



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
22 FEBRUARY 2023**

REPORT ON: FINANCIAL MONITORING POSITION AS AT DECEMBER 2022

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB12-2023

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 2022/23 including an overview of the costs and financial risks associated with Dundee Health and Social Care Partnership’s response to the COVID-19 crisis.

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 2022/23 financial year end as at 31st December 2022 as outlined in Appendices 1, 2, and 3 of this report.
- 2.2 Notes the costs and financial risks associated with Dundee Health and Social Care Partnership’s continued response to the COVID-19 crisis as set out in section 4.5 of this report.
- 2.3 Notes that officers within the Health and Social Care Partnership will continue to carefully monitor expenditure throughout the remainder of the financial year.

3.0 FINANCIAL IMPLICATIONS

3.1 The underlying financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 31st December 2022 (excluding any implications of additional COVID-19 spend) shows a net projected underspend position for 2022/23 of (£2,870k).

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’s final budget for delegated services was approved at the meeting of the IJB held on the 25th March 2022 (Article IV of the minute of the 25 March refers). This set out the cost pressures and funding available to ensure the IJB had a balanced budget position going into the 2022/23 financial year. The 2022/23 budget did not require to stipulate any additional savings plan to achieve a balanced budget position, therefore the financial monitoring reports

will not need to include an updated assessment of the status of the savings plan during this year.

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 (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. These figures exclude the projected cost implications of responding to the COVID-19 crisis.

4.3 Services Delegated from NHS Tayside

4.3.1 The financial projection for services delegated from NHS Tayside to the IJB indicates a projected underspend of around (£574k) by the end of the financial year. Throughout the year, the figures have assumed all additional Covid-19 costs will be covered by additional funding, community-based health services managed directly by Dundee Health and Social Care Partnership are projected to be underspent by approximately (£542k), impact of Lead Partner Service (formerly referred to as Hosted Services) risk sharing adjustment is indicating an additional cost of £605k, prescribing is projected to be underspend by (£1,032k) and other Primary Care services are expected to be overspent by £396k.

4.3.2 Key drivers of underspends across various services continues to be staffing vacancies, with ongoing challenges to recruit staff. This is similar across a number of medical, nursing, AHP and other staffing groups and across various bands.

4.3.3 Key drivers of overspends tends to be as a result of reliance on bank, agency or locum staff (with premium costs) to fill vacancies where patient acuity and / or safe-staffing levels necessitate the use of these additional staff.

4.3.4 GP and Other FHS Prescribing continues to contribute a projected underspend to the overall financial position. This is predominantly as a result of prescription volumes being lower than Plan, with pricing being marginally higher than expected. Ongoing regular monitoring of the local and regional Prescribing financial position is undertaken within multi-disciplinary meetings. Nationally, a step-change in pricing and volume activity was identified in August figures and this continues to be closely monitored to understand any longer-term implications.

4.3.5 Other Primary Care Service projected overspend is mainly driven by the share of cost pressure relating to GP 2C practices.

4.3.6 NHS Agenda for Change 2022/23 Pay Award has now been implemented and the updated financial implications are incorporated into the projected position.

4.3.7 Members of the IJB will be aware that Angus and Perth and Kinross IJBs provide Lead Partner (formerly referred to as Hosted Services) arrangements for some services on behalf of Dundee IJB and a number of services are led 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 and Kinross IJBs to Dundee IJB are noted in Appendix 3. This shows net impact of these adjustments to Dundee being an increased cost implication of £605k which mainly relates to higher spend within Out of Hours and Forensic Medical Services led by Angus IJB.

4.3.8 Members will also be aware that In-Patient Mental Health services are also a delegated function to Tayside IJB's, having previously been Hosted by Perth & Kinross IJB. In early 2020/21, the operational management of these services was returned to NHS Tayside, however under health and social care integration legislation the strategic planning of these services remains delegated to the 3 Tayside Integration Joint Boards. Discussions continue with NHS Tayside around financial risk sharing arrangements for these services however there is unlikely to be any resultant financial risk to Dundee IJB in 2022/23.

4.4 Services Delegated from Dundee City Council

- 4.4.1 The financial projection for services delegated from Dundee City Council to the IJB shows an anticipated underspend of (£2,297k).
- 4.4.2 Key drivers of underspend include vacancies across various teams and grades, and also lower activity in some areas as services continue to return pre-pandemic levels.
- 4.4.3 The current year forecast also includes £1,400k of returned unspent 21/22 funding from social care providers contractual obligations. This is a non-recurring financial benefit this year and will not be received in future years.
- 4.4.4 Key drivers of overspend includes ongoing lower income levels (due to lower activity levels), and an additional cost pressure against increased pay award agreement.
- 4.4.5 The IJB's 2022/23 Budget included an assumption of 2% pay award against a flat-cash settlement from Dundee City Council, with this cost pressure being incorporated into the overall financial plan. Following national negotiations, the pay award has been settled at a rate above the 2% provision and Council-employed staff have now received uplifted and back-dated salaries. This additional cost was incorporated into financial monitoring position from October.

4.5 Financial Impact of the COVID-19 Response

- 4.5.1 Dundee Health and Social Care Partnership continues to incur additional expenditure associated with the response to the Covid19 pandemic and the Scottish Government provided additional funding throughout 2020/21 and 2021/22 to support these additional costs which included provision for unforeseen additional expenditure at the year-end period due to the uncertainty of a range of costs. The Scottish Government instructed that any surplus funding at the year-end would sit as earmarked for Covid-19 in IJB's reserve balances. Dundee IJB currently has a total of £15.6m of Covid19 reserves, which must be drawn down to meet additional ongoing Covid19 related demands on delegated services in 2022/23. The Scottish Government has confirmed that no further additional funding will be made available.

4.5.2 The latest financial summary as submitted to the Scottish Government in November 2022 (after Month 7 2022/23) is as follows:

Table 1

Mobilisation Expenditure Area	2022/23 Projected COVID-19 Additional Spend (As at Dec) £000	2021/22 COVID-19 Additional Expenditure £000	2020/21 COVID-19 Additional Expenditure £000
Additional Care Home Placements	0	0	336
PPE	73	192	157
Additional Staff Cover / Temporary Staff	3,138	2,659	2,817
Provider Sustainability Payments	1,171	2,538	4,379
IT / Telephony	35	0	50
Additional Family Health Services Contractor Costs	0	143	678
Additional Family Health Services Prescribing Costs	0	226	0
Loss of Charging Income	0	1,028	1,350
Additional Equipment and Maintenance	0	336	189
Primary Care	583	197	0
Additional Services within Remobilisation Plan	0	484	0
Other Costs	233	119	114
Anticipated Underachievement of Savings	0	0	200
Total Mobilisation Costs	5,233	7,922	10,271

*Includes share of additional Covid19 costs for regional In-Patient Mental Health (£1,063k)

- 4.5.3 Based on the current financial information and projected spend profile, the available Covid-19 Reserves balance will be sufficient to fully cover the anticipated additional expenditure during 2022/23
- 4.5.4 The Scottish Government ended the full financial support offered to social care providers throughout the pandemic funded through IJB remobilisation funding on 30 June 2022. However, some ongoing support under the Social Care Staff Support fund remains in place along with financial support arrangements for testing and vaccinations until 31 March 2023 and these costs continue to be factored into financial projections.
- 4.5.5 The providers financial support claim process involves assessment and scrutiny as well as benchmarking where possible by contracts officers and commissioning leads with a recommendation made to the Chief Finance Officer of Dundee IJB as to the reasonableness of the request. The Chief Finance Officer considers these recommendations and other considerations prior to authorising additional provider payments.
- 4.5.6 Any future year or ongoing financial implications relating to additional Covid-19 costs continues to be reviewed and funding options considered. Where expenditure relates to new ways of working or other strategic priorities, this will be considered during the annual financial planning and budget setting process with a view to identifying recurring funding. Any appropriate reports will be presented to the IJB.
- 4.5.7 There have been a number of significant changes to Public Health policies in relation to Covid19 over the summer, which has resulted in the profile of Covid19 spend reducing significantly compared to when funding was provided to IJBs for Covid19 purposes. In response to this, the

Scottish Government wrote to IJB Chief Officers and Chief Finance Officers during 2022/23 to intimate their intention to reclaim surplus Covid19 reserves to be redistributed across the sector to meet current year Covid19 priorities. Correspondence has been received from the Scottish Government dated 16th January 2023 confirming this will be processed through a reduced (negative) allocation via NHS Board funding, with Dundee IJB anticipating returning a surplus uncommitted Covid19 reserve balance of £10,349k.

4.6 Reserves Position

- 4.6.1 The IJB's reserves position significantly improved at the year ended 31st March 2022 as a result of the IJB generating an operational surplus of £7,839k during 2021/22 and the impact of the release of significant funding to all IJB's by the Scottish Government for specific initiatives to be held as earmarked reserves. This resulted in the IJB having total committed reserves of £29,065k and uncommitted reserves of £9,933k. This leaves the IJB with more flexibility to respond to unexpected financial challenges and provides the opportunity for transition funding for transformation of services. The reserves position is noted in Table 2 below:

Table 2

Reserve Purpose	Reserves Balance @ 31/3/22	Updated Reserves Balances	Anticipated closing 22/23 Reserves
	£k	£k	£k
Mental Health	1,825	1,825	480
Primary Care	4,995	4,995	720
Service specific	1,947	1,947	628
Community Living Change Fund	613	613	613
NHST - shifting balance of care	1,600	1,600	0
ADP	1,220	1,220	714
Covid-19	15,595	15,595	0
Analogue to Digital Project	876	876	876
Other Staffing	394	394	60
Additional GP Capacity *		132	132
GP Premises Programme Manager**		150	150
Interim Care Funding***		893	0
Winter Pressures***		1,000	750
Transformation Support***		1,000	1,000
Infrastructure Support***		500	500
Non-Recurring Budget Support***		2,500	2,500
Total Committed Reserves	29,065	35,240	9,123
General Reserves (Uncommitted)	9,933	3,758	6,628
TOTAL RESERVES	38,998	38,998	15,751

*Per DIJB62-2022

**Per DIJB76-2022

***Per DIJB90-2022

- 4.6.2 As agreed at the IJB meeting on 24 August 2022, per Agenda Note DIJB62-2022 (Article XIII of the minute refers), an additional Committed Reserve has now been created to fund additional GP capacity during the next 2 years.
- 4.6.3 As agreed at the IJB meeting on 26 October 2022, per Report DIJB76-2022 (Article XI of the minute refers), an additional Committed Reserve has been created to fund GP Premises Programme Manager during the next 2 years.

- 4.6.4 As agreed at the IJB meeting on 14 December 2022, per Report DIJB90-2022 (Article XIV of the minute refers), additional Committed Reserves were created for short term targeted investment in supporting transformation, supporting necessary infrastructure and to reduce waiting times which will support the delivery of the IJB's Strategic and Commissioning Plan.
- 4.6.5 Scottish Government funding in relation to Primary Care Improvement Fund, Mental Health Strategy Action 15 Workforce and Alcohol and Drugs Partnerships can only be spent on these areas and reserve balances will be taken into consideration for these funds by the Scottish Government when releasing further in-year funding.
- 4.6.6 In relation to Primary Care Improvement funding, the Scottish Government has recently confirmed that the total value of the earmarked reserves for this purpose held by IJBs across the country has now been considered as part of the overall available funding and therefore IJBs must use their reserves and will only receive additional funding for their investment programme once this has been fully utilised. Overall funding will therefore be restricted to the reserves plus the difference between the original annual funding allocation and those reserve balances, nb an overall reduction in this year's assumed available funding. This has had an impact on the IJB's ability to fully implement the Primary Care Improvement Plan.
- 4.6.7 Given the confirmed reclaim of Covid19 unused reserves, the Scottish Government's funding changes to Primary Care Improvement Funding and anticipated restrictions in Mental Health Action 15 and Alcohol and Drug Partnership funding, a significant portion of Committed Reserves will be utilised during 2022/23.
- 4.6.8 The anticipated Reserves balances at Year End are now incorporated into Table 2 to reflect these known and anticipated adjustments that will (or may) occur during 2022/23, both in terms of in-year utilisation of these funds and return of uncommitted surplus balances to Scottish Government. The increase in General Reserves reflects the projected Operational underspend for the current financial year.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6.0 RISK ASSESSMENT

Risk 1 Description	There is a significant risk that the IJB is unable to deliver a balanced budget over the financial year.
Risk Category	Financial
Inherent Risk Level	Likelihood 2 x Impact 4 = Risk Scoring 8 (which is a High Risk Level)
Mitigating Actions (including timescales and resources)	Regular financial monitoring reports to the IJB will highlight issues raised.
Residual Risk Level	Likelihood 2 x Impact 3 = Risk Scoring 6 (which is a Moderate Risk Level)
Planned Risk Level	Likelihood 2 x Impact 3 = Risk Scoring 6 (which is a Moderate Risk Level)
Approval recommendation	While the inherent risk levels are high, the impact of the planned actions reduce the risk and therefore the risk should be accepted.

7.0 CONSULTATIONS

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

8.0 DIRECTIONS

8.1 The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in sections 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Dundee City Council and NHS Tayside.

Direction Required to Dundee City Council, NHS Tayside or Both	Direction to:	
	1. No Direction Required	✓
	2. Dundee City Council	
	3. NHS Tayside	
	4. Dundee City Council and NHS Tayside	

9.0 BACKGROUND PAPERS

9.1 None.

Dave Berry
Chief Finance Officer

Date: 31st January 2023

Christine Jones
Partnership Finance Manager

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DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2022/23 Dec-22

	Dundee City Council Delegated Services		NHST Dundee Delegated		Partnership Total	
	Net Budget	Forecast Overspend / (Underspend)	Net Budget	Forecast Overspend / (Underspend)	Net Budget	Forecast Overspend / (Underspend)
	£,000	£,000	£,000	£,000	£,000	£,000
Older Peoples Services	47,369	(1,101)	17,268	97	64,638	(1,005)
Mental Health	5,701	555	4,216	63	9,918	618
Learning Disability	31,118	(825)	1,522	(125)	32,640	(950)
Physical Disabilities	8,223	(612)	0	0	8,223	(612)
Drug and Alcohol Recovery Service	1,372	(378)	4,170	149	5,542	(229)
Community Nurse Services/AHP/Other Adult	22	(97)	16,293	(498)	16,315	(595)
Lead Partner Services			23,223	(1,274)	23,223	(1,274)
Other Dundee Services / Support / Mgmt	5,547	162	31,139	(873)	36,685	(710)
Centrally Managed Budgets			-3,018	1,919	(3,018)	1,919
Total Health and Community Care Services	99,352	(2,297)	94,812	(542)	194,164	(2,839)
Prescribing (FHS)			33,102	(688)	33,102	(688)
Other FHS Prescribing			-811	(344)	(811)	(344)
General Medical Services			29,165	396	29,165	396
FHS - Cash Limited & Non Cash Limited			23,894	0	23,894	0
Large Hospital Set Aside			18,200	0	18,200	0
Total	99,352	(2,297)	198,362	(1,178)	297,713	(3,475)
Net Effect of Lead Partner Services*			(3,994)	605	(3,994)	605
Grand Total	99,352	(2,297)	194,367	(574)	293,719	(2,870)

*Lead Partner Services (formerly known as 'Hosted Services') - Net Impact of Risk Sharing Adjustment

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DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2022/23

Dec-22

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000
1						
Psych Of Old Age (In Pat)			4,772	290	4,772	290
Older People Serv. - Ecs			275	-8	275	-8
Older Peoples Serv. -Community			778	95	778	95
Ijb Medicine for Elderly			5,895	4	5,895	4
Medical (P.O.A)			772	150	772	150
Psy Of Old Age - Community			2,397	-325	2,397	-325
Medical (MFE)			2,380	-110	2,380	-110
Care at Home	23,573	-77			23,573	-77
Care Homes	27,708	-288			27,708	-288
Day Services	1,240	103			1,240	103
Respite	562	-99			562	-99
Accommodation with Support	307	76			307	76
Other	-6,021	-816			-6,021	-816
Older Peoples Services	47,369	-1,101	17,268	97	64,638	-1,005
2						
Community Mental Health Team			4,216	63	4,216	63
Care at Home	922	-18			922	-18
Care Homes	411	328			411	328
Day Services	63	-2			63	-2
Respite	0	37			0	37
Accommodation with Support	4,515	474			4,515	474
Other	-209	-264			-209	-264
Mental Health	5,701	555	4,216	63	9,918	618
3						
Learning Disability (Dundee)			1,522	-125	1,522	-125
Care at Home	-401	14			-401	14
Care Homes	3,092	-266			3,092	-266
Day Services	8,441	966			8,441	966
Respite	570	178			570	178
Accommodation with Support	22,162	-931			22,162	-931
Other	-2,745	-787			-2,745	-787
Learning Disability	31,118	-825	1,522	-125	32,640	-950
4						
Care at Home	1,205	-177			1,205	-177
Care Homes	2,107	-133			2,107	-133
Day Services	1,058	75			1,058	75
Respite	-17	-27			-17	-27
Accommodation with Support	740	38			740	38
Other	3,129	-388			3,129	-388
Physical Disabilities	8,223	-612	0	0	8,223	-612
5						
Dundee Drug Alcohol Recovery			4,170	149	4,170	149
Care at Home	0	0			0	0
Care Homes	271	69			271	69
Day Services	62	1			62	1
Respite	387	0			387	0
Accommodation with Support	0	-89			0	-89
Other	652	-358			652	-358
Drug and Alcohol Recovery Service	1,372	-378	4,170	149	5,542	-229

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000
6						
A.H.P.S Admin			460	20	460	20
Physio + Occupational Therapy			6,785	-294	6,785	-294
Nursing Services (Adult)			8,243	-105	8,243	-105
Community Supplies - Adult			344	26	344	26
Anticoagulation			460	-145	460	-145
Other Adult Services	22	-97			22	-97
Adult Services	22	-97	16,293	-498	16,315	-595
7						
Palliative Care - Dundee			3,154	-35	3,154	-35
Palliative Care - Medical			1,522	70	1,522	70
Palliative Care - Angus			399	25	399	25
Palliative Care - Perth			1,871	-86	1,871	-86
Brain Injury			1,666	-113	1,666	-113
Dietetics (Tayside)			3,580	-1	3,580	-1
Sexual & Reproductive Health			2,380	-230	2,380	-230
Medical Advisory Service			173	-100	173	-100
Homeopathy			31	8	31	8
Tayside Health Arts Trust			75	0	75	0
Psychological Therapies			5,833	-488	5,833	-488
Psychotherapy (Tayside)			1,226	-145	1,226	-145
Perinatal Infant Mental Health			467	0	467	0
Learning Disability (Tay Ahp)			847	-180	847	-180
Lead Partner Services	0	0	23,223	-1,274	23,223	-1,274
8						
Working Health Services			0	25	0	25
The Corner			542	-7	542	-7
Ijb Management			792	-150	792	-150
Partnership Funding			25,575	0	25,575	0
Urgent Care			1,641	-181	1,641	-181
Health Inequalities			888	-150	888	-150
Keep Well			611	-225	611	-225
Primary Care			1,091	-185	1,091	-185
Support Services / Management Costs	5,547	162			5,547	162
Other Dundee Services / Support / Mgmt	5,547	162	31,139	-873	36,685	-710
Centrally Managed Budget			-3,018	1,919	-3,018	1,919
Total Health and Community Care Services	99,352	-2,297	94,812	-542	194,164	-2,839
Other Contractors						
FHS Drugs Prescribing			33,102	-688	33,102	-688
Other FHS Prescribing			-811	-344	-811	-344
General Medical Services			29,165	396	29,165	396
FHS - Cash Limited & Non Cash Limited			23,894	0	23,894	0
Large Hospital Set Aside			18,200	0	18,200	0
Grand H&SCP	99,352	-2,297	198,362	-1,178	297,713	-3,475
Lead Partner Services Recharges Out			-14,007	339	-14,007	339
Lead Partner Services Recharges In			10,013	266	10,013	266
Adjustment			-3,994	605	-3,994	605
Grand Total	99,352	-2,297	194,367	-574	293,719	-2,870

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - December 2022			
	Annual Budget £000s	Forecast Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,083	230	91
Out of Hours	8,671	1,000	394
Locality Pharmacy	1,544	71	28
Tayside Continence Service	2,886	0	0
Speech Therapy (Tayside)	1,246	(41)	(16)
Sub-total	15,430	1,260	496
Apprenticeship Levy & Balance of Savings Target	(51)	6	2
Total Lead Partner Services - Angus	15,379	1,265	498
Lead Partner Services - Perth & Kinross			
Prison Health Services	4,396	(211)	(83)
Public Dental Service	2,384	(213)	(84)
Podiatry (Tayside)	3,340	(415)	(164)
Sub-total	10,121	(839)	(330)
Apprenticeship Levy & Balance of Savings Target	(87)	248	98
Total Lead Partner Services - Perth&Kinross	10,034	(591)	(233)
Total Lead Partner Services from Angus and P&K	10,013		266

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