



Item No. 9

Meeting Date

Wednesday 13th September 2023

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 3 and Period 4 2023/24

Purpose of Report:

This report outlines the financial position of the Glasgow City Integration Joint Board as at 30th June 2023 for both Council and 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 5.2.9.

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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:

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. Based on expenditure to Month 3/Period 4 if spend continues at the current rate for the remainder of the year, the overspend could be £18.143m.

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. A detailed forecast is currently being prepared and will be reported to the IJB in September to inform financial planning. The HSCP Senior Management Team is also focussed on a number of areas to bring spend back in line with budget planning assumptions, where possible.

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	The recurring implications of these pressures will also need to be considered as part of the 2024-25 budget exercise.
Implications for Glasgow City Council:	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.
Implications for NHS Greater Glasgow & Clyde:	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.

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 2023 to 30th June 2023 for both Health and 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 £4.311m higher than budget to date. Gross expenditure is £2.887m (0.80%) overspent and income is under-recovered by £1.424m (2.86%).
- 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 3/Period 4 the net expenditure budget has increased by £1.554m. The changes to the gross expenditure and income budgets are analysed in the table below.

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Explanation	Changes to Expenditure Budget	Changes to Income Budget	Net Expenditure Budget Change
Bail Incentivisation - Additional Scottish Government Funding	£438,400	-£438,400	£0
Structured Deferred Sentences Incentivisation - Additional Scottish Government Funding	£301,500	-£301,500	£0
Increase to Property Management Charge 23/24	£377,580	£0	£377,580
Home Office : Unaccompanied Asylum Seeking Funding	£448,661	-£448,661	£0
Scottish Government Funding - Mental Health	£1,755,000	-£1,755,000	£0
Criminal Justice Corra Foundation Martha Mammies	£99,665	-£99,665	£0
Criminal Justice Additional Income Barlinnie Prison Service	£127,246	-£127,246	£0
Apremilast Funding	£183,415	£0	£183,415
NES Income : Psychology	£2,265,623	-£2,265,623	£0
Trauma Income: Future Pathways	£237,400	-£237,400	£0
Glasgow University Student Welfare Sessions	£76,000	-£76,000	£0
Acute ABI	£216,600	£0	£216,600
Major Trauma Centre 1.0wte Consultant	£134,554	£0	£134,554
Gender Identity Service	£400,000	£0	£400,000
HB Share of Childrens Services Training Budget	£270,000	£0	£270,000
NES Income: Medical training grades	£600,000	-£600,000	£0
Externally funded services: South of Scotland CBT course (GIPSI)	£150,419	-£150,419	£0
Externally funded secondments	£305,713	-£305,713	£0
Externally funded medical sessions	£103,000	-£103,000	£0
Other Minor Adjustments	£82,889	-£110,801	-£27,912
Total	£8,573,665	-£7,019,428	£1,554,237

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 £21.483m representing 99.6% of the target.

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- 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.

5. Reasons for Major Budget Variances

5.1 Children and Families

- 5.1.1 Net expenditure is overspent by £0.828m.
- 5.1.2 Employee costs is overspent by £0.163m. Health Visiting is overspent by £0.344m primarily due incremental drift and the level of trainees currently in the trainee programme. There is also an overspend of £0.103m 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 There is an overspend of £0.807m across Purchased Services and Direct Payments. Direct Payments are overspent by £0.289m and Direct Assistance by £0.554m, which reflects the level of demand and support required in these areas. Residential Schools are overspent by £0.614m, offset by underspends in Purchased Placements of £0.199m and Provided Fostering of £0.384m all based on placement numbers.
- 5.1.4 Supplies and Service costs is overspent by £0.104m mainly across the Children's Homes relating to costs for food provisions and equipment. There is an increase in costs, especially food costs, due to inflation.
- 5.1.5 There is an over-recovery in income of £0.295m 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 £2.089m.

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- 5.2.2 This is mainly attributable to an overspend of £1.568M within Mental Health and an overspend of £2.075m within Homelessness.
- 5.2.3 The overspend in Mental Health is mainly attributable to spend on agency and bank nursing (£3.1m) due to the consistently high number of enhanced observations, sick leave and vacancy cover. An action plan has been developed which focuses on the huge challenges within Inpatient services and will be monitored monthly. ECR (Extra Contractual Referral) pressure is increasing with a new placement starting in August which will push this overspend up over the coming months. These overspends are partially offset by underspends in Community Specialist services, Crisis, MHAU, Social Workers, Medical and Nursing due to vacancies (£1.414m) and an over recovery of income of (£0.102m).
- 5.2.4 Within Homelessness, the most significant overspend is in third party payments, £0.956m 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 also an overspend in premises costs of £0.212m, which is due to overspends in energy costs and property management charges, which have been influenced by higher energy prices. In addition, income is £1.002m under recovered. Housing Benefit subsidy is under-recovered by £2.3m, as a result of the high numbers in B&B accommodation. This is partly offset by additional funding for Syrian and Afghan refugees of £1.3m.
- 5.2.5 Work continues to mitigate this overspend however demand is currently outstripping any progress being made in reducing costs. An update was presented to the IJB in June on the recovery plan and the further actions required to reduce this overspend further.
- 5.2.6 The overspend in Mental Health and Homelessness is partially offset by underspends in employee costs throughout the remaining care groups in Adult Services. Employee costs are £0.842m underspent. There are underspends in Alcohol and Drug Recovery Services (£0.294m), Learning Disability (£0.138m), Public Protection (£0.155m), Police Custody (£0.082m) and Sexual Health Services (£0.145m) all due to vacancies. 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.
- 5.2.7 Supplies and Services are underspent by £0.271m in Alcohol and Drug Recovery Services as are Family Health Services (£0.120m) and is reflective of demand.
- 5.2.8 Third Party payments are underspent by £0.253m due to under-occupancy in services within Learning Disability, Addiction Services and Mental Health purchased services and slippage in start date for packages commencing mainly due to recruitment challenges. The tender for hospital discharges for those with complex needs has been delayed also impacting on the underspend.

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- 5.2.9 Adult Services has recently assessed the needs of 7 adults who required individual support packages at a combined cost of £1,373,906 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 overspent by £0.649m.
- 5.3.2 Employee costs is overspent by £0.310m. There is an overspend in Residential & Day Care services of £0.683m due to the continued use of agency and overtime directly attributed to staff sickness levels and vacancies. Mental Health inpatients is overspent by £0.599m 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 £0.230m in Transport due to increased vehicle hire charges and repair costs for an ageing fleet. Plans are currently underway to renew the fleet.
- 5.3.4 There is an underspend of £0.400m across Purchased Services. This is reflective of current demand levels which continue to be closely monitored.
- 5.3.5 There is an overspend of £0.398m in Supplies and Services. There is an overspend of £0.335m in the Sphere service driven by increased prices and demand, Equipu service is overspent by £0.175m due to increased demand. Overspends are partly offset by underspends in Alarms equipment of £0.196m which reflects current demand levels
- 5.3.6 Income is under recovered by £0.074m mainly due to an under recovery of health income.
- 5.3.7 Carers services are underspent by £0.158m, mainly in respect of funding received for a short breaks bureau (£0.083m), this funding is no longer required due to duplication with the service being developed by the Glasgow carers centres and within third party payments (£0.063m) due to difficulties in finding external provision of low level support to Carers.

5.4 Resources

- 5.4.1 Net expenditure is underspent by £0.496m.
- 5.4.2 Employee costs is underspent by £0.496m 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 £0.078m mainly in relation to TASS in Technical Care and is linked to taxi and external vehicle hire.

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- 5.4.4 Supplies and Services is underspent by £0.820m. There is an underspend of £0.671m within Technical Care Services, mainly Stairlifts of £0.520m and Equipu of £0.169m. This reflects the activity level in these areas, and the underspend is offset by the under recovery in income charged to partners below. The remainder of the underspend is due to timing and should reduce as the year progresses.
- 5.4.5 Income is under-recovered by £0.745m. There is an under-recovery of £0.783m within Technical Care Services, mainly Stairlifts of £0.547m and Equipu of £0.218m. This reflects the activity in each area and is partially offset by the overall overspend in Supplies & Services above.

5.5 Criminal Justice

- 5.5.1 Net expenditure is underspent by £0.096m. This relates to the non-Section 27 grant funded element of the service and is due to turnover in employee costs.

5.6 Primary Care

- 5.6.1 Primary Care is showing an overspend position of £1.337m.
- 5.6.2 There is an underspend within Prescribing Support Services and Health Improvement Teams of £0.163m, which is mainly as a result of vacancies.
- 5.6.3 Prescribing is currently reporting an overspend of £1.501m. Prescribing volumes and prices remain volatile and this represents a major area of risk for the IJB. This will continue to be closely monitored by the IJB.

6. Forecasted Trajectory

- 6.1 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. Based on expenditure to Month 3/Period 4 if spend continues at the current rate for the remainder of the year, the overspend could be £18.143m.
- 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. Action

- 7.1 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.
- 7.2 A detailed forecast is currently being prepared and will be reported to the IJB in September to inform financial planning. The HSCP Senior Management Team is also focused on a number of areas to bring spend back in line with budget planning assumptions, where possible.

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8. Conclusion

- 8.1 Net expenditure is £4.311m higher than budget to date. In line with budget plans this will require to be funded from General Reserves.

9. Recommendations

- 9.1 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 at section 5.2.9.

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Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end June/Period 4 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
164,222	Children and Families	42,082	41,255	828
362,796	Adult Services	78,761	76,672	2,089
357,418	Older People (incl Dementia)	81,867	81,217	649
-3,660	Resources	12,122	12,619	-496
-795	Criminal Justice	553	649	-96
396,152	Primary Care	98,451	97,114	1,337
1,276,133	Total	313,837	309,526	4,311

	Funded By :-
509,147	Glasgow City Council
766,986	NHS Greater Glasgow & Clyde
-	Drawdown of Earmarked Reserves
1,276,133	

Transfer from Reserves	- 4,311
Net Balance	0

Budget Variance by Subjective Analysis

Annual Budget £000	Expenditure	Actual to Date £000	Budget to Date £000	Variance to Date £000
595,433	Employee costs	152,071	152,671	-600
26,976	Premises Costs	3,363	2,989	374
5,935	Transport Costs	1,825	1,450	375
16,626	Supplies and Services	16,094	15,832	262
351,233	Third party Costs	81,165	80,997	168
48,316	Transfer Payments	15,683	14,876	807
698	Capital Financing Costs	0	0	0
129,700	Prescribing	35,236	33,735	1,501
236,981	Family Health Services	56,808	56,808	0
1,411,897	Total Expenditure	362,245	359,358	2,887
135,764	Income	48,409	49,832	-1,424
1,276,133	Net Expenditure	313,837	309,526	4,311