



# Item No. 6

Meeting Date

Wednesday 25<sup>th</sup> October 2023

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

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

**Contact:** Sharon Wearing

**Phone:** 0141 287 8838

### Glasgow City Integration Joint Board Budget Monitoring for Month 5 and Period 6 2023/24

**Purpose of Report:**

This report outlines the financial position of the Glasgow City Integration Joint Board as at 25<sup>th</sup> August 2023 for Council and 30<sup>th</sup> August 2023 for Health and highlights any areas of budget pressures and actions to mitigate these pressures.

**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.

**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 ☐

Not Applicable ☒

**Recommendations:**

The IJB Finance, Audit and Scrutiny 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 5.2.10

## OFFICIAL

### 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 2023-26.

### Implications for Health and Social Care Partnership:

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	Not applicable at this time.
--	------------------------------

<b>Personnel:</b>	Not applicable at this time.
-------------------	------------------------------

<b>Carers:</b>	Expenditure in relation to carer's 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 a Fairer Scotland.
------------------------------------	--

<b>Financial:</b>	All financial consequences are detailed within this report.
-------------------	---

<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>	<p>In setting its budget in March, the IJB recognised that not all costs pressures could be fully funded from savings. The budget paper proposed the use of £17.166m of general reserves to fund the pressures identified within homelessness, prescribing and the risks associated with inflation. A full outturn has been undertaken and forecasts an overspend of £21.4m. This is higher than the planning assumptions made at budget time. A recovery plan totalling £4.2m was approved by the IJB on 27 September 2023. Future reports will update on progress against this recovery plan. The HSCP Senior Management Team will continue to focus on delivery of the recovery plan to bring spend back in line with budget planning assumptions, where possible.</p> <p>There continues to be a high level of volatility linked to demand and cost pressures. As a result of this, the</p>
---------------------------	---

## OFFICIAL

## OFFICIAL

	<p>outturn will be subject to close monitor and is also likely to change.</p> <p>A new national IT system has been introduced for Prescribing and it is impacting on the reporting data available to the IJB to monitor expenditure. It has recently been indicated that full reporting data may not be available until December representing a significant risk for the IJBs ability to monitor spend in this area.</p> <p>The recurring implications of these pressures will also need to be considered as part of the 2024-25 budget exercise.</p>
<b>Implications for Glasgow City Council:</b>	<p>The cost and demand pressures being faced will have implications for service delivery in 2023-24 and future years where decisions will be required to deliver recurring funding solutions. The Integration Scheme clearly outlines the responsibilities of Partners and the IJB if spending exceeds budget plans. Partners will be kept updated on financial performance during the year.</p>
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	<p>The cost and demand pressures being faced will have implications for service delivery in 2023-24 and future years where decisions will be required to deliver recurring funding solutions. The Integration Scheme clearly outlines the responsibilities of Partners and the IJB if spending exceeds budget plans. Partners will be kept updated on financial performance during the year.</p>

### 1. Purpose

- 1.1. This monitoring statement provides a summary of the financial performance of Glasgow City Integration Joint Board for the period 1<sup>st</sup> April 2023 to 25<sup>th</sup> August 2023 for Council and 30<sup>th</sup> August 2023 for Health.
- 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 £8.866m higher than budget to date. Gross expenditure is £7.421m (1.24%) overspent and income is under-recovered by £1.445m (1.32%).
- 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. To period Month 5/Period 6 the net expenditure budget has increased by

## OFFICIAL

**OFFICIAL**

£24.059m. The changes to the gross expenditure and income budgets are analysed in the table below.

<b>Explanation</b>	<b>Changes to Expenditure Budget</b>	<b>Changes to Income Budget</b>	<b>Net Expenditure Budget Change</b>
Prescribing - Tariff Swap Adjustment	£851,000		£851,000
Scottish Government Funding - District Nursing	£1,299,780		£1,299,780
Scottish Government Funding - School Nursing	£1,421,672		£1,421,672
Scottish Government Funding - Primary Care Improvement Fund	£20,550,690		£20,550,690
SLA Uplift: Sexual Health & MH Specialist Cross-Boundary Flow	£124,509	£-124,509	£0
NES Income Due: Various Psychology Programs	£53,270	£-53,270	£0
Older People Mental Health - Income Adjustment	£-310,840	£310,840	£0
Minor Income Adjustment	£29,000	£-29,000	£0
Specialist Childrens Services: Transfer to East Dunbartonshire IJB	£-64,538		£-64,538
<b>Total</b>	<b>£23,954,543</b>	<b>£104,061</b>	<b>£24,058,604</b>

#### **4. Transformation Programme**

- 4.1 The Integration Transformation Board continues to meet to secure the delivery of in-year savings. The overall savings target for 2023/24 is £21.576m. At this stage of the year, it is anticipated that actual savings realised will be £21.502m representing 99.6% of the target.
- 4.2 The unachieved savings target from prior years is £0.569m. At this stage of the year, it is anticipated that £0.140m is forecast to be achieved. The gap is primarily in relation to transport savings. Procurement options are currently being explored and implemented. Delivery of savings could be impacted by current market conditions.
- 4.3 The savings realised are reflected in the overall financial position reported in this monitoring statement.
- 4.4 The Integration Transformation Board has also been monitoring the transformation agenda to support future year budget planning. This includes the following areas of work:
- Review of financial planning assumptions for 2024/25
  - Updates on recovery planning in significant areas of budget pressure including homelessness, prescribing, inpatient staffing and residential staffing
  - Transformation programmes including Maximising Independence, Day Care Service Review, Admin Review and a Review of Supported Living Services

## OFFICIAL

### 5. Reasons for Major Budget Variances

#### 5.1 Children and Families

- 5.1.1 Net expenditure is overspent by £2.122m.
- 5.1.2 Employee costs is overspent by £0.144m. Health Visiting is overspent by £0.554m primarily due to incremental drift and the level of trainees currently in the trainee programme. There is also an overspend of £0.415m due to the overtime requirement for absence cover in the Children's Houses. These are partially offset by a number of vacancies across the service. Recruitment plans continue to be progressed to fill vacancies as quickly as possible, however this is proving challenging in the current market.
- 5.1.3 Supplies and Service costs is overspent by £0.075m mainly relating to food provisions in the Children's Houses where costs have increased due to inflation, and training in respect of student course fees for Health Visiting and School Nursing. This is partially offset by an underspend in Legal Expenses.
- 5.1.4 Third Party Payments is overspend by £0.324m. Residential Schools are overspent by £1.100m, offset by underspends in Purchased Placements of £0.231m and Provided Fostering of £0.610m all based on placement numbers.
- 5.1.5 Transfer Payments is overspent by £1.995m. There is an overspend in Direct Payments of £0.439m and Direct Assistance of £1.569m which reflects the level of demand and support required in these areas including supporting families with no recourse to public funds.
- 5.1.6 There is an over-recovery in income of £0.466m which mainly relates to UASC (Unaccompanied Asylum Seeking Children) income from the Home Office.

#### 5.2 Adult Services

- 5.2.1 Net expenditure is overspent by £3.663m.
- 5.2.2 This is mainly attributable to significant overspends within Homelessness (£4.161m) and Mental Health services (£2.806m).
- 5.2.3 Within Homelessness, the most significant overspend is in third party payments, £1.737m overspent, which is due to high demand in B&B accommodation, which has further increased through the relaxation of Local Connection legislation and the impact of the acceleration of accommodation requests following successful asylum claims. This increase in demand is also impacting on the cost of B & B accommodation available. There is an overspend in premises costs of £0.389m, which is due to overspends in energy costs and property management charges, which have been influenced by higher energy prices. In addition, income is £2.233m under recovered. Housing Benefit subsidy is under-recovered by £4.393m, as a result of the high numbers in Bed & Breakfast accommodation. This is partly offset by additional funding for Syrian and Afghan refugees of £2.154m and an underspend in employee costs of £0.449m as a result of vacancies, mainly in nursing and overtime.

OFFICIAL

## OFFICIAL

- 5.2.4 Work continues to mitigate this overspend however demand is currently outstripping any progress being made in reducing costs.
- 5.2.5 An overspend of £3.116m in Mental Health is mainly attributable to a net overspend of £2.595m on employee costs. Due to consistently high numbers of enhanced observations, sick leave and vacancy cover, significant spend on agency and bank staff has been incurred. This is partially offset by underspends in Community and Specialist Services due to turnover and vacancies. An action plan has been developed which focuses on the huge challenges within Inpatient services and will be monitored monthly. Overspend of £0.437m due to extra contractual referrals (ECRs).
- 5.2.6 Family Health Services are underspent by £0.344m in Alcohol and Drug Recovery Services which is reflective of demand.
- 5.2.7 Sexual Health Services are overspent by £0.155m as a result of the new pharmacy contract and some discounts not being available on some generic drugs.
- 5.2.8 Third Party payments are underspent by £1.502m which is mainly due to an underspend in Self Directed Support (SDS) budgets due to delays in support packages starting, under-occupancy in services and slippage in the start date of a tender for hospital discharges for those with complex needs. There is also an over recovery of income for Direct Payments of £0.180m for recoveries of surplus funds.
- 5.2.9 Employee costs are underspent by £1.609m due to vacancies, turnover and delays in recruitment.
- 5.2.10 Adult Services has recently assessed the needs of 5 adults who required individual support packages at a combined cost of £1.021m per annum recurringly. These packages of care have been recommended following consideration of a range of service options 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 overspent by £0.980m.
- 5.3.2 Employee costs is overspent by £0.381m. There is an overspend in Residential & Day Care services of £0.499m due to the continued use of agency and overtime directly attributed to staff sickness levels and vacancies. Mental Health inpatients is overspent by £1.364m due to constant observations and cover for vacancies and staff sickness. This is partly off-set with an underspend due to vacancies across Older People. Recruitment plans continue to be progressed to fill vacancies as quickly as possible, however this underspend reflects the challenges of recruiting in the current market.
- 5.3.3 There is an overspend of £0.468m in Transport due to increased vehicle hire charges and repair costs for an ageing fleet. Plans are currently underway to renew the fleet.

## OFFICIAL

## **OFFICIAL**

- 5.3.4 There is an underspend of £0.992m across Purchased Services. This is reflective of current demand levels which continue to be closely monitored and difficulties in finding external provision of low-level support to Carers.
- 5.3.5 There is an overspend of £1.169m in Supplies and Services. There is an overspend of £0.859m in the continence service driven by increased prices and demand, Equipu service is overspent by £0.417m due to increased demand. Overspends are partly offset by underspends in Alarms equipment of £0.176m which reflects current demand levels and underspends within Carers of £0.133m in respect of funding received for a short break bureau, this funding is no longer required due to a duplication with the service being developed by the Glasgow carers centres.

### **5.4 Resources**

- 5.4.1 Net expenditure is underspent by £0.202m.
- 5.4.2 Employee costs is underspent by £0.557m due to a number of vacancies. Recruitment plans continue to be progressed to fill these as quickly as possible, however this is proving challenging in the current market.
- 5.4.3 Transport costs is overspent by £0.181m mainly in relation to Transport and Support Service (TASS) in Technical Care and is linked to taxi and external vehicle hire.
- 5.4.4 Supplies and Services is overspent by £0.005m. Within Technical Care Services, Stairlifts are underspent by £0.423m with Equipu overspent by £0.295m and Ceiling Track and Hoist by £0.019m, a net underspend of £0.109m based on activity levels and reflected by an under-recovery in income charged to partners below. This is offset by a number of small overspends including Grounds Maintenance and Legal Fees.
- 5.4.5 Income is under-recovered by £0.093m. There is a net under-recovery of £0.140m in respect of EquipU, Stairlifts, and Ceiling Track and Hoists and £0.084m in respect of Linguistics. This is partially offset by an over-recovery of £0.131m mainly due to staffing recharges.

### **5.5 Criminal Justice**

- 5.5.1 Net expenditure is underspent by £0.149m. This relates to the non-Section 27 grant funded element of the service and is due to turnover in employee costs and reduced spend on purchased services.

### **5.6 Primary Care**

- 5.6.1 Primary Care is showing an overspend position of £2.452m.
- 5.6.2 There is an underspend within Prescribing Support Services and Health Improvement Teams of £0.141m, which is mainly as a result of vacancies.
- 5.6.3 Prescribing is currently reporting an overspend of £2.593m. Prescribing volumes and prices remain volatile and this represents a major area of risk for the IJB. A new national IT system has been introduced in this area, and it is impacting on the reporting data available to the IJB to monitor expenditure. It

## **OFFICIAL**

## **OFFICIAL**

has recently been indicated that full reporting data may not be available until December representing a significant risk for the IJBs ability to monitor spend in this area. We are holding the current forecast of £6m overspend until more data is available. At this stage we have no intelligence that suggests that pressures have reduced. We will update the forecast as soon as data is provided.

### **6. Forecasted Outturn**

- 6.1 In setting its budget in March, the IJB recognised that not all costs pressures could be fully funded from savings. This budget paper proposed the use of £17.166m of general reserves to fund the pressures identified within homelessness, prescribing and the risks associated with inflation. A full outturn has been undertaken and forecasts an overspend of £21.4m. This is higher than the planning assumptions made at budget time. A recovery plan totaling £4.2m was approved by the IJB on 27 September 2023. Future reports will update on progress against this recovery plan. The HSCP Senior Management Team will continue to focus on delivery of the recovery plan to bring spend back in line with budget planning assumptions, where possible.
- 6.2 There continues to be a high level of volatility linked to demand and cost pressures and this will continue to be closely monitored by the IJB.
- 6.3 The recurring implications of these pressures will also need to be considered as part of the 2024-25 budget exercise.

### **7. IJB Finance, Audit and Scrutiny Report – 13<sup>th</sup> December 2023**

- 7.1 The Council is undertaking essential maintenance to its financial ledger system which will result in the financial ledger being unavailable between 14<sup>th</sup> and 24<sup>th</sup> October 2023. This will prevent us from reporting on period 8 which ends on 20<sup>th</sup> October and is due to be reported to IJB Finance, Audit and Scrutiny on 13<sup>th</sup> December. Therefore, there will be no report presented on 13<sup>th</sup> December 2023. Reports will resume thereafter as scheduled to both IJB and IJB Finance, Audit and Scrutiny.

### **8. Action**

- 8.1 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. This team will also continue to focus on delivery of the recovery plan to bring spend back in line with budget planning assumptions.
- 8.2 This will be the subject of updates to future IJB meetings.

### **9. Conclusion**

- 9.1 Net expenditure is £8.866m higher than budget to date. In line with budget plans this will require to be funded from General Reserves.



**10. Recommendations**

The IJB Finance, Audit and Scrutiny is asked to:

- a) note the contents of this report; and
- b) approve the recurring funding for the packages of care outlined in section 5.2.10.

# OFFICIAL

## Appendix 1

### Glasgow City Integration Joint Board

### Budget Monitoring Statement to end July/Period 5 2023/24

### 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
164,402	Children and Families	68,379	66,257	2,122
367,232	Adult Services	146,995	143,332	3,663
361,840	Older People (incl Dementia)	137,494	136,514	980
6,020	Resources	-21,551	-21,349	-202
-796	Criminal Justice	469	618	-149
402,739	Primary Care	166,195	163,743	2,452
<b>1,301,437</b>	<b>Total</b>	<b>497,981</b>	<b>489,115</b>	<b>8,866</b>

	Funded By :-
509,407	Glasgow City Council
789,835	NHS Greater Glasgow & Clyde
2,195	Drawdown of Earmarked Reserves
<b>1,301,437</b>	

Transfer from Reserves	-	<b>8,866</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>			
596,540	Employee costs	247,099	248,449	-1,350
26,941	Premises Costs	5,841	5,087	754
5,954	Transport Costs	2,946	2,354	592
28,546	Supplies and Services	31,581	28,165	3,416
356,394	Third party Costs	138,177	138,670	-493
48,283	Transfer Payments	25,557	23,650	1,907
698	Capital Financing Costs	2	0	2
137,157	Prescribing	59,658	57,065	2,593
236,981	Family Health Services	95,209	95,209	0
<b>1,437,494</b>	<b>Total Expenditure</b>	<b>606,070</b>	<b>598,649</b>	<b>7,421</b>
<b>136,057</b>	<b>Income</b>	<b>108,089</b>	<b>109,534</b>	<b>-1,445</b>
<b>1,301,437</b>	<b>Net Expenditure</b>	<b>497,981</b>	<b>489,115</b>	<b>8,866</b>