



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
25 OCTOBER 2016**

REPORT ON: FINANCIAL MONITORING – AUGUST 2016

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB51-2016

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide the Integration Joint Board with an update of the projected financial monitoring position for delegated health and social care services for 2016/17.

2.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board (IJB):

- 2.1 Notes the overall projected financial position for delegated services as at 31st August 2016.
- 2.2 Instructs the Chief Finance Officer to continue to monitor the 2016/17 projected financial outturn and present this to the IJB throughout the remainder of the financial year.
- 2.3 Notes that the format and focus of this financial monitoring will change over time as budgets become more integrated and more closely aligned with the priorities set out within the Strategic and Commissioning Plan.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 31st August 2016 shows a net projected overspend position of £1,752k which is a slight improvement on the previously reported figure. This overspend is mainly due to the anticipated shortfall in achieving a balanced prescribing budget as noted as a key risk in the due diligence process. Services delegated from NHS Tayside (excluding prescribing but including Family Health Services (FHS)) are estimated to be in an overspend position of around £647k by the end of the financial year. These overspends are subject to the risk sharing arrangement outlined in the Integration Scheme whereby responsibility for meeting the shortfall in resources remains with NHS Tayside. Services delegated from Dundee City Council are anticipated to be in an underspend position of approximately £697k at the 31st March 2017 which is slightly less than the previous period.
- 3.2 In relation to services hosted by Perth and Kinross and Angus IJB's on behalf of Dundee IJB, Dundee's share of overspends from these services are expected to be to the value of £1,058k. This will be partly offset by a transfer out to the respective IJB's of a share of overspends projected in services hosted by Dundee on behalf of the other IJB's to the value of £183k. This net anticipated overspend is also subject to the risk sharing arrangement therefore will remain with NHS Tayside.

4.0 MAIN TEXT

4.1 Background

- 4.1.1 As part of the IJB's financial governance arrangements, the Integration Scheme outlines that "The Chief Finance Officer will ensure routine financial reports are available to the Chief Officer and the Integration Joint Board on a timely basis and include, as a minimum, annual budget, full year outturn projection and commentary on material variances."
- 4.1.2 The IJB confirmed the overall budgeted resources for delegated services at its meeting in June 2016 with associated savings and efficiency targets to be achieved through the delivery of a local transformation programme for these delegated services. The detail of this is outlined in a separate report on this agenda. Members of the IJB will recall that as part of the Due Diligence process reported to the IJB in March 2016, a number of risks associated with the resources delegated by Dundee City Council and NHS Tayside to the IJB, including anticipated levels of savings, were highlighted. This financial monitoring position reflects the status of these risks as they display within cost centre budgets.
- 4.1.3 The current financial position as at 31st August 2016 is shown in Appendix 1. Members of the IJB will note that the presentation of the budgets and projected expenditure position to March 2017 at this stage is more aligned than integrated however, this will evolve as the transition to new locality based integrated service structures progresses. Future reporting will also reflect the shift of resources in line with actions taken to implement the aims of the Strategic and Commissioning Plan.
- 4.1.4 The financial information presented has been provided by the finance functions of NHS Tayside and Dundee City Council as set out within the Integration Scheme.

4.2 Projected Outturn Position – Key Areas

- 4.2.1 The following sets out the main areas of note from the financial information contained within Appendices 1 (Summary Position) and 2 (More Detailed Position) provide commentary on the reasons for significant variances, actions being taken to manage these and outlines the key elements of risk which may remain.

4.3 Services Delegated from NHS Tayside

- 4.3.1 Members will recall from the Due Diligence process that there were a number of significant risks and challenges highlighted within delegated budgets from NHS Tayside. This included a testing savings target across services as a reflection of the overall financial challenges facing NHS Tayside. This overall financial challenge has resulted in NHS Tayside embarking on a comprehensive Transformation Programme to deliver service efficiencies and improvement. A number of the workstreams within this programme have been applied to delegated services, which combined with local service delivery efficiencies, constitutes Dundee Health and Social Care Partnership's Transformation Programme. These efficiencies have been incorporated into service budgets where identifiable and the financial projections take into account the anticipated achievement of a number of these savings.
- 4.3.2 The financial projection for services delegated from NHS Tayside to the IJB indicates a projected overspend of around £697k by the end of the financial year excluding the prescribing budget but including FHS. This is greater than the anticipated budgetary shortfall of £253k highlighted to the IJB in June following an assessment of achievable efficiency savings against the target set for delegated services. However as further efficiency proposals are implemented at service level, this position is likely to change.
- 4.3.3 A number of service underspends are noted within Mental Health, Community Nursing and Allied Health Professionals primarily as a result of staff vacancies. It should be noted however that many of the efficiency savings targets have not yet been redistributed to individual services and this will shift as the year progresses. Those savings targets currently not delegated to individual services are held centrally within the Other Dundee Services / Support / Management heading and this is the main reason for this budget reflecting an adverse position.

- 4.3.4 Staff cost pressures exist in a number of other services such as Continuing Care and Palliative Care where the use of nursing bank and agency costs, although reducing from previous years, results in increased costs. Initiatives planned within the Transformation Programme will reduce the impact of these in due course.
- 4.3.5 A projected shortfall totalling £1,802k remains in the prescribing budget. A number of initiatives are developing through NHS Tayside's Transformation Programme supported by the Prescribing Management Group (PMG). The PMG function as a collaborative with delegated authority from the three Tayside IJBs and NHS Tayside Board, to allocate, monitor and agree actions to make optimal use of the prescribing budget. The PMG will deliver a whole system approach to developing prescribing action plans, implementation of prescribing projects and monitoring, identification and management of financial risks within prescribing. Dundee HSCP contributes to the PMG and will continue to explore innovative ways of safely delivering services in a more cost effective manner. Members will recall that the IJB agreed to invoke the risk sharing arrangement with NHS Tayside in relation to this budget whereby the leadership of delivery of efficiency savings within this budget remains the responsibility of NHS Tayside.
- 4.3.6 Members of the IJB will also be aware that Angus and Perth and Kinross IJB's host delegated services on behalf of Dundee IJB and a number of services are hosted by Dundee on behalf of Angus and Perth and Kinross. These are subject to a risk sharing agreement whereby any over or underspends are reallocated across the three Tayside IJB's at the end of the financial year. The financial monitoring position of these services in their totality are reflected in each of the IJB's financial monitoring reports and for information purposes the projected net impact of these services on each IJB's budgeted bottom line figure is noted. The net impact to Dundee IJB of hosted services is a projected overspend of £875k.

4.4 Services Delegated from Dundee City Council

- 4.4.1 Due to the nature of the local government budget process, an efficiency savings plan for services delegated by Dundee City Council was in place prior to services becoming delegated to Dundee Integration Joint Board. These efficiencies are embedded within service budgets and the financial monitoring reflects performance in achieving these. Risks associated with these budgets were also reflected in the Due Diligence process with the challenge of achieving staff slippage targets being the major concern. These are also embedded in the cost centre budgets therefore the financial monitoring position reflects the level of risk still anticipated against this.
- 4.4.2 The financial projection for services delegated from Dundee City Council to the IJB notes an overall projected underspend position of around £697k. This is mainly as a result of a difference in timing between the investment made by Dundee City Council in budgeted resources to meet anticipated demographic pressures within the adult care budget and the commissioning and development of additional services and capacity to provide the infrastructure to meet projected demand. It is anticipated that this investment will be fully committed during 2017/18. At this stage of the financial year, staff costs within Older People's services are anticipated to fall short of meeting set slippage targets, partly due to delays in achieving planned service efficiencies and this will continue to be closely monitored throughout the year.

4.5 Transformation Programme Innovation and Development Funding

- 4.5.1 Dundee IJB agreed Report DIJB15-2016 (Planning for Additional Resources) at its meeting on 4th May 2016 which set out the planned investment of additional funding from the Scottish Government with further investment reflected in Report DIJB50 as item 10 on this agenda. The original planning assumptions around the commitment of these resources reflected in Report DIJB15-2016 was for additional spend of £5.844m on initiatives to support the priorities set out within the Strategic and Commissioning Plan in 2016/17. The latest financial monitoring position notes this is likely to be approximately £5.572m with the reduction mainly due to slippage in some of the large scale projects such as Enhanced Community Support and less commitment to new initiatives in 2016/17. However this increases the value of anticipated carry forward of resources from £2.520m to £2.792m in order to sustain innovation investment in future years.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Equality Impact Assessment and Risk Management. There are no major issues.

6.0 CONSULTATIONS

The Chief Officer, NHS Tayside's Director of Finance and Dundee City Council's Executive Director of Corporate Services were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

Dave Berry
Chief Finance Officer

DATE: 30 September
2016

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2016/17

AS AT AUGUST 2016

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Net Budget £,000	Projected Overspend / (Underspend) £,000	Net Budget £,000	Projected Overspend / (Underspend) £,000	Net Budget £,000	Projected Overspend / (Underspend) £,000
Older Peoples Services	41,521	457	10,436	30	51,957	487
Mental Health	1,615	-51	3,557	-250	5,172	-301
Learning Disability	23,056	-713	1,241	-80	24,297	-793
Physical Disabilities	5,578	-167	0	0	5,578	-167
Substance Misuse	783	16	2,355	11	3,138	27
Community Nurse Services / AHP / Other Adult	5,051	-248	10,891	-161	15,942	-409
Hosted Services	0	0	18,079	-293	18,079	-293
Other Dundee Services / Support / Mgmt*	1,312	9	21,098	1,445	22,409	1,454
Total Health and Community Care Services	78,915	-697	67,656	703	146,571	6
Prescribing (FHS)	0	0	33,234	1,802	33,234	1,802
General Medical Services	0	0	24,559	0	24,559	0
FHS - Cash Limited & Non Cash Limited	0	0	20,169	-56	20,169	-56
Grand Total	78,915	-697	145,618	2,449	224,533	1,752
Hosted Services - Net Impact of Risk Sharing Adjustment			4,740	875	4,740	875

* Includes NHST budgeted efficiency savings target of £1,723k not yet allocated to specific cost centres.

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP – FINANCE REPORT

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Psych Of Old Age (In Pat)			4,558	-65	4,558	-65
Older Peoples Serv. -Community			456	3	456	3
Continuing Care			2,396	95	2,396	95
Medical (P.O.A)			607	0	607	0
Psy Of Old Age - Community			1,487	-3	1,487	-3
Intermediate Care			933	0	933	0
Staff	18,719	489			18,719	489
Supplies & Services / Transport etc	1,904				1,904	0
Property	1,489				1,489	0
Care Home Placements	20,606	-112			20,606	-112
Day Opportunities / Enabler	225				225	0
Respite	854	80			854	80
Domiciliary Care	5,820				5,820	0
Other Third Party Payments	1,610				1,610	0
Sheltered / Very Sheltered	684				684	0
Income	-10,389				-10,389	0
Older Peoples Services	41,521	457	10,436	30	51,957	487

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
General Adult Psychiatry			3,557	-250	3,557	-250
Staff	633	5			633	5
Supplies & Services / Transport etc	9				9	0
Care Home Placements	515				515	0
Day Opportunities / Enabler	249				249	0
Respite	19				19	0
Domiciliary Care	38				38	0
Housing Support	418				418	0
Sheltered / Very Sheltered	216				216	0
Income	-2,876	-41			-2,876	-41
Mental Health	1,615	-51	3,557	-250	5,172	-301
Learning Disability (Dundee)			1,241	-80	1,241	-80
Staff	6,596	-139			6,596	-139
Supplies & Services / Transport etc	294				294	0
Property	287				287	0
Accommodation with Support	11,205	-474			11,205	-474
Care Home Placements	2,277				2,277	0
Day Opportunities / Enabler	1,518				1,518	0
Respite	124				124	0
Housing Support	401				401	0
Other Third Party Payments	1,241				1,241	0
Sheltered / Very Sheltered	2,833				2,833	0
Income	-3,719				-3,719	0
Learning Disability	23,056	-713	1,241	-80	24,297	-793

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Staff	1,442	0			1,442	0
Supplies & Services / Transport etc	100				100	0
Property	140				140	0
Accommodation with Support	986	-167			986	-167
Care Home Placements	1,923				1,923	0
Respite	38				38	0
Domiciliary Care	20				20	0
Other Third Party Payments	1,421				1,421	0
Sheltered / Very Sheltered Income	116				116	0
	-608				-608	0
Physical Disabilities	5,578	-167	0	0	5,578	-167
Alcohol Problems Services			466	5	466	5
Drug Problems Services			1,889	6	1,889	6
Staff	544	10			544	10
Supplies & Services / Transport etc	10				10	0
Accommodation with Support	239	6			239	6
Care Home Placements	149				149	0
Respite	0				0	0
Housing Support	37				37	0
Other Third Party Payments	32				32	0
Income	-228				-228	0
Substance Misuse	783	16	2,355	11	3,138	27

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
A.H.P.S Admin			387	-21	387	-21
Physiotherapy			3,169	-80	3,169	-80
Occupational Therapy			1,338	-15	1,338	-15
Nursing Services (Adult)			5,127	-60	5,127	-60
Community Supplies - Adult			130	0	130	0
Anticoagulation			369	15	369	15
Joint Community Loan Store			371	0	371	0
Staff	2,404	-248				
Supplies & Services / Transport etc	587				587	0
Property	148					
Care Home Placements	-119				-119	0
Accommodation with support	0				0	0
Day Opportunities / Enabler	0				0	0
Respite	364				364	0
Housing Support	363				363	0
Other Third Party Payments	172				172	0
Sheltered / Very Sheltered	2,139				2,139	0
Income	-1,007				-1,007	0
Community Nurse Services / AHP / Intake / Other Adult Services	5,051	-248	10,891	-161	13,390	-409

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Palliative Care - Dundee			2,462	60	2,462	60
Palliative Care - Medical			998	25	998	25
Palliative Care - Angus			336	-38	336	-38
Palliative Care - Perth			1,457	138	1,457	138
Brain Injury			1,581	63	1,581	63
Dietetics (Tayside)			2,462	-88	2,462	-88
Sexual & Reproductive Health			1,954	-68	1,954	-68
Medical Advisory Service			150	-3	150	-3
Homeopathy			26	3	26	3
Tayside Health Arts Trust			57	0	57	0
Psychology			4,416	-303	4,416	-303
Eating Disorders			287	-30	287	-30
Psychotherapy (Tayside)			796	-28	796	-28
Learning Disability (Tay Ahp)			714	-5	714	-5
Keep Well			385	-20	385	-20
Hosted Services	0	0	18,079	-293	18,079	-293
Working Health Services			0	0	0	0
The Corner			389	-12	389	-12
Resource Transfer - Dcc			8,578	0	8,578	0
Dundee- Supp People At Home			0	0	0	0
Grants Voluntary Bodies Dundee			190	0	190	0
C.H.P. Management			561	-40	561	-40
Partnership Funding			11,649	0	11,649	0
Carers Strategy - Dundee			6	0	6	0
Public Health			406	0	406	0
Primary Care			871	-95	871	-95
Centrally Managed Budgets			-1,552	1,592	-1,552	1,592
Staff	934	9			934	9
Supplies & Services / Transport etc	94				94	0
Property	284				284	0
Income	0				0	0
Other Dundee Services / Support / Mgmt	1,312	9	21,098	1,445	22,409	1,454

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Total Health and Community Care Services	78,915	-697	67,656	703	144,019	6
Other Contractors						
Prescribing (FHS)			33,234	1,802	33,234	1,802
General Medical Services			24,559	0	24,559	0
FHS - Cash Limited & Non Cash Limited			20,169	-56	20,169	-56
Grand H&SCP	78,915	-697	145,618	2,449	221,981	1,752
Hosted Recharges Out			-10,595	-183	-10,595	-183
Hosted Recharges In			15,335	1,058	15,335	1,058
Hosted Services - Net Impact of Risk Sharing Adjustment			4,740	875	4,740	875
Large Hospital Set Aside			21,000	0	21,000	0