



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –  
28 FEBRUARY 2017**

**REPORT ON: FINANCIAL MONITORING POSITION AS AT DECEMBER 2016**

**REPORT BY: CHIEF FINANCE OFFICER**

**REPORT NO: DIJB1-2017**

### **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 31 December 2016;
- 2.2 Instructs the Chief Finance Officer to continue to monitor the 2016/17 projected financial outturn and brings to the attention of the IJB any areas of concern arising between the December 2016 position and the end of the financial year;
- 2.3 Instructs the Chief Finance Officer to seek information from Angus and Perth & Kinross Health and Social Care Partnerships on their plans for cost containment and reduction in relation to overspent services hosted by them on behalf of Dundee Health and Social Care Partnership and to report these back to the IJB.

### **3.0 FINANCIAL IMPLICATIONS**

3.1 The financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 31 December 2016 shows a net projected overspend position of £2,321k which is an improvement on the previously reported figure of an overspend totalling £2,435k as at 31 October 2016. Services delegated from NHS Tayside (excluding prescribing but including Family Health Services (FHS) and General Medical Services (GMS)) are estimated to be in an overspend position of around £304k by the end of the financial year, down from a previously reported overspend of £754k. As with prescribing, 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 £297k at the 31 March 2017 which is less of an underspend projected in 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 £1,248k. The net transfer of anticipated service costs hosted by Dundee IJB on behalf of Angus and Perth and Kinross IJB's is expected to result in a further overspend to Dundee of around £100k. This total 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 31 December 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 continues to be more aligned than integrated however, this will evolve as the transition to new locality based integrated service structures progresses.
- 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 £304k by the end of the financial year excluding the prescribing budget but including FHS and GMS. This is a significant reduction in the previous projected overspend of £754k and moves the expenditure position for these services closer to the expected financial position outlined following consideration of the range of service redesign initiatives outlined in the IJB's Transformation Programme.
- 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. This is additional to staff slippage / vacancy factors incorporated into the base budget for these services and therefore provides an additional contribution to achieving the overall savings target. It should be noted however that a significant element of the efficiency savings target remains within the Other Dundee Services / Support / Management heading resulting in this service reflecting an adverse financial 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. The mid-year transfer of the Medicine for the Elderly service to the IJB with a corresponding overspend of around £475k has added to the range of pressures being faced within the delegated budget.
- 4.3.5 A projected shortfall totalling £2,313k remains in the prescribing budget which is a deterioration of around £79k from the previously reported figure. A number of initiatives continue to be developed 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 further projected overspend of £1,348k.

#### **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 of around £297k which is a deterioration from a previously reported underspend of £553k. Within this overall position, a number of pressure areas continue to emerge. Over the last few months, the financial position has continued to reflect the impact of responding to the challenge of reducing delayed discharges through investment in additional capacity above planned levels for care at home services and care home placements to the value of approximately £865k. This has been funded through the ability of the IJB to respond quickly to shift resources within the current 2016/17 budget and this will require further consideration as part of the 2017/18 budget process.
- 4.4.3 The areas of underspend mainly appear in budgeted resources allocated to further develop accommodation with support services. 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 4 May 2016 which set out the planned investment of additional funding from the Scottish Government with further investment reflected in Report DIJB50 approved at the October meeting. 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 (excluding contingencies). The latest financial monitoring position notes this is likely to be approximately £5.161m 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 to £3.403m 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, Dundee City Council's Executive Director of Corporate Services and the Clerk were consulted in the preparation of this report.

#### **7.0 BACKGROUND PAPERS**

None.

Dave Berry  
Chief Finance Officer

**DATE:** 6 February 2017

## DUNDEE INTEGRATED JOINT BOARD - HEALTH &amp; SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2016/17 AS AT DECEMBER 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
<b>Older Peoples Services</b>	41,521	1,468	14,021	453	55,542	1,920
<b>Mental Health</b>	1,615	-373	3,557	-300	5,172	-673
<b>Learning Disability</b>	23,056	-390	1,241	-95	24,297	-485
<b>Physical Disabilities</b>	5,578	-669	0	0	5,578	-669
<b>Substance Misuse</b>	783	21	2,356	-8	3,139	13
<b>Community Nurse Services / AHP / Other Adult</b>	5,051	-262	10,934	-288	15,984	-550
<b>Hosted Services</b>	0	0	18,349	-760	18,349	-760
<b>Other Dundee Services / Support / Mgmt*</b>	1,312	-90	21,446	1,481	22,758	1,390
<b>Total Health and Community Care Services</b>	<b>78,915</b>	<b>-297</b>	<b>71,903</b>	<b>483</b>	<b>150,818</b>	<b>187</b>
Prescribing (FHS)	0	0	33,197	2,313	33,197	2,313
General Medical Services	0	0	24,668	-82	24,668	-82
FHS - Cash Limited & Non Cash Limited	0	0	20,199	-97	20,199	-97
<b>Grand Total</b>	<b>78,915</b>	<b>-297</b>	<b>149,967</b>	<b>2,617</b>	<b>228,882</b>	<b>2,321</b>
Hosted Services - Net Impact of Risk Sharing Adjustment			4,632	1,348	4,632	1,348
* Includes NHST budgeted efficiency savings target of £1,717k not yet allocated to specific cost centres.						



## DUNDEE INTEGRATED JOINT BOARD - HEALTH &amp; 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	-30	4,558	--30
Older Peoples Serv. -Community			456	-5	456	-5
Continuing Care			2,396	55	2,396	55
Medicine for the Elderly			3,585	475	3,585	475
Medical ( P.O.A)			607	3	607	3
Psy Of Old Age - Community			1,487	-45	1,487	-45
Intermediate Care			933	0	933	0
Staff	18,719	565			18,719	565
Supplies & Services / Transport etc	1,904				1,904	0
Property	1,489				1,489	0
Care Home Placements	20,606	267			20,606	267
Day Opportunities / Enabler	225				225	0
Respite	854	165			854	165
Domiciliary Care	5,820	598			5,820	598
Other Third Party Payments	1,610				1,610	0
Sheltered / Very Sheltered	684				684	0
Income	-10,389	-127			-10,389	-127
<b>Older Peoples Services</b>	<b>41,521</b>	<b>1,468</b>	<b>14,021</b>	<b>453</b>	<b>55,542</b>	<b>1,920</b>

	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	-300	3,557	-300
Staff	633	-33			633	-33
Supplies & Services / Transport etc	9				9	0
Accommodation with Support	2,395	-244			2,395	-244
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	-96			-2,876	-96
<b>Mental Health</b>	<b>1,615</b>	<b>-373</b>	<b>3,557</b>	<b>-300</b>	<b>5,172</b>	<b>-673</b>
Learning Disability (Dundee)			1,241	-95	1,241	-95
Staff	6,596	--64			6,596	-64
Supplies & Services / Transport etc	294				294	0
Property	287				287	0
Accommodation with Support	11,205	-326			11,205	-326
Care Home Placements	2,277				2,277	0
Day Opportunities / Enabler	1,518				1,518	0
Respite	124				124	0
Domiciliary Care	0				0	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
<b>Learning Disability</b>	<b>23,056</b>	<b>-390</b>	<b>1,241</b>	<b>-95</b>	<b>24,297</b>	<b>-485</b>



	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	22			1,442	22
Supplies & Services / Transport etc	100				100	0
Property	140				140	0
Accommodation with Support	986	-692			986	-692
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
<b>Physical Disabilities</b>	<b>5,578</b>	<b>-669</b>	<b>0</b>	<b>0</b>	<b>5,578</b>	<b>-669</b>
Alcohol Problems Services			470	-3	470	-3
Drug Problems Services			1,886	-5	1,886	-5
Staff	544	-44			544	-44
Supplies & Services / Transport etc	10				10	0
Accommodation with Support	239	65			239	65
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
<b>Substance Misuse</b>	<b>783</b>	<b>21</b>	<b>2,356</b>	<b>-8</b>	<b>3,139</b>	<b>13</b>

	<b>Dundee City Council Delegated Services</b>		<b>NHST Dundee Delegated Services</b>		<b>Partnership Total</b>	
	<b>Annual Budget</b>	<b>Projected Over / (Under)</b>	<b>Annual Budget</b>	<b>Projected Over / (Under)</b>	<b>Annual Budget</b>	<b>Projected Over / (Under)</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
A.H.P.S Admin			387	-9	387	-9
Physiotherapy			3,171	-125	3,171	-125
Occupational Therapy			1,379	-60	1,379	-60
Nursing Services (Adult)			5,127	-100	5,127	-100
Community Supplies - Adult			130	0	130	0
Anticoagulation			369	6	369	6
Joint Community Loan Store			371	0	371	0
Staff	2,404	-262			2,404	-262
Supplies & Services / Transport etc	587				587	0
Property	148				148	0
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
<b>Community Nurse Services / AHP / Intake / Other Adult Services</b>	<b>5,051</b>	<b>-262</b>	<b>10,934</b>	<b>-288</b>	<b>15,984</b>	<b>-550</b>

	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	33	2,462	33
Palliative Care - Medical			998	18	998	18
Palliative Care - Angus			336	-48	336	-48
Palliative Care - Perth			1,457	138	1,457	138
Brain Injury			1,571	25	1,571	25
Dietetics (Tayside)			2,507	-145	2,507	-145
Sexual & Reproductive Health			1,962	-68	1,962	-68
Medical Advisory Service			150	-28	150	-28
Homeopathy			26	3	26	3
Tayside Health Arts Trust			57	0	57	0
Psychology			4,481	-547	4,481	-547
Eating Disorders			287	-28	287	-28
Psychotherapy (Tayside)			957	-25	957	-25
Learning Disability (Tay Ahp)			714	-23	714	-23
Keep Well			385	-65	385	-65
<b>Hosted Services</b>	<b>0</b>	<b>0</b>	<b>18,349</b>	<b>-760</b>	<b>18,349</b>	<b>-760</b>
Working Health Services			0	0	0	0
The Corner			390	-12	390	-12
Resource Transfer - Dcc			8,578	0	8,578	0
Dundee- Supp People At Home			0	0	0	0
Grants Voluntary Bodies Dundee			190	-20	190	-20
C.H.P. Management			686	-38	686	-38
Partnership Funding			11,649	0	11,649	0
Carers Strategy - Dundee			166	0	166	0
Public Health			486	-15	486	-15
Primary Care			871	-120	871	-120
Centrally Managed Budgets			-1,570	1,685	-1,570	1,685
Staff	934	-90			934	-90
Supplies & Services / Transport etc	94				94	0
Property	284				284	0
Income	0				0	0
<b>Other Dundee Services / Support / Mgmt</b>	<b>1,312</b>	<b>-90</b>	<b>21,446</b>	<b>1,481</b>	<b>22,758</b>	<b>1,390</b>

	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
<b>Total Health and Community Care Services</b>	<b>78,915</b>	<b>-297</b>	<b>71,903</b>	<b>483</b>	<b>150,818</b>	<b>187</b>
<b>Other Contractors</b>						
Prescribing (FHS)			33,197	2,313	33,197	2,313
General Medical Services			24,668	-82	24,668	-82
FHS - Cash Limited & Non Cash Limited			20,199	-97	20,199	-97
<b>Grand Total H&amp;SCP</b>	<b>78,915</b>	<b>-297</b>	<b>149,967</b>	<b>2,617</b>	<b>228,882</b>	<b>2,321</b>
Hosted Recharges Out			-10,759	100	-10,759	100
Hosted Recharges In			15,391	1,248	15,335	1,248
<b>Hosted Services - Net Impact of Risk Sharing Adjustment</b>			<b>4,632</b>	<b>1,348</b>	<b>4,632</b>	<b>1,348</b>
<b>Large Hospital Set Aside</b>			<b>21,000</b>	<b>0</b>	<b>21,000</b>	<b>0</b>