Income Offsets	+£187,676	+£187,676	£0
Advocacy Correction	+£111,028	+£111,028	£0
Other NHS < £100,000	+£385,206	+£170,241	+£214,965
Totals	+£6,100,034	-£87,755	+£6,187,789

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 prescribing budget for 2017/18 has now been finalised. This enabled a review of the transformation savings across the IJB against targets, and the subsequent update to the savings programme was agreed at the IJB meeting in September.

5. Reasons for Major Budget Variances

5.1 Children and Families

5.1.1 Net expenditure is overspent by £452,000.

5.1.2 Employee costs is overspent by £566,000, mainly in relation to overtime and public holiday payments within the provided residential units. This includes the net cost of operating the residential unit for Unaccompanied Asylum Seeking Young Women (£298,000).

5.1.3 Residential School placement numbers have decreased by 7 since Period 5 to 92, with a full-year commitment of £18.26m. The overspend to date is £322,000 and includes 5 placements within secure establishments. Based on these placement numbers, the full-year projected overspend is £697,000.

5.1.4 Purchased placements have decreased by 6 since Period 5 to 406, with a full-year commitment of £24.48m. The underspend to date for purchased placements is £193,000. Based on these placement numbers, the full-year projected underspend is £419,000.

5.1.5 In other areas of the service there are overspends in Cordia Transport (£215,000) mainly in respect of young people in care being taken for contact visits with family or to school, and Direct Assistance (£81,000). These overspends are offset by underspends which include provided foster care (£428,000) and shared care and community respite (£169,000).

5.1.6 Within School Nursing, a £400,000 savings target has been applied and largely achieved. Full achievement is expected by the end of the year, with a further review of the service on-going. Year-to-date, this service is £37,000 overspent. Health Visiting development funding from the Scottish Government has now been confirmed and an assumed allocation accounted for, resulting in a favorable movement in the position which is now £61,000 underspent. Some progress has been made towards the NHS Children's Services savings programme but there currently remains a gap, resulting in an overspend of £60,000 year-to-date. In addition to the areas noted above, a number of smaller overspends in Childsmile and PACT contribute to a net overspend on Health elements totalling £103,000.

5.2 Older People

- 5.2.1 There is a net underspend of £668,000 in the provision of services to Older People.
- 5.2.2 There is an underspend of £675,000 mainly in relation to slippage within the Older People's Residential and Day Care Strategy.
- 5.2.3 The supply of community equipment to aid hospital discharge or prevent admission ('EquipU') is overspent by £161,000. It is acknowledged that initiatives undertaken through the Change Fund and Integrated Care Fund have resulted in a higher level of spend in this area and so further funding was allocated here from Delayed Discharge funding. There will remain a pressure which service managers will be expected to manage.
- 5.2.4 These pressures are offset by an underspend within Out of Hours Nursing (£106,000), Senior Nursing (£34,000) and Rehabilitation Services (£84,000), as a result of staff turnover. Although some of the NHS Older People's savings have been achieved, unachieved savings relating to the Older People's System of Care programme to develop integrated teams are resulting in an overspend of £63,000 year-to-date.

5.3 Addictions

- 5.3.1 Net expenditure is underspent by £494,000.
- 5.3.2 This is mainly attributable to Purchased Services (£306,000), where occupancy levels within residential rehabilitation services have reduced.
- 5.3.3 There is a non-recurring underspend of £132,000 within the Community Addiction Teams due to staff turnover mainly within North East locality (£85,000) and South locality (£49,000). Recruitment is ongoing.

5.4 Elderly Mental Health

- 5.4.1 Elderly Mental Health services are overspent by £1,674,000. This includes the ongoing cost 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 £702,000. The vast majority of the overspend relates to inpatient services. Year-to-date, this amounts to £1,147,000, almost all of which is due to unachieved savings of £1,159,000.
- 5.4.2 An underspend of £179,000 within other community staffing budgets offsets nursing pressures of £139,000 within Gartnavel inpatient wards as a result of the requirement for special observations and cover for sickness absence.

5.5 Learning Disability

- 5.5.1 Learning Disability services are underspent by £182,000.

5.5.2 Income is over recovered by £106,000 in respect of recovery of Direct Payments and outstanding client contributions. There is an underspend within the Day Services in respect of Supplies and Services (£90,000) and Transport (£51,000).

5.5.3 NHS Community Teams are underspent by £80,000 due to vacancies and turnover.

5.6 Homelessness

5.6.1 There is a net underspend of £216,000 within Homelessness services, which is mainly attributable to vacancies across Occupational Therapy, Nursing and Admin.

5.7 Adult Mental Health

5.7.1 Adult Mental Health services are underspent by £293,000.

5.7.2 Savings unachieved amount to £276,000 year to date. There has been a re-phasing of the savings target associated with Primary Care Mental Health and Mental Health Inpatient Services pending a report to the IJB in September. The remaining savings targets largely relate to Citywide or Hosted services and work is underway to progress plans to secure delivery of these savings.

5.7.3 There are overspends across the city in respect of Psychiatric Medical staffing amounting to £103,000, due to maternity leave cover and unfunded sessions which are currently being investigated.

5.7.4 Acute admissions to mental health beds in the North of the city is overspent by £50,000 largely related to nursing pressures at Parkhead and the Intensive Psychiatric Care units. These pressures are offset by underspending within the South inpatient wards at Leverndale amounting to £170,000, resulting in a net underspend of £120,000 across the city in relation to Acute admissions.

5.7.5 There are underspends in Crisis services (£94,000) and Psychology (£151,000), with some smaller underspends in other community and hosted services.

5.7.6 Purchased Services have a non-recurring overspend of £60,000 due, in the main, to ongoing service reconfigurations. These are partially offset by underspends within Employee Costs and Supplies and Services.

5.8 Hosted Services

5.8.1 Hosted Services are made up of Sexual Health Services and Police Custody Healthcare and are underspent by £198,000. This is largely as a result of medical and nursing vacancies within the Police Custody service (£160,000). Within Sexual Health, the underspend of £38,000 is due to turnover within Medical and Nursing, partially offset by drug pressures of £127,000 for new PReP prescribing.

5.9 Other Services

5.9.1 Other Services are underspent by £1,729,000. This relates largely to the Contingency budget which currently has no commitments against it, and employee costs within support services.

5.10 Prescribing Costs

5.10.1 Budgets and savings targets for Prescribing costs have recently been finalised and the budget increase is reflected in this report. A break-even position has been reported at month 05 as, based on having only 3 months of actual data for the current financial year, it is difficult to draw any firm conclusions on the likely outcome.

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. In particular, there is a review of the plan for inpatient bed closures in Adult and Older People Mental Health to examine the phasing of the closures and the achievability in 2017/18.

7. Conclusion

7.1 Net expenditure is £1.692m less than budget to date. The overall position will be reviewed and updated through the normal monitoring process where any material change is identified over the course of the financial year. A number of NHS 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 and will be reported on in future monitoring statements.

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.

8. Recommendations

8.1 The IJB Finance & Audit Committee is asked to:

a) note the contents of this report.

Glasgow City Integration Joint Board

Budget Monitoring Statement to end August / Period 6 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
152,929	1,984	150,945	Children and Families	65,065	64,613	452
23,083	18,376	4,707	Prisons Healthcare and Criminal Justice	2,843	2,817	26
231,627	21,295	210,332	Older People	77,872	78,540	-668
48,109	1,113	46,996	Addictions	19,505	19,999	-494
2,124	317	1,807	Carers	660	659	1
28,316	1,057	27,259	Elderly Mental Health	15,243	13,569	1,674
66,333	6,193	60,140	Learning Disability	22,623	22,805	-182
26,816	280	26,536	Physical Disability	11,144	11,209	-65
102,212	13,204	89,008	Mental Health	37,597	37,890	-293
76,905	29,803	47,102	Homelessness	11,656	11,872	-216
127,530	0	127,530	Prescribing	53,536	53,536	0
179,791	8,772	171,019	Family Health Services	73,213	73,213	0
13,909	1,350	12,559	Hosted Services	4,780	4,978	-198
60,450	5,479	54,971	Other Services	23,787	25,516	-1,729
1,140,134	109,223	1,030,911	Totals	419,523	421,215	-1,692
			Less Transfer to Reserves			1,692
						0

Budget Variance by Subjective Analysis

Annual Budget		Actual to Date	Budget to Date	Variance to Date
£000	Expenditure	£000	£000	£000
325,448	Employee costs	136,230	136,722	-492
24,642	Premises Costs	8,914	8,814	100
4,332	Transport Costs	2,084	1,689	395
70,319	Supplies and Services	25,071	27,264	-2,193
376,929	Third party Costs	152,760	154,136	-1,376
29,170	Transfer Payments	4,815	4,962	-147
840	Capital Financing Costs	0	0	0
135,980	Prescribing	56,155	56,154	1
179,651	Family Health Services	76,873	76,870	3
-7,176	Unachieved Savings	0	-1,969	1,969
1,140,135	Total Expenditure	462,902	464,642	-1,740
109,223	Income	43,379	43,427	-48
1,030,912	Net Expenditure	419,523	421,215	-1,692