



# Item No: 12

Meeting Date: Wednesday 30<sup>th</sup> October 2019

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

Report By: Sharon Wearing, Chief Officer, Finance and Resources

Contact: Sharon Wearing

Tel: 0141 287 8838

### GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING FOR MONTH 5 AND PERIOD 6 2019/20

<b>Purpose of Report:</b>	This report outlines the financial position of the Glasgow City Integration Joint Board as at 31 <sup>st</sup> August 2019 (Health) and 30 <sup>th</sup> August 2019 (Council), and highlights any areas of budget pressure and actions to mitigate these pressures.
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<b>Background/Engagement:</b>	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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<b>Recommendations:</b>	The IJB Finance, Audit and Scrutiny 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.

#### Implications for Health and Social Care Partnership:

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	Not applicable at this time.
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<b>Personnel:</b>	Not applicable at this time.
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<b>Carers:</b>	Expenditure in relation to Carers' services is included within this report.
<b>Provider Organisations:</b>	Expenditure on services delivered to clients by provider organisations is included within this report.
<b>Equalities:</b>	Not applicable at this time.
<b>Fairer Scotland Compliance:</b>	The expenditure on services supports the delivery of a Fairer Scotland.
<b>Financial:</b>	Actions required to ensure expenditure is contained within budget.
<b>Legal:</b>	Not applicable at this time.
<b>Economic Impact:</b>	Not applicable at this time.
<b>Sustainability:</b>	Not applicable at this time.
<b>Sustainable Procurement and Article 19:</b>	Not applicable at this time.
<b>Risk Implications:</b>	None at this time.
<b>Implications for Glasgow City Council:</b>	None at this time.
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	None at this time.

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### 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 2019 to 31<sup>st</sup> August 2019 (Health), and to 30<sup>th</sup> August 2019 (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 £1.214m lower than budget to date. Gross expenditure is £0.198m (0.04%) underspent, and income is over-recovered by £1.411m (0.29%).
- 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. 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 £
Changing Children's Services Fund Realignment to Education Services	-923,400	0	-923,400
Realignment of Adult Services Income Budget following implementation of Payment Cards	-299,100	299,100	0
Carers Budget	98,000	-98,000	0
<b>Total</b>	<b>-1,124,500</b>	<b>201,100</b>	<b>-923,400</b>

### 4. Transformation Programme

- 4.1 The overall savings target for 2019/20 is £18.255m. At this stage of the year it is anticipated that actual savings realised will be £14.255m representing 78% of the target. The shortfall is related to Shifting the Balance of Care for Adult and Older Peoples Services. The forecast savings position will be updated as the Maximising Independence Programme moves forward. This programme represents the future for service delivery but will take time to implement, impacting on savings delivery in the short term.
- 4.2 Unachieved savings from 2018/19 of £3.809m are still to be realised. Currently £0.986m is forecast to be achieved, 26% of the total savings target. The balance outstanding relates to Shifting the Balance of Care for Purchased Care Home Placements and Learning Disability Purchased Services. This is being looked at as part of the Maximising Independence Programme. Progress against all savings targets

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will continue to be reviewed during the year through the Integration Transformation Programme Board.

- 4.3 The savings realised are reflected in the overall financial position reported in this monitoring statement.

## 5. Reasons for Major Budget Variances

### 5.1 Children and Families

- 5.1.1 Net expenditure is underspent by £1.658m.
- 5.1.2 Employee costs is underspent by £0.599m. The provided residential units are underspent by £0.865m due to a number of vacancies which are currently being recruited to. This is partially offset by an overspend in overtime of £0.417m required to maintain appropriate levels of cover. There is an underspend of £0.274m in the localities also linked to vacancies which are part of the recruitment programme. In addition, plans are currently being drawn up for new investment funding of which £0.418m is contributing to the underspend. Within Community Nursing, Health Visiting is overspent by £0.569m mainly due to the regrading to band 7.
- 5.1.3 Work continues in support of the Transformation Programme within Children and Families and has secured a further reduction in Residential Schools placement numbers of 3 since 1st April 2019. At period 6 the underspend is £0.326m. The full year projected underspend is £0.707m.
- 5.1.4 There are a number of small underspends totaling £0.362m relating to Provided Fostering, Adoption, Shared Care/Community Respite and Personalisation linked to placement numbers.
- 5.1.5 Income is over-recovered by £0.460m mainly due to UASC (Unaccompanied Asylum Seeking Children) income in respect of the approval of outstanding cases from last financial year, together with income from staff secondments and recovery of overpayments to carers.

### 5.2 Adult Services

- 5.2.1 Net expenditure is underspent by £0.492m.
- 5.2.2 Purchased Services (including Self Directed Support) within Learning Disability and Mental Health are overspent by £1.104m. This overspend is attributable to unachieved savings and the impact of transitional drift 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.)
- 5.2.3 Expenditure of £0.241m in relation to Housing First has been incurred and is reflected in the overspend above. Scottish Government funding is being pursued for part of the funding.

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5.2.4 This is offset by underspends in a number of services largely due to periods of vacancies and turnover totalling £1.085m, net of costs. Recruitment is ongoing.

### **5.3 Older People and Physical Disability**

5.3.1 Net expenditure is overspent by £1.134m.

5.3.2 Employee costs within Older People are overspent by £2.042m. There is an overspend within homecare services of £2m as a result of a deficit in funding following the transfer from Cordia LLP. Costs of agency and overtime to cover sickness absence and additional staffing costs relating to end of life care within the Residential Service is also increasing costs. This is being offset by an underspend relating to timing of appointments to Carers Act funded posts.

5.3.3 Care Homes are currently forecasting an overspend of £1.8m, which is planned to be funded from earmarked reserves as outlined by the budget approved by the IJB in March.

### **5.4 Primary Care**

5.4.1 Primary Care is showing an underspend position of £0.150m.

5.4.2 There is an underspend of £0.115m due to vacancies within Prescribing Support Services and outstanding fees for medical services.

5.4.3 GP Prescribing budgets for 19/20 have now been adjusted to reflect the full year forecast expenditure position, as advised by our Prescribing lead colleagues and based on the latest available data. This includes confirmation of the average share of the discount clawback from 18/19 due to NHS Scotland. This was not known at budget time and equates to £2.4m for Glasgow City. This is subject to annual review and negotiation and as such cannot be treated as recurring.

5.4.4 The removal of the risk share arrangements in 2018/19 in relation to Prescribing requires the IJB to deal with over and underspends and detailed monitoring arrangements continue to be in place for this budget area to assist with the management of risk in relation to global prices and the potential impact of Brexit. Current forecasts show an underspend of £5.3m which is currently being held in contingency to manage the risk which exists as a result of Brexit. This will continue to be closely monitored and will be the subject of future updates to the IJB.

## **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.

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### 7. Conclusion

- 7.1 Net expenditure is £1.214m 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 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 August/Period 6 2019/20**

**Budget Variance by Care Group**

<b>Annual Net Expenditure Budget</b> £000		<b>Actual Net Expenditure to Date</b> £000	<b>Budgeted Net Expenditure to Date</b> £000	<b>Variance to Date</b> £000
150,638	Children and Families	61,900	63,558	-1,658
284,014	Adult Services	111,548	112,041	-492
296,753	Older People (incl Dementia)	116,301	115,167	1,134
49,519	Resources	19,160	19,207	-48
-397	Criminal Justice	642	642	0
329,757	Primary Care	131,815	131,965	-150
<b>1,110,285</b>	<b>Total</b>	<b>441,366</b>	<b>442,580</b>	<b>-1,214</b>

<b>Funded By :-</b>	
413,873	Glasgow City Council
685,594	NHS Greater Glasgow & Clyde
10,818	Drawdown of Earmarked Reserves
<b>1,110,285</b>	

0.0

Add Transfer to Reserves			<b>1,214</b>
Net Balance			0

**Budget Variance by Subjective Analysis**

<b>Annual Budget</b> £000		<b>Actual to Date</b> £000	<b>Budget to Date</b> £000	<b>Variance to Date</b> £000
	<b>Expenditure</b>			
446,242	Employee costs	182,538	183,951	-1,413
24,062	Premises Costs	5,757	5,032	724
6,201	Transport Costs	2,611	2,492	118
85,956	Supplies and Services	29,317	29,685	-368
301,628	Third party Costs	124,193	124,358	-165
30,815	Transfer Payments	12,259	11,830	428
826	Capital Financing Costs	0	0	0
128,692	Prescribing	51,131	51,130	1
196,737	Family Health Services	83,264	83,255	8
<b>1,221,160</b>	<b>Total Expenditure</b>	<b>491,069</b>	<b>491,735</b>	<b>-666</b>
<b>110,875</b>	<b>Income</b>	<b>49,703</b>	<b>49,155</b>	<b>548</b>
<b>1,110,285</b>	<b>Net Expenditure</b>	<b>441,366</b>	<b>442,580</b>	<b>-1,214</b>