



Item No: 11

Meeting Date: Wednesday 5th September 2018

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

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**GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING
FOR MONTH 2 AND PERIOD 3 2018/19**

Purpose of Report:

This report outlines the financial position of the Glasgow City Integration Joint Board as at 31 May 2018 (Health) and 8 June 2018 (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 and Audit 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.
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 May 2018 (Health), and to 8 June 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 £0.607m less than budget to date. Gross expenditure is £0.437m (0.23%) underspent, and income is under-recovered by £0.170m (1.33%). 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. Since 1 April the net expenditure budget has increased by £6.796m. 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
Criminal Justice 2018-19 Specific Grant allocation from Scottish Government	£1,779,753	-£1,779,753	£0
18/19 - Savings Allocation	-£750,000	£750,000	£0
CBS staff transfer to Glasgow City HSCP	£574,725	£0	£574,725
ICF Monies for Accommodation Based Strategy from Scottish Government	£8,151,000	-£8,151,000	£0
Lord Provost Fund – Childrens Fund, Vulnerable Citizens and Older People	£74,800	-£74,800	£0
Reduce Income and Expenditure to eliminate cross charging between GCC & Health	-£1,139,142	£1,139,142	£0
European Social Fund 40% Funding - Supported Employment	£120,700	-£120,700	£0
GMS Cross Charges 17.18 uplift	£1,858,303	£0	£1,858,303
Transfer of Facilities Income Budgets to the Health Board to align to expenditure	£0	£1,744,487	£1,744,487
Home from Hospital	£197,040	£0	£197,040
Young People in Transition Team (Scottish Enhanced Services Program)	£59,400	£0	£59,400
Sexual Health Services Open Road and Steve Retson Project	£183,000	£0	£183,000
Consultants Distinction Awards	£162,110	£0	£162,110
Hep C Virus Prevention	£388,600	£0	£388,600
Acute Alcohol Brief Intervention	£153,653	£0	£153,653
Archway - Scottish Government Funding	£305,000	£0	£305,000
Explanation	Changes to Expenditure Budget	Changes to Income Budget	Net Expenditure

			Budget Change
Mental Health Associated Cost of Teaching (ACT)	£1,203,853	£0	£1,203,853
Month 1-2 External income Recurring adjustments	-£380,693	£380,693	£0
Month 1-2 Adjustments for External income no longer being received in 2018-19	£868,393	-£868,393	£0
Other Minor Adjustments	-£71,932	£38,238	-£33,694
Total	£13,738,563	-£6,942,086	£6,796,477

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 £14.398m representing 85% 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 (£2.066m). 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 £0.874m.

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 8 since 1st April. At period 3 the underspend is £0.259m. The full year projected underspend is £1.124m. Purchased placements is also underspending by £0.341m with a full year projected underspend of £1.477m. 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 (£0.202m), personalisation (£0.113m) and shared care and community respite (£0.063m).

5.1.4 These underspends are partially offset by an overspend in transport costs (£0.119m) 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.

5.2 Adult Services

- 5.2.1 Net expenditure is overspent by £0.180m.
- 5.2.2 Purchased Services and Direct Payments within Learning Disability are overspent by £0.527m. 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 £0.089m. There are overspends across the city in respect of Psychiatric Medical staffing (£0.119m), due to maternity leave and vacancy cover and unfunded sessions which are currently under review. In addition to this Junior Doctor rotations (£0.078m) 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 (£0.366m). Recruitment is ongoing.

5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is underspent by £0.046m.
- 5.3.2 Purchased Care Homes (£0.162m) 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') (£0.114m) 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 (£0.108m) 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 £0.163m, mainly in Area Services Fieldwork (£0.210m) due to lower expected levels of staff turnover and over-establishment of temp qualified social workers. This has been partially off-set with underspends in a number of services largely due to periods of vacancies and turnover (£0.102m)
- 5.3.6 Personalisation is overspent (£0.111m), this is off-set with an underspend in traditional Supported Living (£0.462m) and Older People Purchased Day Care (£0.069m). These underspends being a consequence of the introduction of personalization and the transfer of this demand to these new budget areas.

5.3.7 Income is over-recovered (£0.292m) and relates mainly to the recovery of overpayments of Physical Disability Direct Payments.

5.4 Resources

5.4.1 Net expenditure is overspent by £0.121m.

5.4.2 This is linked to an overspend in employee costs within Business Support mainly as a result of the need to re-align budgets and transfer funding to match additional approved posts.

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 £0.624m 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 is asked to:

a) note the contents of this report.

Glasgow City Integration Joint Board

Budget Monitoring Statement to end May/Period 3 2018/19

Budget Variance by Care Group

Annual Net Expenditure Budget		Actual Net Expenditure to Date	Budgeted Net Expenditure to Date	Variance to Date
£000		£000	£000	£000
148,657	Children and Families	27,888	28,762	-874
265,973	Adult Services	46,246	46,066	180
267,940	Older People Services	43,605	43,651	-46
56,415	Resources	6,700	6,579	121
-830	Criminal Justice	1,203	1,203	0
127,530	Prescribing	20,575	20,575	0
173,470	Family Health Services	30,067	30,065	2
5,851	Other Services	910	900	10
1,045,006	Total	177,194	177,801	-607

	Funded By :-
392,014	Glasgow City Council
652,992	NHS Greater Glasgow & Clyde
-	Drawdown of Earmarked Reserves
1,045,006	

Add Transfer to Reserves			607
Net Balance			0

Budget Variance by Subjective Analysis

Annual Budget		Actual to Date	Budget to Date	Variance to Date
£000	Expenditure	£000	£000	£000
334,510	Employee costs	59,762	59,962	-200
24,830	Premises Costs	2,416	2,403	13
4,911	Transport Costs	953	816	137
72,009	Supplies and Services	8,004	7,850	154
353,286	Third party Costs	60,471	61,217	-746
29,135	Transfer Payments	5,231	5,028	203
830	Capital Financing Costs	0	0	0
133,780	Prescribing	21,619	21,616	3
182,082	Family Health Services	31,709	31,710	-1
1,135,373	Total Expenditure	190,165	190,602	-437
90,367	Income	12,971	12,801	170
1,045,006	Net Expenditure	177,194	177,801	-607