



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
27 FEBRUARY 2018

REPORT ON: FINANCIAL MONITORING POSITION AS AT DECEMBER 2017

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB12-2018

1.0 PURPOSE OF REPORT

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 2017/18.

2.0 RECOMMENDATIONS

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

2.1 Notes the content of this report including the overall projected financial position for delegated services to the 2017/18 financial year end as at 31 December 2017.

3.0 FINANCIAL IMPLICATIONS

3.1 The financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 31 December 2017 shows a net projected overspend position of £2,294k which is an improvement on the previously reported figures based on the October expenditure position of a £2,528k overspend. The overspend is primarily as a result of overspends in GP prescribing of £2,118k. The prescribing overspend is subject to the risk sharing arrangement outlined in the Integration Scheme whereby responsibility for meeting the shortfall in resources remains with NHS Tayside.

3.2 The current year projected overspend position is significantly less than the final outturn for delegated NHS services to Dundee IJB in 2016/17 where an overspend of £3,462k was incurred.

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 2017 following receipt of confirmation of the NHS delegated budget having already accepted Dundee City Council’s budget at its meeting in March 2017. Members of the IJB will recall that risks around the prescribing budget and within services hosted by Angus and Perth & Kinross IJBs were identified. This financial monitoring position reflects the status of these risks as they display within cost centre budgets.

4.1.3 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) and provides 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 budget paper presented to the IJB in June 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. The IJB has moved to deliver more savings on a recurring basis for 2017/18 with over £1.1m of efficiencies factored in to the staff costs budget to reflect turnover and vacancy management. NHS Tayside continues to develop its 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 £2,199k by the end of the financial year.

4.3.3 A number of service underspends are noted within Community Mental Health including Drug and Alcohol services, Continuing Care, and Allied Health Professionals (AHP) primarily as a result of staff vacancies. This is additional to the staff efficiency savings incorporated into the base budget for these services and therefore provides a further contribution to achieving the overall savings target.

4.3.4 Staff cost pressures exist in a number of other services such as the Medicine for the Elderly budget and Palliative Care. The Medicine for the Elderly Budget was highlighted as a financial risk given the significant overspend associated with it. Over the last year however, this overspend has been managed downwards following reshaping of the wards at Royal Victoria Hospital and subsequent efficiencies.

4.3.5 It is anticipated that with further reshaping of services and emergence of efficiencies through NHS Tayside's Transformation Programme that overall services directly managed by Dundee Health and Social Care Partnership will balance by the end of the financial year.

4.3.6 The Family Health Services prescribing budget currently projects a shortfall totalling £2,118k. This reflects a decrease of £500k from that reported to the December IJB, based on the October 2017 expenditure to date (previously £2,618k projected overspend).

4.3.7 This decrease is mainly as a result of a refinement of the range of factors anticipated to impact on the prescribing budget by the year end (eg price changes) and the impact of a range of savings initiatives.

4.3.8 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.

- 4.3.9 Members of the IJB will also be aware that Angus and Perth & Kinross IJBs 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 IJBs 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. More detail of the recharges from Angus and Perth & Kinross IJBs to Dundee IJB are noted in Appendix 3. This shows overspends to the value of £448k being recharged with the net impact of hosted services to Dundee being £338k.
- 4.3.10 As outlined in Report DIJB27-2017 regarding Hosted Services Arrangements (June 2017), the financial position continues to be impacted on by the significant overspend in the Mental Health Inpatient service hosted by Perth & Kinross IJB. However, through the release of cost pressures funding and other interventions, the net share to Dundee is reduced from an initial reported figure of £500k based on the June figures to an overspend of approximately £300k based on the December outturn. Other hosted services previously highlighted as areas of financial risk such as the Out of Hours & Forensic services hosted by Angus have also seen reductions in the projected overspend for the year through a range of interventions. These will continue to be monitored closely over the remainder of the financial year.

4.4 Services Delegated from Dundee City Council

- 4.4.1 The financial projection for services delegated from Dundee City Council to the IJB notes a net overspend position of £95k with underspends primarily within Physical Disabilities, Mental Health and Substance Misuse services. This is mainly due to the timing of the completion of developments for accommodation based care and the original recurring revenue investment programme no longer in alignment for 2017/18. Within this overall position, a number of pressure areas continue to emerge which have been primarily met through funding for demographic pressures as part of additional social care investment, particularly for Older People's services. The financial position continues to reflect the impact of responding to the challenge of reducing delayed discharges through investment in additional capacity for care at home services and care home placements.

5.0 POLICY IMPLICATIONS

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

6.0 RISK ASSESSMENT

- 6.1 In preparing the Dundee City Integration Joint Board's 2017/18 revenue monitoring (to December 2017), the Chief Finance Officer considered the key strategic, operational and financial risks faced by the IJB for the 2017/18 financial year. In order to alleviate the impact these risks may have, should they occur, a number of general risk mitigation factors are utilised by the Integration Joint Board. These include the:-

- identified current integration funding set aside to meet any unforeseen expenditure
- system of perpetual detailed monthly monitoring enabling early identification of budget pressures and subsequent remedial work where required
- level of general fund balances available to meet unforeseen expenditure
- level of specific reserves (Integration and Transformation) to meet any unforeseen expenditure
- possibility of identifying further budget savings and efficiencies during the year
- specific underwriting of constituent bodies where overspends occur. The Integration Scheme outlines specific risk sharing arrangements whereby responsibility for meeting any shortfall lies with one of the constituent bodies.

- 6.2 The risks in 2017/18 revenue monitoring have now been assessed both in terms of the probability of whether they will occur and the severity of their impact on the Integration Joint Board should they indeed occur. These risks have been ranked as either zero, low, medium or high. Details of the risk assessment, together with other relevant information including any proposed actions taken by the Integration Joint Board to mitigate these risks, are included in

Appendix 4 to this report. Given the actions identified to mitigate these risks these are deemed to be manageable.

7.0 CONSULTATIONS

The Chief Officer and the Clerk were consulted in the preparation of this report.

8.0 BACKGROUND PAPERS

None.

Dave Berry
Chief Finance Officer

DATE: 8 February 2018

	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	37,892	920	14,458	-297	52,350	624
Mental Health	4,489	-199	3,386	-45	7,875	-244
Learning Disability	22,310	24	1,224	-32	23,534	-8
Physical Disabilities	6,684	-416	0	0	6,684	-416
Substance Misuse	801	-118	2,408	-132	3,209	-250
Community Nurse Services / AHP / Other Adult	421	64	11,358	-86	11,779	-22
Hosted Services	0	0	17,946	-491	17,946	-491
Other Dundee Services / Support / Mgmt	639	-181	26,142	-373	26,781	-553
Centrally Managed Budgets			-1,383	1,455	-1,383	1,455
Total Health and Community Care Services	73,236	95	75,540	0	148,776	95
Prescribing (FHS)	0	0	32,581	2,118	32,581	2,118
Other FHS Prescribing	0	0	707	-170	707	-170
General Medical Services	0	0	24,307	-137	24,307	-137
FHS - Cash Limited & Non Cash Limited	0	0	17,120	5	17,120	5
Grand Total	73,236	95	150,255	1,816	223,491	1,911
Hosted Services*			6,351	383	6,351	383
Grand Total	73,236	95	156,606	2,199	229,842	2,294

*Hosted Services - Net Impact of Risk Sharing
Adjustment

Dundee City Integration 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
Psychiatry Of Old Age (POA) (In Patient)			4,594	175	4,594	175
Older Peoples Services -Community			501	(17)	501	(17)
Continuing Care			2,252	(550)	2,252	(550)
Medicine for the Elderly			3,625	248	3,625	248
Medical (POA)			634	0	634	0
Psychiatry Of Old Age (POA) - Community			1,908	(223)	1,908	(223)
Intermediate Care			944	70	944	70
Older People Services	37,892	920			37,892	920
Older Peoples Services	37,892	920	14,458	(297)	52,350	624
General Adult Psychiatry			3,386	(45)	3,386	(45)
Mental Health Services	4,489	(199)			4,489	(199)
Mental Health	4,489	(199)	3,386	(45)	7,875	(244)
Learning Disability (Dundee)	22,310	24	1,224	(32)	23,534	-8
Learning Disability	22,310	24	1,224	(32)	23,534	-8

	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
Physical Disabilities	6,684	(416)			6,684	(416)
Physical Disabilities	6,684	(416)	0	0	6,684	(416)
Alcohol Problems Services			483	(32)	483	(32)
Drug Problems Services			1,925	(100)	1,925	(100)
Substance Misuse	801	(118)			801	(118)
Substance Misuse	801	(118)	2,408	(132)	3,209	(250)
A.H.P. Admin			363	(20)	363	(20)
Physiotherapy			3,265	(43)	3,265	(43)
Occupational Therapy			1,378	(38)	1,378	(38)
Nursing Services (Adult)			5,454	50	5,454	50
Community Supplies - Adult			160	(15)	160	(15)
Anticoagulation			368	(21)	368	(21)
Joint Community Loan Store			371	0	371	0
Intake/Other Adult Services	421	64			421	64
Community Nurse Services / AHP / Intake / Other Adult Services	421	64	11,358	(86)	11,779	(22)

	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			2,481	79	2,481	79
Palliative Care – Medical			1,008	1	1,008	1
Palliative Care – Angus			315	5	315	5
Palliative Care – Perth			1,567	87	1,567	87
Brain Injury			1,552	95	1,552	95
Dietetics (Tayside)			2,523	(160)	2,523	(160)
Sexual & Reproductive Health			1,991	(50)	1,991	(50)
Medical Advisory Service			151	(43)	151	(43)
Homeopathy			26	2	26	2
Tayside Health Arts Trust			57	0	57	0
Psychology			4,427	(465)	4,427	(465)
Eating Disorders			288	(5)	288	(5)
Psychotherapy (Tayside)			790	8	790	8
Learning Disability (Tayside AHP)			771	(45)	771	(45)
Hosted Services	0	0	17,946	(491)	17,946	(491)
Working Health Services			0	0	0	0
The Corner			394	(5)	394	(5)
Resource Transfer			8,570	0	8,570	0
Grants Voluntary Bodies Dundee			176	(30)	176	(30)
IJB Management			748	(20)	748	(20)
Partnership Funding			14,523	0	14,523	0
Carers Strategy			143	0	143	0
Public Health			473	8	473	8
Keep Well			576	(200)	576	(200)
Primary Care			540	(125)	540	(125)
Support Services/Management Costs	639	(181)			639	(181)
Other Dundee Services / Support / Mgmt	639	(181)	26,142	(373)	26,781	(553)
Centrally Managed Budgets			(1,383)	1,455	(1,383)	1,455

	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	73,236	95	75,540	0	148,776	95
Other Contractors						
Prescribing (FHS)			32,581	2,118	32,581	2,118
Other FHS Prescribing			707	(170)	707	(170)
General Medical Services			24,307	(137)	24,307	(137)
FHS - Cash Limited & Non Cash Limited			17,120	5	17,120	5
Grand Total H&SCP	73,236	95	150,255	1,816	223,491	1,911
Hosted Recharges Out			(10,512)	(65)	(10,512)	(65)
Hosted Recharges In			16,863	448	16,863	448
Hosted Services - Net Impact of Risk Sharing Adjustment			6,351	383	6,351	383
Large Hospital Set Aside			21,000	0	21,000	0

NHS Tayside - Services Hosted by Integrated Joint Boards - Charge to Dundee IJB				Appendix 3
Risk Sharing Agreement - Dec 2017				
Services Hosted in Angus				
	Annual Budget	Forecast Over (Underspend)	Dundee Allocation	
Forensic Service	907,129	(97,500)	(38,415)	
Out of Hours	6,767,549	70,000	27,580	
Tayside Continence Service	1,409,638	(58,000)	(22,852)	
Ang-loc Pharmacy	2,100,000	(300,000)	(118,200)	
Speech Therapy (Tayside)	963,790	(17,000)	(6,698)	
Hosted Services	12,148,106	(402,500)	(158,585)	
2017/18 Efficiency Target	-188,425	38,425	15,139	
Grand Total Hosted Services	11,959,681	(364,075)	(143,446)	
Services Hosted in Perth				
Angus Gap Inpatients	2,917,985	3,500	1,379	
Dundee Gap Inpatients	5,201,111	550,500	216,897	
Dundee Gap Snr Medical	2,130,786	114,000	44,916	
P+K Gap Inpatients	5,831,389	69,500	27,383	
Learning Disability (Tayside)	5,840,455	(125,000)	(49,250)	
T.A.P.S.	635,198	(27,500)	(10,835)	
Tayside Drug Problem Services	838,154	(42,500)	(16,745)	
Prisoner Health Services	3,557,027	90,000	35,460	
Public Dental Service	2,006,298	(85,000)	(33,490)	
Podiatry (Tayside)	2,843,310	(7,500)	(2,955)	
Hosted Services	31,801,713	540,000	212,760	
2017/18 Efficiency Target	-960,510	960,510	378,441	
Grand Total Hosted Services	30,841,203	1,500,510	591,201	
Total Hosted Services	42,800,884	1,136,435	447,756	

Risk Assessment

Risks – Revenue Monitoring	Assessment*		Risk Management / Comment
	Original	Revised	
General Inflation – General price inflation may be greater than anticipated	(3/2)	(3/2)	Procurement strategy in place, including access to nationally tendered contracts for goods and services. In addition, fixed price contracts agreed for major commodities i.e. gas and electricity.
Savings – Failure to achieve agreed level of savings and efficiencies	(2/2)	(2/2)	General risk mitigation factors (reference section 6) in particular, regular monitoring will ensure savings targets are met.
Emerging Cost Pressures – The possibility of new cost pressures or responsibilities emerging during the course of the financial year.	(2/2)	(2/2)	General risk mitigation factors (reference section 6) in particular, regular monitoring to ensure shortfalls are identified as early as possible and corrective action can be taken as necessary.
Chargeable Income – The uncertainty that the level of chargeable income budgeted will be received.	(3/3)	(3/3)	General risk mitigation factors (reference section 6) in particular, regular monitoring by departments to ensure any shortfalls are identified as early as possible and corrective action can be taken as necessary.
Demographic Changes – This can lead to increased demand both in a client sense and in the contents of clients' packages. This is particularly relevant in cases where needs lead to expensive packages.	(3/2)	(3/2)	General risk mitigation factors (reference section 6), in particular, regular monitoring by departments to ensure any shortfalls are identified as early as possible and corrective action can be taken as necessary.
Specific Pressures – These include specific areas where overspends are expected. GP Prescribing; net impact of hosted services; and Family Health Services have indicated an overspend position for 2017/18.	(4/4)	(4/4)	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 as noted in Dundee IJB's Budget Report agreed in June 2017

*Scoring recorded (Impact/Likelihood)

