



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
25 APRIL 2017**

REPORT ON: FINANCIAL MONITORING POSITION AS AT FEBRUARY 2017

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB15-2017

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 the 2016/17 financial year.

2.0 RECOMMENDATIONS

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

2.1 Notes the overall projected financial position for delegated services to the 2016/17 financial year end as at 28 February 2017.

2.2 Notes the final financial position for 2016/17 will be presented to the IJB as part of the Annual Statement of Accounts.

3.0 FINANCIAL IMPLICATIONS

3.1 The financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 28 February 2017 shows a net projected overspend position of £2,424k which is a slight deterioration on the previously reported overspend figure of £2,321k as at 31 December 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 £88k by the end of the financial year, down from a previously reported overspend of £304k. The projected prescribing budget position contributed significantly to the deterioration in financial performance with an increase in the overspend from £2,313k to £2,578k. 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.

3.2 Services delegated from Dundee City Council are anticipated to be in an underspend position of approximately £242k at the 31 March 2017 which is less of an underspend projected in the previous period (£297k).

3.3 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 £1,397k. 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 £123k. 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. 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 projected spend to the year end as at 28 February 2017 is shown in Appendix 1. 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 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 £88k by the end of the financial year excluding the prescribing budget but including FHS and GMS. This continues the positive trend over recent reporting periods where the scale of the overspend has been significantly reduced from the previous projected overspend of £304k and moves the expenditure position for these services closer to a balanced budget.
- 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. 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. Initiatives planned within the Transformation Programme including service redesign will reduce the impact of these pressures in due course.

- 4.3.5 A projected shortfall totalling £2,578k remains in the prescribing budget which is a deterioration of around £265k from the December 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 re-allocated 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 expenditure pressures is a further projected overspend of £1,520k. These pressures mainly arise from Forensic and Out of Hours services hosted by Angus and Inpatient Mental Health and Prisoner Health services hosted by Perth and Kinross. Following completion of the 2017/18 budget setting process, separate reports will be sought from Angus and Perth & Kinross IJB's outlining their planned actions to manage these cost pressures throughout 2017/18 and beyond.

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 £242k which is a deterioration from a previously reported underspend of £297k. 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 £800k. This has been funded through the ability of the IJB to respond quickly to shift resources within the current 2016/17 budget.
- 4.4.3 The areas of underspend mainly appear in budgeted resources allocated to further develop accommodation with support services for adults with a disability. 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 £5.100m 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 £3.464m 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 equality issues. In relation to Risk, a number of risks are associated with the overall financial position which continue to be reflected in the Risk Register. These will be monitored and reported regularly to the Performance and Audit Committee.

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: 31 March 2017

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2016/17 AS AT FEBRUARY 2017

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Net Budget	Projected Overspend / (Underspend)	Net Budget	Projected Overspend / (Underspend)	Net Budget	Projected Overspend / (Underspend)
	£,000	£,000	£,000	£,000	£,000	£,000
Older Peoples Services	41,521	1,480	14,248	408	55,769	1,888
Mental Health	1,615	-365	3,557	-320	5,172	-685
Learning Disability	23,056	-346	1,241	-120	24,297	-466
Physical Disabilities	5,578	-665	0	0	5,578	-665
Substance Misuse	783	13	2,371	-35	3,154	-22
Community Nurse Services / AHP / Other Adult	5,051	-263	11,162	-277	16,212	-540
Hosted Services	0	0	18,832	-796	18,832	-796
Other Dundee Services / Support / Mgmt*	1,312	-95	21,009	1,389	22,321	1,294
Total Health and Community Care Services	78,915	-242	72,420	249	151,335	7
Prescribing (FHS)	0	0	33,201	2,578	33,201	2,578
General Medical Services	0	0	24,636	-134	24,636	-134
FHS - Cash Limited & Non Cash Limited	0	0	20,085	-27	20,085	-27
Grand Total	78,915	-242	150,342	2,666	229,257	2,424
Hosted Services - Net Impact of Risk Sharing Adjustment			4,947	1,520	4,947	1,520
* Includes NHST budgeted efficiency savings target of £1,717k 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	-20	4,558	-20
Older Peoples Serv. -Community			481	-10	481	-10
Continuing Care			2,466	30	2,466	30
Medicine for the Elderly			3,585	463	3,585	463
Medical (P.O.A)			607	0	607	0
Psy Of Old Age - Community			1,609	-55	1,609	-55
Intermediate Care			943	0	943	0
Staff	18,719	585			18,719	585
Supplies & Services / Transport etc	1,904				1,904	0
Property	1,489				1,489	0
Care Home Placements	20,606	250			20,606	250
Day Opportunities / Enabler	225				225	0
Respite	854	205			854	205
Domiciliary Care	5,820	540			5,820	540
Other Third Party Payments	1,610				1,610	0
Sheltered / Very Sheltered	684				684	0
Income	-10,389	-100			-10,389	-100
Older Peoples Services	41,521	1,480	14,248	408	55,769	1,888

	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	-320	3,557	-320
Staff	633	-22			633	-22
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	-100			-2,876	-100
Mental Health	1,615	-365	3,557	-320	5,172	-685
Learning Disability (Dundee)			1,241	-120	1,241	-120
Staff	6,596	-50			6,596	-50
Supplies & Services / Transport etc	294				294	0
Property	287				287	0
Accommodation with Support	11,205	-296			11,205	-296
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
Learning Disability	23,056	-346	1,241	-120	24,297	-466

	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	27			1,442	27
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
Physical Disabilities	5,578	-665	0	0	5,578	-665
Alcohol Problems Services			470	-5	470	-5
Drug Problems Services			1,901	-30	1,901	-30
Staff	544	-52			544	-52
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
Substance Misuse	783	13	2,371	-35	3,154	-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
A.H.P.S Admin			397	-10	397	-10
Physiotherapy			3,230	-135	3,230	-135
Occupational Therapy			1,374	-75	1,374	-75
Nursing Services (Adult)			5,290	-80	5,290	-80
Community Supplies - Adult			130	22	130	22
Anticoagulation			369	1	369	1
Joint Community Loan Store			371	0	371	0
Staff	2,404	-263			2,404	-263
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
Community Nurse Services / AHP / Intake / Other Adult Services	5,051	-263	11,162	-277	16,212	-540

	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	5	998	5
Palliative Care - Angus			336	-48	336	-48
Palliative Care - Perth			1,519	153	1,519	153
Brain Injury			1,571	25	1,571	25
Dietetics (Tayside)			2,802	-148	2,802	-148
Sexual & Reproductive Health			1,962	-70	1,962	-70
Medical Advisory Service			150	-30	150	-30
Homeopathy			26	2	26	2
Tayside Health Arts Trust			57	0	57	0
Psychology			4,533	-565	4,533	-565
Eating Disorders			287	-26	287	-26
Psychotherapy (Tayside)			957	-23	957	-23
Learning Disability (Tay Ahp)			740	-25	740	-25
Keep Well			435	-80	435	-80
Hosted Services	0	0	18,832	-796	18,832	-796
Working Health Services			0	0	0	0
The Corner			390	-40	390	-40
Resource Transfer - Dcc			8,578	0	8,578	0
Dundee- Supp People At Home			0	0	0	0
Grants Voluntary Bodies Dundee			176	-20	176	-20
C.H.P. Management			687	-33	687	-33
Partnership Funding			11,212	0	11,212	0
Carers Strategy - Dundee			166	0	166	0
Public Health			486	-45	486	-45
Primary Care			871	-158	871	-158
Centrally Managed Budgets			-1,556	1,684	-1,556	1,684
Staff	934	-95			934	-95
Supplies & Services / Transport etc	94				94	0
Property	284				284	0
Income	0				0	0
Other Dundee Services / Support / Mgmt	1,312	-95	21,009	1,389	22,321	1,294

	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	-242	72,420	249	151,335	7
Other Contractors						
Prescribing (FHS)			33,201	2,578	33,201	2,578
General Medical Services			24,636	-134	24,636	-134
FHS - Cash Limited & Non Cash Limited			20,085	-27	20,085	-27
Grand Total H&SCP	78,915	-242	150,342	2,666	229,257	2,424
Hosted Recharges Out			-11,053	123	-11,053	123
Hosted Recharges In			16,000	1,397	16,000	1,397
Hosted Services - Net Impact of Risk Sharing Adjustment			4,947	1,520	4,947	1,520
Large Hospital Set Aside			21,000	0	21,000	0