



**Item No. 8**

**Meeting Date Wednesday 11<sup>th</sup> December 2024**

**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 7 and Period 8 2024/25**

**Purpose of Report:**

This report outlines the financial position of the Glasgow City Integration Joint Board as at 18<sup>th</sup> October 2024 for Council and 30<sup>th</sup> October 2024 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 package of care outlined at section 5.1.6.

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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 2023-26.

**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 carer's 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 a Fairer Scotland.

**Financial:**

All financial consequences are detailed within this report.

**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:**

The volatility of the drugs supply market, demand for services, cost of living crisis, acceleration of home office decisions and inflation continues to represent a significant financial risk to the IJB. This level of risk will require the IJB to keep its financial strategy under review to ensure services are delivered within the funding available. This financial risk will be monitored during 2024-25 and reported through the financial performance reports to the IJB and IJB Finance, Audit and Scrutiny Committee.

The IJB is required to hold a contingency which is sufficient to enable the IJB to respond and continue to remain financially viable. The IJB will start 2024-25 with a general reserve of £8.442m which is 0.5% of net expenditure and below the target set at 2%.

**Implications for Glasgow City Council:**

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.

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|                                                          |                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                          | Within Homelessness, the net additional cost of arising from the impact of Home Office asylum decisions to date is £4.311m. The Council has provided the IJB with a commitment that the additional costs linked to asylum will be fully funded. This report builds in this additional funding from the Council. |
| <b>Implications for NHS Greater Glasgow &amp; Clyde:</b> | 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.                                                                                                                  |

### 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 2024 to 18<sup>th</sup> October 2024 for Council and 30<sup>th</sup> October 2024 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 £4.080m higher than budget to date.
- 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 Month 7/Period 8 the net expenditure budget has increased by £1.978m. 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 |
|---------------------------------------------------------------|-------------------------------|--------------------------|-------------------------------|
| Scottish Government Funding: Housebound & Care Home Flu       | £1,006,478                    |                          | £1,006,478                    |
| Scottish Government Funding: Secondary School Flu             | £627,200                      |                          | £627,200                      |
| Scottish Government Funding: Dementia Post Diagnostic Support | £417,595                      |                          | £417,595                      |
| Minor income adjustment                                       | -£155,025                     | £81,925                  | -£73,100                      |
| <b>Total</b>                                                  | <b>£1,896,248</b>             | <b>£81,925</b>           | <b>£1,978,173</b>             |

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### 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 2024/25 is £29.934m. At this stage of the year, it is anticipated that actual savings realised will be £22.219m representing 74% of the target. The gap is primarily in relation to savings linked to self-directed support including access to social care, maximising independence and wait listing. These programmes are in the early stages of delivery and work continues to progress these savings to secure delivery in 24-25. Part year implementation will impact on in year savings and this will be closely monitored by the Integration Transformation Board.
- 4.2 The unachieved savings target from prior years is £0.619m. At this stage of the year, it is anticipated that £0.529m is forecast to be achieved. The gap is in relation to linguistic service. This service has been required to be retendered following withdrawal of the successful bidder. This is currently underway.
- 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:
- Updates on delivery of prior year and current year savings programmes
  - Updates on recovery planning in significant areas of budget pressure including prescribing, inpatient staffing and residential staffing
  - Transformation programmes including Maximising Independence, Day Care Service Review, Admin Review and a Review of Supported Living Services

### 5. Reasons for Major Budget Variances

#### 5.1 Children and Families

- 5.1.1 Net expenditure is overspent by £1.949m.
- 5.1.2 Employee costs are overspent by £0.569m. Health Visiting is overspent by £1.357m primarily due to lower than budgeted turnover and an over establishment in the service. There is also an overspend of £0.937m due to the overtime requirement for absence cover in the Children's Houses. These are offset by an underspend of £1.660m due to 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 Third Party Payments is overspent by £0.188m. There is an overspend in Residential Schools of £0.797m offset by underspends in Kinship of £0.399m, Purchased Placements £0.017m, Shared Care and Short Breaks £0.095m and Personalisation of £0.095m, all based on placement numbers and demand.
- 5.1.4 Transfer Payments is overspent by £1.724m. There is an overspend in Direct Assistance of £1.654m which reflects the level of demand and support required in these areas including supporting families with no recourse to public funds. There is also an overspend on Direct Payments of £0.060m in relation to Children with Disabilities.

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5.1.5 There is an over-recovery in income of £0.404m, £0.155m of which relates to UASC (Unaccompanied Asylum-Seeking Children) income from the Home Office and £0.208m in relation to the recovery of Direct Payment surpluses.

5.1.6 Children and Families has recently assessed the needs of one young adult who required an individual support package at a cost of £0.160m per annum recurringly. This package of care has been recommended following consideration of a range of service options to meet this individual's care needs. The IJB is asked to approve this commitment on a recurring basis funded from within existing budgets.

## **5.2 Adult Services**

5.2.1 Net expenditure is overspent by £4.304m.

5.2.2 Employee Costs are overspent by £1.617m. This is mainly attributable to Mental Health services, where employee costs are overspent by £1.622m. Within Inpatient services, expenditure of £8.851m on bank nursing staff has been incurred due to consistently high numbers of enhanced observations, sick leave and vacancy cover, and is partly offset by the high number of trained nursing vacancies. Workforce development programs have been implemented to address this and are expected to impact later in the financial year. There is an underspend within Community and Specialist Services (£0.396m) attributable to turnover and additional underspends within the localities (£0.221m).

5.2.3 In addition, Public Protection is overspent by £0.839m, mainly because of unachieved savings linked to Connect Services. These overspends are partly offset by underspends within ADRS (£0.135m), Learning Disability (£0.321m) and Prison Healthcare (£0.409m) because of vacancies.

5.2.4 Supplies and Services are overspent by £1.212m. Prison Healthcare is overspent by £0.425m mainly due to cost pressures associated with the new pharmacy services contract. Within Mental Health Services, supplies are overspent by £0.743m due to legal fees and pressures on various budget lines including environmental house cleans, drugs, taxis and equipment and is reflective of demand. ADRS is underspent by £0.073m across various budgets including clinical sundries, professional fees and travel.

5.2.5 Purchased services is overspent by £2.557m. Within this, Learning Disabilities and Mental Health are reflecting an overspend of £1.753m due to demand for SDS options 2&3 exceeding the available budget and the impact of savings targets not yet being delivered. Extra Contractual Referrals are overspent by £0.818m and is reflective of demand.

5.2.6 Transfer payments are overspent by £0.288m due to spend on direct assistance and is reflective of demand.

5.2.7 These overspends are partly offset by income over-recovery of £1.278m mainly within Learning Disability due to recovery of direct payment surpluses.

5.2.8 Within Homelessness, the net additional cost of arising from the impact of Home Office asylum decisions to date is £4.311m. The Council has provided the IJB with a commitment that the additional costs linked to asylum will be fully funded. This report builds in this additional funding from the Council.

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### **5.3 Older People and Physical Disability**

- 5.3.1 Net expenditure is underspent by £2.111m.
- 5.3.2 Employee costs are underspent by £0.442m. Health pays are overspent within Mental Health Inpatients and Elderly Mental Health due to the use of bank and agency to cover staff sickness and vacancies. In addition, budgeted turnover savings have not been achieved which has contributed to the pressure combined at £0.609m over. Care Services and Locality front line services are underspending by £1.051m, overspends in Agency and overtime to cover vacancies and staff absence are offset by underspends in core salary lines. Recruitment plans continue to be progressed to fill vacancies as quickly as possible to reduce the use of agency and overtime, however this underspend reflects the challenges of recruiting in the current market.
- 5.3.3 There is an overspend of £0.377m in Transport due to increased vehicle hire charges and repair costs for an ageing fleet. Repair costs are expected to reduce with the continued roll out of the new fleet.
- 5.3.4 Income is over recovered by £0.666m mainly within non-residential fees and charges.

### **5.4 Resources**

- 5.4.1 Net expenditure is underspent by £0.932m.
- 5.4.2 Employee costs is underspent by £0.733m 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 £0.144m mainly in relation to Transport and Support Service (TASS) in Technical Care and is linked to taxi and external vehicle hire required as a result of vacancies. This will reduce as recruitment progresses.
- 5.4.4 Supplies and Services is underspent by £0.850m. Technical Care Services is underspent by £0.118m based on activity levels and demand for equipment and this is offset by an under-recovery in income charged to partners below. There is an underspend of £0.765m across various lines including purchase of services and commitments linked to inflation pressures.
- 5.4.5 Income is under-recovered by £0.409m. This is mainly within Technical Care Services there is a net under-recovery of £0.362m in respect of EquipU, Stairlifts, and Ceiling Track and Hoists.

### **5.5 Criminal Justice**

- 5.5.1 Net expenditure is underspent by £0.425m. 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 £3.668m.

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- 5.6.2 There is an underspend within Prescribing Support Services, Clinical Directors and Health Improvement Teams of £0.594m, which is mainly as a result of vacancies.
- 5.6.3 Prescribing is currently reporting an overspend of £4.227m. An ambitious £8.3m savings programme has been targeted for 2024-25. Delivery commenced in April 2024 and good progress is being made, however as the programme commenced in April it will take time to build the momentum which will secure delivery. This delay represents £2.036m of the overspend. Pharmacy teams and GPs are working hard to secure these savings and progress will continue to be monitored by the relevant management teams. Part of the saving had assumed a reduction from moving from a brand to generic pricing. The reduction is less than has been forecast. This has been out with the control of the IJB.
- 5.6.4 The remaining overspend of £2.139m is because of a combination of an increase in volumes (0.68%), global pricing (2.2%) and pharmacy first.

## 6. Reserve Balances

- 6.1 At 1<sup>st</sup> April the IJB has a balance of £8.442m in general reserves. As part of the budget the IJB agreed £9.331m of additional recurring savings to support budget smoothing of the planned increases to superannuation costs in 2026/27. If savings are fully delivered and spend is contained within budgets this will have an in-year benefit of £9.331m which could be used to increase general reserves at the end of March 2025 to £17.773m. However, the current overspend position represents a risk to this strategy.
- 6.2 The November IJB agreed a reclassification of earmarked reserves to general reserves of £6.500m. This was done as part of the recovery plan and if required at year end will be drawn down to meet some of the current forecasted outturn.
- 6.3 If spend had remained on target and reserves had been drawn down in line with the recovery plan, to date £2.831m would have been available to be transferred to reserves. However, there is currently an overspend of £4.080m which results in general reserves being reduced by the net £1.249m, representing a revised balance to date of £13.693m. This is £4.080m short of the target set when the budget was set. Recovery planning will continue to be pursued to recovery this balance.

## 7. Forecasted Outturn

- 7.1 A full outturn has been undertaken and forecasts an overspend of £17.5m. A recovery plan totaling £17.5m was approved by the IJB on 25 September 2024 and 27 November 2024. 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.
- 7.2 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.

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### **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. The Executive Team will monitor progress in delivering the recovery plan to reduce the current overspend and bring spend back in line with budgets.
- 8.2 This will be the subject of updates to future IJB meetings.

### **9. Conclusion**

- 9.1 Net expenditure is £4.080m higher than budget to date.

### **10. Recommendations**

- 10.1 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 package of care outlined at section 5.1.6.

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## Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end October/Period 8 2024/25

### 1. Budget Variance by Care Group

| Annual Net Expenditure Budget<br>£0 |                              | Actual Net Expenditure to Date<br>£0 | Budgeted Net Expenditure to Date<br>£0 | Variance to Date<br>£0 |
|-------------------------------------|------------------------------|--------------------------------------|----------------------------------------|------------------------|
| 161,313                             | Children and Families        | 92,065                               | 90,116                                 | 1,949                  |
| 403,384                             | Adult Services               | 226,703                              | 222,400                                | 4,304                  |
| 363,530                             | Older People (incl Dementia) | 192,114                              | 194,225                                | -2,111                 |
| 64,587                              | Resources                    | 47,775                               | 51,080                                 | -3,305                 |
| -893                                | Criminal Justice             | -166                                 | 259                                    | -425                   |
| 426,154                             | Primary Care                 | 255,500                              | 251,832                                | 3,668                  |
| <b>1,418,076</b>                    | <b>Total</b>                 | <b>813,992</b>                       | <b>809,912</b>                         | <b>4,080</b>           |

|                  |                                |                |                |          |
|------------------|--------------------------------|----------------|----------------|----------|
|                  | Funded By :-                   |                |                |          |
| 555,418          | Glasgow City Council           | 257,531        | 257,531        | 0        |
| 854,680          | NHS Greater Glasgow & Clyde    | 546,052        | 546,052        | 0        |
| 17,309           | Drawdown of Earmarked Reserves | 9,160          | 9,160          | 0        |
| <b>1,427,407</b> |                                | <b>812,743</b> | <b>812,743</b> | <b>-</b> |

|              |                             |                |              |              |
|--------------|-----------------------------|----------------|--------------|--------------|
| <b>9,331</b> | Transfer +to/-from Reserves | <b>- 1,249</b> | <b>2,831</b> | <b>4,080</b> |
| <b>-</b>     | Net Balance                 | <b>-</b>       | <b>-</b>     | <b>-</b>     |

### 2. Reserve Position at End October/Period 8 2024/25

|                    | Balance at 01.04.24<br>£000 | Redistribution Approved at Nov IJB | Drawdown to Date<br>£000 | Balance at End Oct/P8<br>£000 |
|--------------------|-----------------------------|------------------------------------|--------------------------|-------------------------------|
| General Reserves   | 8,442                       | 6,500                              | -1,249                   | 13,693                        |
| Earmarked Reserves | 58,452                      | -6,500                             | -17,309                  | 34,643                        |

### 3. Forecasted Reserve Position at 31st March 2025

|                    | Balance at 01.04.24<br>£000 | Redistribution Approved at Nov IJB | Net Forecasted - Drawdown/ Upload<br>£000 | Forecasted Balance at 31.03.25<br>£000 |
|--------------------|-----------------------------|------------------------------------|-------------------------------------------|----------------------------------------|
| General Reserves   | 8,442                       | 6,500                              | 2,831                                     | 17,773                                 |
| Earmarked Reserves | 58,452                      | -6,500                             | -36,600                                   | 15,352                                 |

### 4. Budget Variance by Subjective Analysis

| Annual Budget<br>£0 |                          | Actual to Date<br>£0 | Budget to Date<br>£0 | Variance to Date<br>£0 |
|---------------------|--------------------------|----------------------|----------------------|------------------------|
|                     | <b>Expenditure</b>       |                      |                      |                        |
| 592,493             | Employee costs           | 336,795              | 337,627              | -832                   |
| 27,982              | Premises Costs           | 9,353                | 8,409                | 944                    |
| 6,235               | Transport Costs          | 3,708                | 3,383                | 325                    |
| 97,238              | Supplies and Services    | 54,421               | 53,089               | 1,332                  |
| 413,929             | Third party Costs        | 220,979              | 221,121              | -142                   |
| 74,778              | Transfer Payments        | 47,319               | 46,871               | 448                    |
| 616                 | Capital Financing Costs  | 0                    | 0                    | 0                      |
| 150,318             | Prescribing              | 90,865               | 86,638               | 4,227                  |
| 247,143             | Family Health Services   | 151,327              | 151,321              | 6                      |
| <b>1,610,732</b>    | <b>Total Expenditure</b> | <b>914,767</b>       | <b>908,459</b>       | <b>6,308</b>           |
|                     |                          |                      |                      |                        |
| <b>192,656</b>      | <b>Income</b>            | <b>100,775</b>       | <b>98,547</b>        | <b>2,228</b>           |
|                     |                          |                      |                      |                        |
| <b>1,418,076</b>    | <b>Net Expenditure</b>   | <b>813,992</b>       | <b>809,912</b>       | <b>4,080</b>           |

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