



Item No: 11

Meeting Date: Wednesday 10th October 2018

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

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**GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING
FOR MONTH 4 AND PERIOD 5 2018/19**

Purpose of Report:	This report outlines the financial position of the Glasgow City Integration Joint Board as at 31 July 2018 (Health) and 3 August 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 31 July 2018 (Health), and to 3 August 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 £0.320m less than budget to date. Gross expenditure is £0.031m (0.01%) underspent, and income is over-recovered by £0.351m (1.31%). 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 4/Period 5 the net expenditure budget has decreased by £8.742m. 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
Increase in Expenditure & Income budgets – Direct Payments Review	£300,000	-£300,000	£0
Health Board Resource Transfer – Reduction in cross charging between Social Work Services and Health Service	-£1,003,000	£1,003,000	£0
Veterans Funding	£664,290	£0	£664,290
Alliance Link Worker Programme (adjustment to PCIP monies from SG)	-£414,664	£0	-£414,664
Prescribing -Realignment of Budgets to 2018-19 Base Budget	-£4,230,584	£0	-£4,230,584
Reverse Out Anticipated Funding Allocations	-£4,721,216	£0	-£4,721,216
Other Minor Adjustments	£41,142	-£80,542	-£39,400
Total	-£9,364,032	£622,458	-£8,741,574

- 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 £14.141m representing 83% 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). 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 £1.291m.

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 7 since 1st April. At period 5 the underspend is £0.301m. The full year projected underspend is £0.784m. Purchased placements is also underspending by £0.581m with a full year projected underspend of £1.500m. The majority of placements are in purchased fostering.

5.1.3 In other areas of the service there are underspends in provided foster care due to reducing placement numbers (£0.376m), personalisation (£0.288m) and shared care and community respite (£0.093m).

5.1.4 These underspends are partially offset by an overspend in transport costs (£0.180m) mainly in respect of young people in care being taken for contact visits with family or to school. This is a known pressure and both cost reduction and budget re-alignment is being considered to alleviate this pressure.

5.1.5 Direct assistance (£0.220m) is also overspent mainly in respect of Section 29 payments to care leavers linked to increasing numbers in the community eligible for funding.

5.2 Adult Services

5.2.1 Net expenditure is overspent by £0.333m.

5.2.2 Purchased Services and Direct Payments within Learning Disability are overspent by £0.626m. This overspend is attributable to unachieved savings 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 £0.477m. There are overspends across the city in respect of Psychiatric Medical staffing (£0.154m), due to maternity leave and vacancy cover and unfunded sessions which are currently under review. In addition to this Junior Doctor rotations (£0.165m) 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 (£0.699m). Recruitment is ongoing.

5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is overspent by £0.705m.
- 5.3.2 Purchased Care Homes (£0.795m) is overspent due to increased placements and lower than forecast discharges, resulting in the non delivery of a planned saving for 2018/19.
- 5.3.3 The demand for beds in Darnley and Quayside, accommodating adults with incapacity ('AWI') (£0.235m) continues in 2018/19 with an overspend reported year to date. The 2018/19 budget approved in March recognized that the pressure in this area was higher than the funding identified. There are opportunities to mitigate this pressure through the review of continuing care beds which is currently underway.
- 5.3.4 Elderly Mental Health contracted beds (£0.174m) is currently overspending due to an unachieved savings from 2016/17. Plans are in place to deliver this saving by August 2018.
- 5.3.5 Employee costs within Older People is overspent by £0.427m, mainly in Area Services (£0.347m) due to lower expected levels of staff turnover and over-establishment of temp qualified social workers. Residential (£0.273m) 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 with underspends in a number of services largely due to periods of vacancies and turnover (£0.192m)
- 5.3.6 Traditional purchased services (£0.731m) and aids for daily living (£0.083m) are reporting an underspend, which is reflective of the introduction of personalisation and the transfer of demand to personalization 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 £0.320m 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 Committee is asked to:

a) note the contents of this report.

Glasgow City Integration Joint Board

Budget Monitoring Statement to end July/Period 5 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
151,575	2,425	149,150	Children and Families	49,783	51,074	-1,291
315,934	46,365	269,569	Adult Services	89,954	89,621	333
284,314	11,528	272,786	Older People Services	84,871	84,166	705
50,456	287	50,169	Resources	12,188	12,218	-30
17,497	18,327	-830	Prisons Healthcare and Criminal Justice	792	840	-48
125,196	0	125,196	Prescribing	41,092	41,092	0
182,257	8,787	173,470	Family Health Services	60,570	60,560	10
6,092	123	5,969	Other Services	1,756	1,755	1
1,133,321	87,842	1,045,479	Total	341,006	341,326	-320

Funded By :-	
392,015	Glasgow City Council
652,912	NHS Greater Glasgow & Clyde
552	Drawdown of Earmarked Reserves
1,045,479	

Add Transfer to Reserves			320
Net Balance			0

Budget Variance by Subjective Analysis

Annual Budget		Actual to Date	Budget to Date	Variance to Date
£000	Expenditure	£000	£000	£000
338,955	Employee costs	114,161	114,121	40
24,998	Premises Costs	4,477	4,548	-71
4,910	Transport Costs	1,882	1,584	298
66,497	Supplies and Services	18,601	18,668	-67
359,903	Third party Costs	114,625	115,017	-392
29,776	Transfer Payments	9,383	9,170	213
830	Capital Financing Costs	0	0	0
125,196	Prescribing	41,092	41,092	0
182,257	Family Health Services	63,833	63,823	10
1,133,322	Total Expenditure	368,054	368,023	31
87,842	Income	27,049	26,698	351
1,045,480	Net Expenditure	341,005	341,325	-320