



Item No: 15

Meeting Date: Wednesday 19th February 2020

Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee

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GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING FOR MONTH 10 AND PERIOD 9 2019/20

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| Purpose of Report: | This report outlines the financial position of Glasgow City Integration Joint Board as at 31st December 2019 (Health) and 20 th December 2019 (Council), and highlights any areas of budget pressure and actions to mitigate these pressures. |
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| Background/Engagement: | The financial position of 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, 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:

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| Reference to National Health & Wellbeing Outcome: | Not applicable at this time. |
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| Personnel: | Not applicable at this time. |
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| 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. |
| Fairer Scotland Compliance: | The expenditure on services supports the delivery of a Fairer Scotland. |
| 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. |

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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 31st December 2019 (Health), and to 20th December 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 £8.134m lower than budget to date. Gross expenditure is £7.285m (0.81%) underspent, and income is over-recovered by £0.849m (1.68%).
- 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 £ |
|----------------------------------------------------------------|------------------------------------|-------------------------------|------------------------------------|
| General Dental Services Adjustment | 2,068,280 | 0 | 2,068,280 |
| Sexual Health Service Funding - Forensic Medical Examination | 514,167 | 0 | 514,167 |
| New Broadford Ward -Transfer of Facilities Costs | -95,115 | 0 | -95,115 |
| Scottish Government Perinatal and Infant Mental Health Funding | 104,808 | 0 | 104,808 |
| Revenue to Capital Transfer – QEUH Mass Spectrometer | -260,000 | 0 | -260,000 |
| Other Miscellaneous Adjustments | 177,401 | -181,701 | -4,300 |
| Total | 2,509,541 | -181,701 | 2,327,840 |

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 £17.062m representing 93% of the target. The shortfall is related to Shifting the Balance of Care for Adult 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 the delivery of savings in the short term.
- 4.2 Of the unachieved savings of £3.809m from 2018/19, £0.500m are still to be realised. Currently £3.309m is forecast to be achieved, 87% of the total savings target. The balance outstanding relates to Learning Disability Purchased Services. This is being looked at as part of the Maximising Independence Programme. Progress against all

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savings targets will continue to be reviewed through 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 £2.881m.
- 5.1.2 Employee costs is underspent overall by £1.484m. £2.431m is due to a number of vacancies which are currently being recruited to, and the implementation of plans for the new investment funding. This is offset within Community Nursing by Health Visiting which is overspent by £0.929m mainly due to the regrading to band 7 together with recharges for the students in training which includes arrears for an upgrading.
- 5.1.3 Work continues in support of the Transformation Programme within Children and Families and to date has secured a reduction in Residential Schools placement numbers of 3, purchased foster placements by 11 and provided fostering placements by 42 since April 2019 contributing to an underspend of £1.222m. An additional £0.353m underspent can be attributed to the review of the Multi Treatment Foster Care programme.
- 5.1.4 Site acquisition costs for the provided residential new build programme, and repairs to the existing units, has contributed to an overspend of £0.409m.
- 5.1.5 Direct Assistance is overspent by £0.330m. Of this, £0.110m relates to S29 payments to Care leavers, and £0.220m relates to S22 payments reflecting demands for these payments.
- 5.1.6 Income is over-recovered by £0.743m mainly due to Unaccompanied Asylum Seeking Children (UASC) income in respect of the approval of outstanding cases from last financial year and additional cases for this 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 £1.720m.
- 5.2.2 Employee costs are underspent by £4.421m throughout all services due to periods of vacancies, turnover and difficulties recruiting to posts. This underspend also reflects the early delivery of savings for 2020/21 following the redesign of Glasgow Alcohol and Drug Recovery Day Services. Recruitment continues to be progressed for vacant posts in all services.
- 5.2.3 Third party costs are £2.297m overspent. Purchased Services, including Self Directed Support, for Learning Disability is overspent by £1.709m. This 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.)

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5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is underspent by £2.603m.
- 5.3.2 The Carers Service budget is underspent by £1.421m as a result of part year implementation of the investment agreed by the IJB in June. The closure of Birdston has also resulted in an underspend position of £0.735m.
- 5.3.3 Employee costs within Older People are overspent by £0.197m. There is an underspend of £0.610m as a result of staff turnover in a number of services including Community Health Services. This is partly offset by an overspend of £0.493m as a result of the costs of agency and overtime to cover sickness absence and additional staffing costs relating to end of life care within the Residential Service.

5.4 Primary Care

- 5.4.1 Primary Care is showing an underspend position of £0.441m.
- 5.4.2 Vacancies within Prescribing Support Services and Health Improvement teams is resulting in an underspend of £0.371m.
- 5.4.3 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 £4.7m 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.

7. Conclusion

- 7.1 Net expenditure is £8.134m lower than budget to date. A probable outturn has been completed and is projecting a year end underspend of £9.4m. On 20 November the IJB approved the use of this outturn to support the Rapid Rehousing Programme and Maximising Independence Programme.
- 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

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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 December/Period 10 2019/20

Budget Variance by Care Group

| Annual Net Expenditure Budget £000 | | Actual Net Expenditure to Date £000 | Budgeted Net Expenditure to Date £000 | Variance to Date £000 |
|---------------------------------------|------------------------------|----------------------------------------|------------------------------------------|--------------------------|
| 152,154 | Children and Families | 109,552 | 112,433 | -2,881 |
| 287,936 | Adult Services | 204,234 | 205,955 | -1,720 |
| 295,687 | Older People (incl Dementia) | 208,247 | 210,850 | -2,603 |
| 46,546 | Resources | 67,695 | 68,122 | -426 |
| | | | | |
| -397 | Criminal Justice | -357 | -293 | -64 |
| 339,218 | Primary Care | 247,452 | 247,893 | -441 |
| | | | | |
| 1,121,144 | Total | 836,824 | 844,959 | -8,134 |

| Funded By :- | |
|------------------|--------------------------------|
| 412,948 | Glasgow City Council |
| 696,636 | NHS Greater Glasgow & Clyde |
| 11,559 | Drawdown of Earmarked Reserves |
| 1,121,144 | |

| | |
|------------------------------------------------------------------------|--------------|
| Add Transfer to Reserves - Rapid Rehousing and Maximising Independence | 8,134 |
| Net Balance | 0 |

Budget Variance by Subjective Analysis

| Annual Budget £000 | | Actual to Date £000 | Budget to Date £000 | Variance to Date £000 |
|-----------------------|--------------------------|------------------------|------------------------|--------------------------|
| | Expenditure | | | |
| 451,419 | Employee costs | 325,549 | 332,353 | -6,804 |
| 24,481 | Premises Costs | 9,834 | 8,677 | 1,158 |
| 6,058 | Transport Costs | 4,800 | 4,305 | 494 |
| 72,611 | Supplies and Services | 54,717 | 54,896 | -179 |
| 312,340 | Third party Costs | 222,531 | 225,450 | -2,919 |
| 30,775 | Transfer Payments | 22,825 | 21,875 | 950 |
| 826 | Capital Financing Costs | 0 | 0 | 0 |
| 128,692 | Prescribing | 92,383 | 92,383 | 0 |
| 206,113 | Family Health Services | 155,519 | 155,504 | 15 |
| 1,233,317 | Total Expenditure | 888,157 | 895,443 | -7,285 |
| | | | | |
| 112,174 | Income | 51,333 | 50,484 | 849 |
| | | | | |
| 1,121,144 | Net Expenditure | 836,824 | 844,959 | -8,134 |