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**Item No: 15**

**Meeting Date: Wednesday 4<sup>th</sup> September 2019**

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

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

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**GLASGOW CITY INTEGRATION JOINT BOARD BUDGET MONITORING  
FOR MONTH 3 AND PERIOD 4 2019/20**

<b>Purpose of Report:</b>	This report outlines the financial position of the Glasgow City Integration Joint Board as at 30 <sup>th</sup> June 2019 (Health) and 5 <sup>th</sup> July 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 and Audit Committee is asked to:  a) note the contents of this report; and 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.
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**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>	The ability to manage spend within the funding available continues to represent a risk to the IJB given the cost and demand pressures outlined within this report. This is reviewed on a regular basis and actions taken, where required, to mitigate these risks and manage spend within the funding available.
<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 the Glasgow City Integration Joint Board for the period 1 April 2019 to 30 June 2019 (Health), and to 5<sup>th</sup> July 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 £0.719m lower than budget to date. Gross expenditure is £0.534m (0.18%) underspent, and income is over-recovered by £0.184m (0.27%).
- 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. Changes to the gross expenditure and income budgets will be analysed in the table below.

Explanation	Changes to Expenditure Budget £	Changes to Income Budget £	Net Expenditure Budget Change £
Integrated Care Fund Monies For Accommodation Based Strategy	8,151,000	-8,151,000	0
Family Health Services Funding Increase 19/20	4,841,333	-1,017,593	3,823,740
Transfer Complex Care Beds to SW National Care Home Contract	2,413,476	-2,413,476	0
Realign Equipu Income & Expenditure for Costs & Recharge to LA Partners	1,975,568	-1,975,568	0
Funding to release Adults Mental Health Consultants for Junior Doctor Training	1,203,853	0	1,203,853
Criminal Justice - Realign Budget	-1,617,287	1,617,287	0
Criminal Justice - Year 2 of Caledonian Funding from Scottish Government	684,101	-684,101	0
NHS Trainee Psychology Funding	566,424	-566,424	0
Reduce Income & Expenditure to eliminate cross charging between GCC & NHS	-562,912	562,912	0
Carers Transfer Money from NHS	561,770	-561,770	0
Net Transfer of Acute Budgets to support Continuing Care	260,000	0	260,000
Transfer of CBS Staff to Social Work	424,370	0	424,370
RSI Homelessness Income – transferred from NHS GGC	-401,612	0	-401,612
Financial Assessment & Income Team Budget	399,472	-399,472	0
NES Specialist Psychology Funding	393,697	-393,697	0
IEP Service (Needle Exchange) from Public Health	368,000	0	368,000
NES Practice Education Facilitators Funding	231,717	-231,717	0

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<b>Explanation</b>	<b>Changes to Expenditure Budget</b>	<b>Changes to Income Budget</b>	<b>Net Expenditure Budget Change</b>
	£	£	£
NES Funding – Medical Training Sessions & Secondments	208,648	-208,648	0
Realign Income & Expenditure budget in Older People	-217,326	217,326	0
Future Pathways Funding – Trauma	180,000	-180,000	0
Sexual Health Funds from Public Health	179,294	0	179,294
MH Outcomes Framework CBT Funds – Non Recurring	-150,000	0	-150,000
NES Care Home Education Facilitators Funding	143,502	-143,502	0
NHS Research & Development Funding – Homelessness Project in conjunction with Glasgow University	137,638	-137,698	0
NHS Posts - Secondment Income	114,836	-114,836	0
Supported Employment – European Social Fund 40% Funding	107,700	-107,000	0
Lord Provost Fund : Children; Vulnerable Citizens; Older People	100,175	-100,175	0
Other Miscellaneous Adjustments	212,859	-332,008	-119,149
<b>Total</b>	<b>20,910,299</b>	<b>-15,321,800</b>	<b>5,588,499</b>

**4. Transformation Programme**

- 4.1 The overall savings target for 2019/20 is £18.379m. At this stage of the year it is anticipated that actual savings realised will be £14.379m representing 78% of the target. The shortfall is related to savings in Adult and Older Peoples Services which is linked to the delivery of the Maximising Independence Programme which will be the subject of an update report to the IJB in November. Progress against all savings targets will continue to be reviewed during the year through the Integration Transformation Programme Board.
- 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 Purchased Care Home Placements and Learning Disability Purchased Services. This is linked to the delivery of the Maximising Independence Programme which will be the subject of an update report to the IJB in November.
- 4.3 The savings realised are 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 £1.355m.
- 5.1.2 Employee costs is underspent by £0.746m mainly due to vacancies in the provided residential units and localities for which plans are currently being developed. In addition, plans are currently being drawn up for new investment funding of which £0.246m is also contributing to this underspend. This is partially offset by an overspend in overtime

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required to maintain appropriate levels of cover in the residential units. Within Community Nursing, Health Visiting is overspent by £0.210m mainly due to the regrading to band 7, and this position is partially offset by an underspend of £0.071m due to turnover within School Nursing and Senior Nursing.

- 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 6 since 1st April 2019. At period 4 the underspend is £0.259m. The full year projected underspend is £0.843m.
- 5.1.4 There are a number of small underspends totalling £0.228m relating to Provided Fostering, Adoption and Shared Care/Community Respite linked to placement numbers.

## 5.2 Adult Services

- 5.2.1 Net expenditure is overspent by £0.090m.
- 5.2.2 Purchased Services (including SDS) within Learning Disability are overspent by £1.1m. 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 MACRO.
- 5.2.3 Expenditure of £0.310m in relation to Housing First has been incurred and is reflected in the overspend above. Scottish Government funding is being pursued.
- 5.2.4 Mental Health purchased services is reporting an overspend of £0.181m due in the main to a high cost support package impacting in the current financial year.
- 5.2.5 This is offset by underspends in a number of services largely due to periods of vacancies and turnover totalling £1.318m, net of costs. Recruitment is ongoing.
- 5.2.6 Adult Services has recently assessed the needs of 2 adults who require individual care packages with the combined cost of £277,896 per annum recurringly. In accordance with Glasgow City Council standing orders, these were considered and approved at Glasgow City Council's Contract and Property Committee on 29<sup>th</sup> May 2019. These packages of care have been recommended following consideration of a range of service options to meet these individual care needs. The IJB Finance, Audit and Scrutiny Committee are 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 overspent by £0.827m.
- 5.3.2 Employee costs within Older People are overspent by £1.2m. There is an overspend within homecare services of £1.1m 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 of £0.340m within Community Health Services and other services arising from staff turnover and difficulty recruiting to posts.

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- 5.3.3 The IJB continues to engage with the Council on the scale of the budgetary pressure associated with Homecare and to work towards funding a financially sustainable solution of 2019/20 and future years.

### 5.4 Resources

- 5.4.1 Net expenditure is underspent by £0.246m.
- 5.4.2 Staffing costs underspend is the main driver as a result of turnover throughout the year in areas including Admin/Business Support, Senior Management and Planning.

### 5.5 Primary Care

- 5.5.1 Primary Care is showing an underspend position of £0.035m.
- 5.5.2 The removal of the risk share arrangements in 2018/19 in relation to Prescribing requires the IJB to deal with over and underspends. 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.
- 5.5.3 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 £0.719m 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 and Audit is asked to:
- note the contents of this report; and
  - approve the recurring funding for the packages of care outlined at section 5.2.6.

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**Appendix One**

Annual Net Expenditure Budget £000		Actual Net Expenditure to Date £000	Budgeted Net Expenditure to Date £000	Variance to Date £000
152,324	Children and Families	40,053	41,408	-1,355
282,378	Adult Services	66,318	66,228	90
293,398	Older People (incl Dementia)	71,313	70,486	827
43,706	Resources	-27,379	-27,133	-246
-397	Criminal Justice	1,091	1,091	0
330,710	Primary Care	79,327	79,362	-35
<b>1,102,119</b>	<b>Total</b>	<b>230,723</b>	<b>231,442</b>	<b>-719</b>

	Funded By :-
414,796	Glasgow City Council
677,025	NHS Greater Glasgow & Clyde
10,298	Drawdown of Earmarked Reserves
<b>1,102,119</b>	

Add Transfer to Reserves			<b>719</b>
Net Balance			<b>0</b>

**Budget Variance by Subjective Analysis**

Annual Budget £000		Actual to Date £000	Budget to Date £000	Variance to Date £000
	<b>Expenditure</b>			
445,038	Employee costs	112,366	113,249	-883
24,371	Premises Costs	3,427	3,177	251
6,201	Transport Costs	1,568	1,533	36
75,204	Supplies and Services	16,776	17,341	-566
300,468	Third party Costs	76,653	76,224	428
31,095	Transfer Payments	7,881	7,688	194
826	Capital Financing Costs	0	0	0
131,352	Prescribing	30,080	30,080	0
193,341	Family Health Services	50,409	50,402	7
<b>1,207,897</b>	<b>Total Expenditure</b>	<b>299,160</b>	<b>299,694</b>	<b>-534</b>
<b>105,778</b>	<b>Income</b>	<b>68,437</b>	<b>68,252</b>	<b>184</b>
<b>1,102,119</b>	<b>Net Expenditure</b>	<b>227,414</b>	<b>228,133</b>	<b>-719</b>