



Item No. 15

Meeting Date Wednesday 9th September 2020

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

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**GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING
FOR MONTH 3 AND PERIOD 4 2020/21**

Purpose of Report:	This report outlines the financial position of the Glasgow City Integration Joint Board as at 30 th June 2020 (Health) and 3 rd July 2020 (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, Audit and Scrutiny Committee is asked to: a) note the contents of this report and; b) note the update on the IJB's budget offer from Greater Glasgow and Clyde NHS Board.
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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:

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.
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.

1. Purpose

- 1.1 This monitoring statement provides a summary of the financial performance of Glasgow City Integration Joint Board for the period 1st April 2020 to 30th June 2020 (Health), and to 3rd July 2020 (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 £0.385m lower than budget to date. Gross expenditure is £2.417m (0.77%) underspent, and income is over-recovered by £2.032m (9.28%).
- 2.2 Appendix 1 shows the current budget variance by both care group and subjective analysis.

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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
Non cash limited Dental adjustments	£1,384,495	£264,130	£1,648,625
Non cash limited Ophthalmic adjustments	£295,238	£0	£295,238
Non cash limited Pharmacy adjustments	£3,937,896	£0	£3,937,896
NES funding for Psychology posts	£427,021	-£427,021	£0
Future Pathways funding for Trauma services	£237,400	-£237,400	£0
Funding for South of Scotland CBT course	£123,700	-£123,700	£0
Funding for Practice Education Facilitator/Care Home Education Facilitator	£461,268	-£461,268	£0
Funding of Secondments	£238,084	-£238,084	£0
Funding - Other	£149,243	-£149,243	£0
COVID19 Integration Authority Funding	£5,814,641	£0	£5,814,641
Weigh to go funding 20.21	£149,000	£0	£149,000
GMS Cross Charge to HSCP's	£2,490,420	£0	£2,490,420
NES Taskforce Funds Specialist Childrens Services	£326,837	-£326,837	£0
Scottish Living Wage Uplift	£1,175,059	£0	£1,175,059
Hospices loss of income	£2,673,000	£0	£2,673,000
Realignment of Property Recharges from Corporate Landlord	219,600	-219,600	£0
Transfer of Health Complex Care Bed Budget to Social Work National Care Home Contract Beds	2,236,616	-2,236,616	£0
Criminal Justice - Additional Scottish Government Funding	1,576,112	-1,576,112	£0
Increase in funding from Home Office - Unaccompanied Asylum Seeking Children	2,794,365	-2,794,365	£0
Adults With Incapacity Care Home Resources (SW-Older People)	2,135,530	-2,135,530	£0
Other Minor Adjustments	131,846	-398,944	-£267,098
Total	£28,977,371	-£11,060,591	£17,916,780

4. Transformation Programme

4.1 The overall savings target for 2020/21 is £13.770m. At this stage of the year it is anticipated that actual savings realised will be £4.442m representing 32% of the target. Delivery of savings has been impacted by the need to focus resources in responding to COVID-19. These are mainly linked to savings identified for the Maximising Independence Programme and the Prescribing budget. Programme boards have re-commenced to support major savings initiatives, however it is anticipated that full delivery will not be achievable in 2020-21. An update on Prescribing is included at section 5.4.

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4.2 The unachieved savings target from prior years is £2.246m. At this stage of the year it is anticipated that £1.053m is forecast to be achieved, 47% of the total savings target. These are mainly linked to savings identified for the Maximising Independence Programme.

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 £1.856m.

5.1.2 Employee costs is underspent overall by £0.249m. £0.770m is due to a number of vacancies which are currently being recruited to. This is offset within Community Nursing by Health Visiting which is overspent by £0.494m as the band 7 in-post WTE is greater than the funded establishment by 41.1 WTE, together with provision made for the students in training.

5.1.3 Purchased Placements is underspent by £1.243m due in the main to the expenditure budget for UASC's which offsets expenditure incurred elsewhere throughout the service.

5.1.4 Supported Living is underspent by £0.410m mainly in respect of the new investment funding for Family Support Services where there has been a delay in the progress of tendering activity.

5.2 Adult Services

5.2.1 Net expenditure is underspent by £0.015m.

5.2.2 Employee costs are underspent by £1.248m throughout all services due to periods of vacancies, turnover and difficulties recruiting to posts. Recruitment has been delayed due to COVID-19 restrictions but continues to be progressed for vacant posts in all services.

5.2.3 Third party costs are £0.821m overspent. Purchased Services, including Self Directed Support, for Learning Disability is overspent by £0.784m. This is attributable to unachieved savings and the impact of transition 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.)

5.3 Older People and Physical Disability

5.3.1 Net expenditure is underspent by £0.951m.

5.3.2 Third Party Payments are underspent by £0.850m. Purchased Services are underspent across Personalisation, Supported Living and Purchased Homecare Services.

5.3.3 Employee costs within Older People are overspent by £0.158m. There is an overspend of £0.780m as a result of the costs of agency and overtime. This is partly offset by an underspend of £0.546m as a result of staff turnover in a number of services including Community Health Services.

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5.4 Primary Care

- 5.4.1 Primary Care is showing an overspend position of £0.511m.
- 5.4.2 Vacancies within Prescribing Support Services and Health Improvement teams is resulting in an underspend of £0.150m.
- 5.4.3 Prescribing is currently overspending by £0.661m which is summarised in the table below.

Main Areas	£m
Schedule 4 GIC (Gross Ingredient Cost) – main GP prescribing budget	+ £0.678m
Invest to Save	- £0.003m
Over-recovery of discounts and rebates	- £0.014m
Net Overspend	+ £0.661m

- 5.4.4 Detailed reporting on this budget area is not available early in the year, however indications are that the overspend within this budget are as a result of price increases being experienced across a number of prescription drugs which are driven by pricing across a global market.
- 5.4.5 This budget area will continue to be closely monitored. At the end of the financial year the IJB earmarked £2.962m in earmarked reserves to offer a contingency in this budget due to the anticipated risk associated with pricing both during the COVID-19 pandemic and also the potential impact of BREXIT. The overspend to date can be managed within this contingency if required.

5.5 Response to COVID-19

- 5.5.1 The planning and delivery of health and social care services has had to adapt to meet the significant public health challenge presented by the Covid-19 pandemic. In response to the pandemic the IJB has been required to move quickly and decisively. There has been significant disruption to how health and social care services across the City are currently being delivered and experienced by service users, patients and carers and this is likely to continue in the short to medium term. The HSCP has also had to implement new service areas in response to the pandemic, examples of which have included the establishment of an assessment centre to support assessment and testing of potential COVID-19 patients, the establishment of a mental health assessment unit and the creation of a hub to support the distribution of PPE to our social care services and those delivered by the third and independent sector and personal assistants and carers. The Scottish Government have also given a commitment to social care providers in relation to financial sustainability during this period. The IJB is responsible for making these payments and the Scottish Government has recently extended the scheme to the end of September. Payments have started to be made and an update will be provided in the next report.
- 5.5.2 Funding of costs associated with COVID-19, for services delegated to the IJB, will be routed through Greater Glasgow and Clyde NHS Board and passed through to the IJB to meet costs. Discussions with Scottish Government continue in relation to this funding. To date the IJB has been allocated a first tranche payment of £5.815m to meet the initial costs of responding to COVID-19 for social care services only. An allocation is still awaited for health services. The IJB has

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provided the Scottish Government with regular updates in relation to forecasted spend for all services and the cost of responding to the pandemic and this will be used by the Scottish Government in assessing funding needs.

- 5.5.3 To date £5.343m has been spent responding to COVID-19. This has been off-set with underspends of £1.927m in care home expenditure and reductions in supplies across a number of services which is reflective of the reduction in services delivered in some areas. This represents a net cost of £3.416m to the IJB to date, of which £1.499 relates to social care services and £1.917m relates to health board services. At this time spend on health services remains unfunded and this represents an overspend of £1.917m to the IJB. Funding from the Scottish Government continues to be pursued.

5.6 Health Board Budget Offer 2020/21

- 5.6.1 The Health Board's draft financial plan for 2020/21 was presented to the Board in February 2020. An updated version was due to be presented at the April meeting however due to the COVID pandemic this was not possible as the full Board did not meet in April and was replaced by an Interim Board. The Board's Operational Plan has been suspended and both it and the supporting Financial Plan will require to be reviewed in light of the COVID pandemic. As a result there will be a delay in IJB's being given their formal 20/21 budget allocation but it is anticipated it will be in line with the interim budget offer made in March.

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 £0.385m 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:
- note the contents of this report; and
 - note the update on the IJB's budget offer from Greater Glasgow and Clyde NHS Board.

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Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end June/Period 4 2020/21

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
157,691	Children and Families	39,641	41,497	-1,856
297,210	Adult Services	70,585	70,600	-15
315,031	Older People (incl Dementia)	72,864	73,815	-951
45,654	Resources	16,968	16,959	9
-740	Criminal Justice	480	480	0
339,340	Primary Care	88,251	87,740	511
5,815	COVID-19	3,416	1,499	1,917
1,160,001	Total	292,205	292,590	-385

Funded By :-	
425,772	Glasgow City Council
727,885	NHS Greater Glasgow & Clyde
5,815	NHS Greater Glasgow & Clyde - COVID-19
573	Drawdown of Earmarked Reserves
1,160,045	

Transfer to Reserves	385
Net Balance	0

Budget Variance by Subjective Analysis

Annual Budget £000		Actual to Date £000	Budget to Date £000	Variance to Date £000
	Expenditure			
480,677	Employee costs	125,169	124,900	269
25,290	Premises Costs	3,060	3,935	-875
5,549	Transport Costs	1,214	1,364	-150
75,442	Supplies and Services	13,676	16,108	-2,432
316,932	Third party Costs	74,277	74,881	-604
31,782	Transfer Payments	9,904	9,192	712
868	Capital Financing Costs	0	0	0
125,198	Prescribing	29,577	28,916	661
210,276	Family Health Services	54,650	54,649	1
1,272,014	Total Expenditure	311,527	313,944	-2,417
112,013	Income	19,322	21,354	-2,032
1,160,001	Net Expenditure	292,205	292,591	-385