



**Item No. 15**

**Meeting Date**

**Wednesday 13<sup>th</sup> April 2022**

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

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

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**Glasgow City Integration Joint Board Budget Monitoring  
for Month 11 and Period 12 2021/22**

**Purpose of Report:**

This report outlines the financial position of the Glasgow City Integration Joint Board as at 28<sup>th</sup> February (Health) and 11<sup>th</sup> February (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.

**Governance Route:**

The matters contained within this paper have been previously considered by the following group(s) as part of its development.

HSCP Senior Management Team ☐

Council Corporate Management Team ☐

Health Board Corporate Management Team ☐

Council Committee ☐

Update requested by IJB ☐

Other ☐ (please note below)

Not Applicable ☒

**Recommendations:**

The IJB Finance, Audit and Scrutiny Committee is asked to:

a) note the contents of this report

b) approve the recurring funding for the packages of care outlined at section 5.2.6

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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.

#### 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 1 April 2020 to 28<sup>th</sup> February (Health), and to 11<sup>th</sup> February (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.

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### 2. Summary Position

- 2.1. Net expenditure is £13.142m lower than budget to date. Gross expenditure is £9.470m (0.77%) underspent, and income is over-recovered by £3.672m (3.27%).
- 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 11/Period 12 the net expenditure budget has increased by £89.556m. 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
COVID 19 Funding	£73,129,000	£0	£73,129,000
Additional Staff Funding: Bands 2-4	£1,772,430	£0	£1,772,430
Primary Care Investment Funding: Tranche 2	£9,068,231	£0	£9,068,231
GP Premises Improvement: Tranche 2	£178,066	£0	£178,066
GP Practice Sustainability Funding	£1,850,834	£0	£1,850,834
Action15 Funding: Tranche 2	£2,082,917	£0	£2,082,917
Dementia Post Diagnostic Support	£417,575	£0	£417,575
William St Sexual Assault Regional Centre - Capital Funding	-£1,579,132	£0	-£1,579,132
General Medical Services (GMS) Uplift 21.22	£2,396,112	£0	£2,396,112
COP26 Cost Reimbursement	£163,464	£0	£163,464
Other Minor Adjustments	£717,766	-£641,699	£76,067
<b>Total</b>	<b>£90,197,263</b>	<b>-£641,699</b>	<b>£89,555,564</b>

- 3.2 £73.1m has been received to support the costs of responding to the pandemic. Some of this will be required to meet this year's costs, however the balance will require to be carried forward in earmarked reserves to meet the costs of the pandemic in 2022-23. This funding recognises the significant disruption to services and the backlog of demand as well as increasing unmet need and frailty of service users. Investment is needed across day care services, care at home and to support unscheduled care, to keep people within the community, where possible and safe to do so, to avoid unplanned admissions and impacts on delayed discharges. Alongside this is the impact on mental health and services have been stepped up through, for example, Mental Health Assessment Units. This funding will also cover sustainability payments to social care providers and additional staff costs across Health & Social Care.

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### **4. Transformation Programme**

- 4.1 The overall savings target for 2021/22 is £5.879m. At this stage of the year it is anticipated that actual savings realised will be £5.705m representing 98% of the target.
- 4.2 The unachieved savings target from prior years is £2.969m. At this stage of the year it is anticipated that £0.314m is forecast to be achieved. Delivery of savings had 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 Transport savings. Programme boards have re-commenced to support major savings initiatives; however, it is anticipated that full delivery will not be achievable in 2021-22.
- 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 £0.394m.
- 5.1.2 Employee costs are underspent by £0.216m. Vacancies and turnover are resulting in an underspend of £1.988m. This is partially offset by overtime in the Children's Houses which is overspent by £0.696m mainly due to absence cover and additional support for young people with complex needs, and Health Visiting which is overspent by £1.100m linked to the unfunded national regrading in 2018.
- 5.1.3 Premises costs is overspent by £0.612m mainly due to repairs and refurbishments being undertaken in the Children's Houses.
- 5.1.4 Third Party and Transfer Payment costs are overspent by £1.220m. Residential Schools are overspent by £1.451m, with current placements totalling 38 which represents a net reduction of 3 since 1 April 2021. Purchased foster placements total 189, a net decrease of 22 since 1 April 2021, with an underspend of £0.942m. Provided fostering is underspent by £0.751m with placement numbers of 513, offset by an overspend in Kinship of £0.484m with placement numbers of 1,387. Personalisation and Direct Payments is overspent overall by £0.331m, and other Purchased and Community placements are overspent by £0.389 all due to demand. Direct Assistance is over by £0.160m mainly in respect of Section 22 payments.
- 5.1.5 Income is over-recovered by £1.906m. Unaccompanied Asylum Seeking Children (UASC) income is over-recovered by £1.441m based on cases accepted to date by the Home Office. There is an over-recovery of £0.383m in relation to income from staff secondments and inter-agency adoption placements.

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### 5.2 Adult Services

- 5.2.1 Net expenditure is underspent by £6.586m.
- 5.2.2 Employee costs are underspent by £4.669m throughout all services apart from Mental Health due to periods of vacancies, turnover and difficulties recruiting to posts. Recruitment has continued to be progressed in all areas.
- 5.2.3 Premises costs are overspent by £1.012m within Homelessness. This is mainly in relation to repairs for temporary furnished flats (£0.455m), rents and council tax (£0.189m) and property management charges (£0.135m). The remainder is due to energy and security costs. Mental Health is overspent by £0.383m mainly due to refurbishments and other property work on Inpatient sites.
- 5.2.4 Third Party and Transfer Payment costs are underspent by £1.394m mainly attributable to Mental Health and Learning Disabilities Purchased Services and Personalisation. This reflects an increase in demand experienced within these services resulting in an overspend of £2.832m. This overspend has been offset by part year reductions in support linked to Covid of £1.442m (£1.5m full year) and additional winter planning funding from the Scottish Government of £2.790m (£3.020m full year).
- 5.2.5 Income is over recovered by £1.361m which is partly attributable to direct payment recoveries within Learning Disability of £0.686m. The over-recovery in Homelessness of £0.285m is the net effect of the housing benefit subsidy over-recovery offset by an under recovery in rents and fees and charges. Mental Health is £0.430m over-recovered partly due to NES income received for Trainee medics and within Specialist Inpatient services due to other Health Boards' use of our Perinatal beds.
- 5.2.6 Adult Services has recently assessed the needs of 2 adults who required individual support packages at a combined cost of £283,535 per annum recurringly. These packages of care have been recommended following consideration of a range of service option to meet these individual care needs. The IJB is asked to approve these commitments on a recurring basis funded from within existing budgets.

### 5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is under-spent by £5.950m.
- 5.3.2 Employee costs are overspent by £0.994m. Homecare services are overspent by £1.908m and Older People Residential by £1.483m. The impact of COVID on staff absence and supporting additional needs of service users during the pandemic has added to overtime and agency costs throughout the service. There are underspends in Community Health Services and Carers Services due to ongoing vacancies and delays in recruitment. The overall overspend position includes additional investment from the Winter Planning budget and the shortfall in funding from this year's pay award.
- 5.3.3 Purchased care homes are underspending by £6.283m to date. The pandemic has had a significant impact on our assumptions. Year to date admissions are 10.4% less than planning assumptions and discharges 33.9% higher than planning assumptions.

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5.3.4 Personalisation is overspending by £1.667m. This reflects an increase in demand including new demand and reflects investment from the winter planning funding. Other purchased services are underspending by £1.777m which is reflective of both demand and the ability of the HSCP and providers to respond to services as we emerge out of the pandemic.

5.3.5 Transport is overspent by £0.281m, there is an overspend in repairs of £0.494m due to the ageing fleet of vehicles, this is partly offset by underspends in fuel and external vehicle hires.

5.3.6 Income is over recovered by £0.967m mainly within long stay income.

### **5.4 Resources**

5.4.1 Net expenditure is overspent by £1.821m.

5.4.2 Premises costs is overspent by £0.138m. This is due in the main to property security charges and refuse disposal costs.

5.4.3 Transport costs is overspent by £0.132m due to taxi recharges within Technical and Support Services (TASS).

5.4.4 Supplies and Services are overspent by £1.409m. An overspend of £0.076m relates to Equipu as activity increases & more equipment is being purchased/utilised by the partnership, offset by an underspend of £0.173m in stairlifts. An overspend of £0.778m resulting from one-off property spends, offset by an underspend of £0.241m in relation to IT recharges. Plus overspends of £0.500m resulting from the provision for the renewal of I.T. licenses, £0.276m due to an increase in apprenticeship levy cost contribution, and a number of other small overspends combining to total £0.191m.

5.4.5 Income is under-recovered by £0.148m. The majority of this relates to a net under-recovery in Care Services income of £0.110m, comprising of an under-recovery in Linguistics of £0.159m and Stairlifts of £0.254m offset by an over-recovery of £0.301m in Equipu.

### **5.5 Criminal Justice**

5.5.1 Net expenditure is underspent by £0.293m.

5.5.2 The service is showing an underspend of £0.293m due mainly to slippage in appointments to vacancies and delays in implementing purchased services.

### **5.6 Primary Care**

5.6.1 Primary Care is showing an underspend position of £1.740m.

5.6.2 Vacancies within Prescribing Support Services and Health Improvement teams are contributing to an underspend of £0.676m due mainly to slippage in appointments to vacancies.

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- 5.6.3 Prescribing is currently showing an underspend of £0.909m which is summarised in the table below.

Main Areas	£m
Schedule 4 GIC (Gross Ingredient Cost) – main GP prescribing budget	2.076
Other	-2.985
Net Underspend	-0.909

- 5.6.4 Prescribing volumes remain volatile this year and prices have also been subject to fluctuation due to short-supply; in addition, there are one-off windfalls from discount rebates and tariff swap reduction.
- 5.6.5 The IJB holds earmarked reserves of £2.962m to offer a contingency in this budget due to the anticipated risk associated with pricing and also the potential impact of BREXIT.

## 5.7 Response to COVID-19

- 5.7.1 Funding of costs associated with COVID-19, for services delegated to the IJB, will be routed through Greater Glasgow and Clyde Health Board and passed through to the IJB to meet costs. To date the IJB has received £100.377m, of which £17.125m was held in earmarked reserves and £83.252m has been received in year. Costs of £25.368m have been incurred to date.
- 5.7.2 Full year costs of £40m are anticipated. Any unspent funds from 2021-22 will be earmarked at the end of the financial year to meet costs of responding to the pandemic in 2022-23.

## 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 £13.142m 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 overspend which may occur within 2021/22 will be met from general reserves at the end of the financial year.

## 8. Recommendations

- 8.1 The IJB Finance, Audit and Scrutiny Committee is asked to:
- a) note the contents of this report
  - b) approve the recurring funding for the packages of care outlined at section 5.2.6

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## Appendix 1

### Glasgow City Integration Joint Board

### Budget Monitoring Statement to end February/Period 12 2021/22

### 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
169,417	Children and Families	145,210	145,603	-394
326,289	Adult Services	274,110	280,697	-6,586
329,952	Older People (incl Dementia)	274,484	280,433	-5,950
151,488	Resources	53,134	51,314	1,821
-658	Criminal Justice	657	951	-293
377,162	Primary Care	336,300	338,040	-1,740
100,377	COVID-19	25,368	25,368	0
<b>1,454,026</b>	<b>Total</b>	<b>1,109,263</b>	<b>1,122,405</b>	<b>-13,142</b>

	Funded By :-
449,573	Glasgow City Council
956,248	NHS Greater Glasgow & Clyde
48,205	Drawdown of Earmarked Reserves
<b>1,454,026</b>	

Transfer to Reserves	<b>13,142</b>
Net Balance	0

### Budget Variance by Subjective Analysis

Annual Budget £000		Actual to Date £000	Budget to Date £000	Variance to Date £000
	<b>Expenditure</b>			
656,931	Employee costs	501,688	499,896	1,792
26,043	Premises Costs	11,846	9,317	2,529
6,181	Transport Costs	5,120	5,255	-135
174,253	Supplies and Services	67,531	73,448	-5,917
334,164	Third party Costs	284,811	293,369	-8,558
36,289	Transfer Payments	36,878	35,159	1,718
765	Capital Financing Costs	0	0	0
128,890	Prescribing	116,964	117,874	-909
222,084	Family Health Services	200,228	200,218	9
<b>1,585,600</b>	<b>Total Expenditure</b>	<b>1,225,065</b>	<b>1,234,535</b>	<b>-9,470</b>
<b>131,574</b>	<b>Income</b>	<b>115,802</b>	<b>112,130</b>	<b>3,672</b>
<b>1,454,026</b>	<b>Net Expenditure</b>	<b>1,109,263</b>	<b>1,122,406</b>	<b>-13,142</b>