



**Item No. 11**

**Meeting Date**

**Wednesday 11<sup>th</sup> September 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 3 and Period 4 2024/25**

**Purpose of Report:**

This report outlines the financial position of the Glasgow City Integration Joint Board as at 28<sup>th</sup> June 2024 for Council and 30<sup>th</sup> June 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 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 2023-26.

### 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 carer's services is included within this report.
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<b>Provider Organisations:</b>	Expenditure on services delivered to clients by provider organisations is included within this report.
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<b>Equalities:</b>	Not applicable at this time.
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<b>Fairer Scotland Compliance:</b>	The expenditure on services supports the delivery a Fairer Scotland.
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<b>Financial:</b>	All financial consequences are detailed within this report.
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<b>Legal:</b>	Not applicable at this time.
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<b>Economic Impact:</b>	Not applicable at this time.
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<b>Sustainability:</b>	Not applicable at this time.
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<b>Sustainable Procurement and Article 19:</b>	Not applicable at this time.
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<b>Risk Implications:</b>	<p>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.</p> <p>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%.</p>
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<b>Implications for Glasgow City Council:</b>	The Integration Scheme clearly outlines the responsibilities of Partners and the IJB if spending
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	<p>exceeds budget plans. Partners will be kept updated on financial performance during the year.</p> <p>Within Homelessness, the net additional cost of arising from the impact of Home Office asylum decisions to date is £2.162m. 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.</p>
<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 2021 to 28<sup>th</sup> June 2024 for Council and 30<sup>th</sup> June 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 £4.103m higher than budget to date and £1.770m higher after adjusting for the planned budget smoothing. Gross expenditure is £6.715m (1.90%) overspent and income is over-recovered by £2.613m (3.13%).
- 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 3/Period 4 the net expenditure budget has increased by £6.105m. 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
Realignment of Homelessness Budgets	£39,675,302	-£39,675,302	£0
Realignment of Children and Family Budgets	£746,932	-£746,932	£0

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Scottish Government Funding - Criminal Justice	£3,040,860	-£3,040,860	£0
Realignment of Criminal Justice Budgets	£585,790	-£585,790	£0
Glasgow City Council Funding for Post	£140,000	£0	£140,000
Glasgow City Council Tackling Poverty Funding	£422,000	£0	£422,000
Scottish Government Funding: Trauma service (Future Pathways & Redress)	£327,133	-£327,133	£0
Scottish Government Funding: Liaison Psychiatry service	£90,900	-£90,900	£0
Budget Realignment Closure of Timeout 218 Service	-£114,355	£114,355	£0
Budget Realignment - Welfare Advice	£103,538	-£103,538	£0
Other Funding: Secondments	£368,555	-£368,555	£0
Scottish Government Funding: Weigh To Go	£170,000	£0	£170,000
Scottish Government Funding: Perinatal Mother and Baby Unit	£535,000	£0	£535,000
Scottish Government Funding: Prisoner Healthcare	£493,430	£0	£493,430
Scottish Government Funding: Alcohol and Drug Partnership Tranche 1	£3,928,654	£0	£3,928,654
Scottish Government Funding: Gender Identity	£400,000	£0	£400,000
Other Income: South of Scotland Cognitive Behaviour Training Course	£197,043	-£197,043	£0
NES Income: Psychology Programs	£3,601,927	-£3,601,927	£0
Other Minor Adjustments	£121,628	-£105,634	£15,994
<b>Total</b>	<b>£54,834,337</b>	<b>-£48,729,259</b>	<b>£6,105,078</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 2024/25 is £28.387m. At this stage of the year, it is anticipated that actual savings realised will be £21.222m representing 75% 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.

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- 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 £0.865m.
- 5.1.2 Employee costs are overspent by £0.300m. Health Visiting is overspent by £0.758m primarily due to lower than budgeted turnover and an over establishment in the service, incremental drift, and the level of trainees currently in the trainee programme. There is also an overspend of £0.255m due to the overtime requirement for absence cover in the Children's Houses. These are 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 underspent by £0.100m mainly relating to food provisions, supplies for clients, legal expenses and staff travel in community health services.
- 5.1.4 Third Party Payments is overspent by £0.126m. There is an overspend in Residential Schools of £0.471m offset by underspends in Kinship of £0.164m, Purchased Placements £0.069m, Shared Care and Short Breaks £0.062m and Personalisation of £0.023m, all based on placement numbers and demand.
- 5.1.5 Transfer Payments is overspent by £0.677m. There is an overspend in Direct Payments of £0.029m and Direct Assistance of £0.580m 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 £0.114m 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 £3.211m.
- 5.2.2 Employee Costs are overspent by £0.925m. This is mainly attributable to Mental Health services, where employee costs are overspent by £1.301m due to consistently high numbers of enhanced observations, sick leave and vacancy cover. Within Inpatient services, expenditure of £3.6m on bank

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nursing staff 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 in the second half of the financial year. There is an overspend within Community and Specialist Services due to the impact of turnover savings not been secured, this is partly offset by underspends within the localities.

- 5.2.3 Supplies and Services are overspent by £0.680m. Prison Healthcare is overspent by £0.258m mainly due to cost pressures associated with the new pharmacy services contract. Within Mental Health Services, supplies are overspent by £0.301m due to legal fees and pressures on various budget lines including drugs, taxis and equipment and is reflective of demand.
- 5.2.4 Learning Disabilities and Mental Health are reflecting an overspend in purchased services of £1.578m due to demand for SDS options 2&3 exceeding the available budget and the impact of savings targets not being delivered. Extra Contractual Referrals are overspent by £0.269m and is reflective of demand.
- 5.2.5 These overspends are partly offset by income over-recovery of £0.588m mainly within Learning Disability. This is due to recovery of direct payment surpluses (£0.481m) and one-off over recovery within health relating to the Scottish Enhanced Services Program (£0.078m).
- 5.2.6 Adult Services has recently assessed the needs of 3 adults who required individual support packages at a combined cost of £0.526m per annum recurrently. 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.
- 5.2.7 Within Homelessness, the net additional cost of arising from the impact of Home Office asylum decisions to date is £2.162m. 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.

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

- 5.3.1 Net expenditure is overspent by £0.443m.
- 5.3.2 Employee costs are overspent by £0.894m. Health payroll 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. Care Services is overspent by £0.248m, overspends in Agency and overtime to cover vacancies and staff absence are partly 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 £0.265m 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.

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5.3.4 There is an underspend of £0.649m 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 Income is over recovered by £0.093m mainly within non-residential fees and charges.

### **5.4 Resources**

5.4.1 Net expenditure is underspent by £0.150m.

5.4.2 Employee costs is underspent by £0.226m 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 £0.071m 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 staff vacancies. This will reduce as recruitment progresses.

5.4.4 Supplies and Services is underspent by £0.503m. Within Technical Care Services, EquipU is underspent by £0.342m and Stairlifts by £0.160m. Ceiling Track Hoists are overspent by £0.031m contributing to a net underspend of £0.475m based on activity levels and reflected by an under-recovery in income charged to partners below.

5.4.5 Income is under-recovered by £0.523m. Within Technical Care Services there is a net under-recovery of £0.547m in respect of EquipU, Stairlifts, and Ceiling Track and Hoists.

### **5.5 Criminal Justice**

5.5.1 Net expenditure is underspent by £0.101m. This is within 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 underspend position of £0.166m.

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 staff vacancies.

5.6.3 Prescribing is currently reporting an underspend of £0.003m. There is a lag of 2 months in prescribing data and at this stage only April is available. This will continue to be closely monitored and as more data is released, we will be in a better position to assess performance against this budget in time.

## **7. Reserve Balances**

7.1 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

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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.

- 7.2 If spend had remained on target, to date £2.333m would have been available to be transferred to reserves. However, as a result of the current overspend of £4.103m instead of general reserves being increased they are being reduced by the net £1.770m, representing a revised balance to date of £6.673m.

## **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 is currently working on action plans to reduce the current overspend and bring spend back in line with budgets. A probable outturn will be reported to the IJB in September to provide an early forecast of spend for 2024/25 to support any recovery planning decisions which are required to be taken to secure spending plans within the funds available.

## **9. Conclusion**

- 9.1 Net expenditure is £4.103m higher than budget to date and £1.770m higher after adjusting for the planned budget smoothing. 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 5.2.6.

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## Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end June/Period 4 2024/25

### 1. 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
159,054	Children and Families	41,069	40,204	865
382,575	Adult Services	100,037	96,826	3,211
359,682	Older People (incl Dementia)	81,399	80,956	443
34,172	Resources	-22,850	-22,701	-150
-893	Criminal Justice	631	732	-101
424,840	Primary Care	73,441	73,607	-166
<b>1,359,430</b>	<b>Total</b>	<b>273,727</b>	<b>269,625</b>	<b>4,103</b>

	Funded By :-			
550,405	Glasgow City Council	85,460	85,460	0
818,356	NHS Greater Glasgow & Clyde	186,498	186,498	0
-	Drawdown of Earmarked Reserves			0
<b>1,368,761</b>		<b>271,958</b>	<b>271,958</b>	<b>-</b>

<b>9,331</b>	Transfer +to/-from Reserves	<b>- 1,770</b>	<b>2,333</b>	<b>4,103</b>
-	Net Balance	-	-	-

### 2. Reserve Position at End June/Period 4 2024/25

	Balance at 01.04.24 £000	Drawdown to Date £000	Balance at End June/P4 £000
General Reserves	8,442	-1,770	6,673
Earmarked Reserves	58,452	0	58,452

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

	Balance at 01.04.24 £000	Forecasted Drawdown £000	Forecast ed Balance at 31.03.25 £000
General Reserves	8,442	9,331	17,773
Earmarked Reserves	58,452	-36,600	21,852

### 4. Budget Variance by Subjective Analysis

Annual Budget £000		Actual to Date £000	Budget to Date £000	Variance to Date £000
	<b>Expenditure</b>			
582,803	Employee costs	146,382	144,655	1,727
27,989	Premises Costs	3,914	3,484	430
6,085	Transport Costs	1,542	1,412	130
59,744	Supplies and Services	26,419	26,550	-131
402,388	Third party Costs	93,236	91,570	1,666
67,231	Transfer Payments	20,389	17,497	2,892
616	Capital Financing Costs	0	0	0
149,284	Prescribing	37,833	37,836	-3
247,143	Family Health Services	30,216	30,212	4
<b>1,543,283</b>	<b>Total Expenditure</b>	<b>359,931</b>	<b>353,216</b>	<b>6,715</b>
<b>183,853</b>	<b>Income</b>	<b>86,204</b>	<b>83,592</b>	<b>2,613</b>
<b>1,359,430</b>	<b>Net Expenditure</b>	<b>273,727</b>	<b>269,625</b>	<b>4,103</b>

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