



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
17 APRIL 2024**

REPORT ON: FINANCIAL MONITORING POSITION AS AT FEBRUARY 2024

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB15-2024

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 year-end financial position for delegated health and social care services for 2023/24.

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 for the 2023/24 financial year end as at 29th February 2024 as outlined in Appendices 1, 2, and 3 of this report.

2.2 Notes steps that continue to be taken by Officers to consider options and opportunities to improve the financial position during the remainder of 2023/24 as part of the Financial Recovery Plan process, as outlined in section 4.7 of this report.

3.0 FINANCIAL IMPLICATIONS

3.1 The projected financial position for Dundee Health and Social Care Partnership for the financial year to 31st March 2024 shows a net operational overspend of £3,528k – an improvement from the previously reported position of projected operational overspend of £4,780k 1 (Article IX of the minute of meeting of 21st February 2024 refers) (DIJB5-2024).

3.2 This projected overspend continues to exceeds the parameters of the IJB's approved 2023/24 financial plan, whereby up to £3m of IJB reserves have been identified to support the IJB's financial position at the year end. The projected position also recognises winter demand pressures, which should result in the ability to access up to £1m of reserves identified to support winter pressures.

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 29th March 2023 (Article IV of the minute of the meeting of 29 March refers). This set out the cost pressures and funding available with a corresponding savings plan to ensure the IJB had a balanced budget position going into the 2023/24 financial year. An updated assessment of the status of the savings plan is set out in Appendix 4 of this report.

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.

4.3 Services Delegated from NHS Tayside

4.3.1 The financial position for services delegated from NHS Tayside to the IJB details a projected underspend of (£2,806k) for the financial year.

4.3.2 Community-based health services managed directly by Dundee Health and Social Care Partnership are projected to underspend by (£1,450k) along with the additional cost of risk sharing adjustments for Lead Partner Service (formerly referred to as Hosted Services) projected to overspend of £425k. Prescribing is showing a projected underspend of (£1,749k) with other Primary Care services projected to be underspent by (£32k).

4.3.3 Key drivers of underspends across various services continued to be staffing vacancies, with ongoing challenges of recruitment and retention of staff. This is similar across a number of medical, nursing, Allied Health Professionals (AHPs) and other staffing groups and across various bands and skills-mix. Recruitment activity continues to take place throughout the service areas to ensure patient demand and clinical risk is managed as best as possible.

4.3.4 Key drivers of overspends are mainly as a result of reliance on bank, agency or locum staff (with premium cost implications) to fill vacancies or cover due to staff sickness where patient acuity and / or safe-staffing levels necessitate the use of these additional staff (this is particularly noted in in-patient service areas, i.e. Psychiatry of Old Age, Medicine for the Elderly and Palliative Care), plus the increased cost of prescribed drug costs in drug and alcohol recovery services.

4.3.5 Supplementary spend during the first 11 months of 2023/24 totals £5.81m. This includes £654k on additional part-time hours and overtime, £871k on medical locums, £384k on agency nursing, £3,654k on bank nursing and £344k other. Absence rates for NHS employed staff within HSCP have averaged at 6.67% during the first 11 months of 23/24.

4.3.6 In recent years, GP and Other Family Health Services Prescribing had contributed an underspend to the overall financial position. The projected position for 2023/24 is now showing an underspend of £204k. The latest figures continue to be considerably better than expected in the 2023/24 Financial Plan (as reported in the Budget Setting report of 29 March 2023 where a cost pressure of £1,545k is anticipated and acknowledged in the Plan) due to volume and pricing growth being lower than anticipated. Ongoing regular monitoring of the local and regional Prescribing financial position is undertaken within Tayside-wide multi-disciplinary meetings. The IJB should note that the data issues following the transition to a new national pharmacy payment system from which the local prescribing expenditure information is drawn has now returned to normal reporting timescales, with the figures now including 9 months of actual verified prescribing spend for 2023/24 available. (It is normal for data to be received 2 months in arrears to allow for national review and verification).

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

- 4.3.8 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 Lead 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 £425k which mainly relates to a significantly higher spend within GP Out of Hours Medical Service led by Angus IJB. The Out of Hours overspend is as a direct result of changes to the patient pathway now embedded in the service model following Covid-19 pandemic. Work continues within the service to develop a financial recovery plan and future sustainable service delivery model.
- 4.3.9 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. Currently, there is no budget delegated to the IJBs for 2023/24 and the service is projecting an overspend of around £5.6m across Tayside. However given the IJB's have strategic planning responsibility for the services, there is a requirement to show a delegated budget and spend position in the IJB's annual accounts. Given the unusual governance position around In-Patient Mental Health Services whereby there is a separation between strategic planning and operational delivery of the service, discussions have been ongoing to agree financial risk sharing arrangements amongst the 3 IJB's and NHS Tayside for the current financial year. Agreement has been reached by the 3 IJB Chief Officers, Chief Finance Officers, Chief Executives of the 3 local authorities and NHS Tayside and NHS Tayside's Director of Finance for a funding solution for 2023/24 resulting in a financial contribution being sought from the 3 IJB's and NHS Tayside. Permission was granted by the IJB during the February 2024 meeting to release funding held in reserves, originally provided by NHS Tayside to support shifting the balance of care, totalling £1.6m, to contribute to the overall service shortfall. The development of a financial recovery plan for Inpatient Mental Health Services and a strategic finance and resource framework has been delayed.

4.4 Services Delegated from Dundee City Council

- 4.4.1 The projected financial outturn for services delegated from Dundee City Council to the IJB shows an overspend of £3,334k for the financial year.
- 4.4.2 Similar to health teams, a key driver of underspending areas continues to be from vacancies as a result of recruitment and retention challenges across various teams, professions and grades. Again, recruitment activity continues to take place throughout the service areas to ensure service user demand and care risk is managed as best as possible
- 4.4.3 Key drivers of overspend include ongoing lower chargeable income levels and premium cost of sessional and agency staff to fill vacant posts where necessary. During the first 11 months of 23/24, sessional staffing costs of £968k and overtime payments of £420k have been incurred along with agency staffing costs of £1,161k. Absence rates for DCC employed staff within the HSCP have remained at a higher than usual level during 23/24.
- 4.4.4 The additional cost pressure has been previously noted within external Care at Home spend, principally due to managing the significant increased demand growth being experienced this year. This position continues to be closely monitored to ensure funding is utilised as efficiently and effectively as possible.
- 4.4.5 However it should be noted that as a result of managing this increased Care at Home demand, there are benefits for patients and service users as well as the whole-system health and social care pathways through reduced hospital delayed discharges and reduced social care unmet need in the community.

4.5 Reserves funding to manage recognised gap

- 4.5.1 The 2023/24 Financial Plans and Budget setting report also includes utilisation of up to £3m of IJB Reserves to manage the gap within the integrated position. This means that the IJB's financial position was planned as an overspend of £3m for 2023/24. The current projected operational overspend is therefore higher than originally anticipated.
- 4.5.2 In addition, further £1m was set aside to support winter planning and pressures. The current projected position includes some additional costs from earlier in the year to support winter preparations as well as spend during recent months to support the winter demand pressures, therefore it is assumed that an element of this Reserves funding will be utilised and drawn down to offset the projected overspend position.
- 4.5.3 The projected overspend position indicates that this can be managed from the combined earmark Reserves balance, therefore no additional drawdown from general reserves is currently anticipated.

4.6 Reserves Position

- 4.6.1 The IJB's reserves position significantly improved at the year ended 31st March 2023 as a result of the IJB generating an operational surplus of £7,531k during 2022/23. This resulted in the IJB having total committed reserves of £13,179k and uncommitted reserves of £10,789k at the start of 2023/24 financial year. This provided 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	Closing Reserves @ 31/3/23	Indicative Year End 23/24 Reserves
	£k	£k
Mental Health	635	0
Primary Care	1,535	1,040
Community Living Fund	613	0
NHST - Shifting Balance of Care	1,600	0
Drug & Alcohol	925	350
Strategic Developments	2,500	1,972
Revenue Budget Support	3,000	0
Service Specific	1,995	1,246
Other Staffing	377	250
Total committed	13,179	4,858
General	10,789	10,789
TOTAL RESERVES	23,968	15,647

- 4.6.2 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 have been taken into consideration for these funds by the Scottish Government when releasing further in-year funding.
- 4.6.3 Based on spend patterns and known plans during 2023/24 and combined with in-year funding allocations, indicative year end reserves is also noted in Table 2. The projected figures include the expectation that £nil will require to be drawn from General Reserves along with

£3.0m from Revenue Budget Support and £0.528m from Strategic Developments (Winter Planning support).

- 4.6.4 The IJB's Reserves Policy seeks to retain General Reserves of 2% of budget (approximately £6.2m)

4.7 Financial Recovery Plan

- 4.7.1 As noted in the previous Financial Monitoring Report (Article XIII of the minute of meeting of 13th December 2023 refers) (DIJB67-2023), a financial recovery plan was to be developed for consideration by the IJB. The latest monitoring shows a further improvement in the projected financial position, with the key reasons and movements outlined within this report. The current figures indicate the gap and therefore resulting reliance on general reserves is reduced to £nil.
- 4.7.2 Officers continue to review all areas of spend across the delegated budgets with the aim of minimising the overall projected overspend position.
- 4.7.3 Partnership organisations have recently introduced enhanced recruitment controls, and these processes will also be incorporated into internal Health and Social Care recruitment procedures where applicable.
- 4.7.4 Discretionary spend continues to be monitored and managed to ensure that only essential expenditure is incurred.
- 4.7.5 At this stage of the year, these actions in effect form the Financial Recovery Plan for the remainder of 2023/24.
- 4.7.6 The current actions and controls being implemented are expected to continue through 2024/25 where financial pressures are anticipated to be even more challenging.

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.

Christine Jones
Acting Chief Finance Officer

Date: 21 March 2024

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2023/24

Feb-24

	Dundee City Council Delegated Services		NHST Dundee Delegated		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	52,578	2,198	19,881	305	72,459	2,503
Mental Health	7,700	213	4,964	(280)	12,664	(67)
Learning Disability	32,465	931	1,633	(83)	34,098	848
Physical Disabilities	8,171	(243)	0	0	8,171	(243)
Drug and Alcohol Recovery Service	1,422	(28)	4,819	225	6,241	197
Community Nurse Services/AHP/Other Adult	-112	(112)	19,043	(68)	18,930	(180)
Lead Partner Services			27,275	(245)	27,275	(245)
Other Dundee Services / Support / Mgmt	4,306	375	33,195	(499)	37,501	(124)
Centrally Managed Budgets			2,354	(806)	2,354	(806)
Total Health and Community Care Services	106,529	3,334	113,164	(1,450)	219,693	1,885
Prescribing (FHS)			34,398	(255)	34,398	(255)
FHS Drugs Prescribing Cost Pressure Investment			1,545	(1,545)	1,545	(1,545)
Other FHS Prescribing			-856	51	(856)	51
General Medical Services			31,274	(2)	31,274	(2)
FHS - Cash Limited & Non Cash Limited			23,824	(30)	23,824	(30)
Large Hospital Set Aside			20,776	0	20,776	0
Total	106,529	3,334	224,125	(3,231)	330,654	104
Net Effect of Lead Partner Services*			(5,362)	425	(5,362)	425
Financial Plan Gap (integrated budget)					(3,000)	3,000
Grand Total	106,529	3,334	218,763	(2,806)	322,292	3,528

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

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2023/24

Feb-24

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Projected Overspend / (Underspend) £,000	Annual Budget £,000	Projected Overspend / (Underspend) £,000	Annual Budget £,000	Projected Overspend / (Underspend) £,000
1						
Psych Of Old Age (In Pat)			5,523	80	5,523	80
Older People Serv. - Ecs			284	-30	284	-30
Older Peoples Serv. -Community			1,166	-135	1,166	-135
Ijb Medicine for Elderly			6,743	330	6,743	330
Medical (P.O.A)			821	345	821	345
Psy Of Old Age - Community			2,877	-145	2,877	-145
Medical (MFE)			2,468	-140	2,468	-140
Care at Home	24,126	4,446			24,126	4,446
Care Homes	29,750	-710			29,750	-710
Day Services	1,235	60			1,235	60
Respite	751	-354			751	-354
Accommodation with Support	1,125	-30			1,125	-30
Other	-4,408	-1,214			-4,408	-1,214
Older Peoples Services	52,578	2,198	19,881	305	72,459	2,503
2						
Community Mental Health Team			4,964	-280	4,964	-280
Care at Home	926	-157			926	-157
Care Homes	587	395			587	395
Day Services	65	-8			65	-8
Respite	-3	62			-3	62
Accommodation with Support	5,340	278			5,340	278
Other	786	-357			786	-357
Mental Health	7,700	213	4,964	-280	12,664	-67
3						
Learning Disability (Dundee)			1,633	-83	1,633	-83
Care at Home	-387	459			-387	459
Care Homes	3,074	201			3,074	201
Day Services	8,138	569			8,138	569
Respite	2,000	-44			2,000	-44
Accommodation with Support	22,289	-288			22,289	-288
Other	-2,647	35			-2,647	35
Learning Disability	32,465	931	1,633	-83	34,098	848
4						
Care at Home	733	23			733	23
Care Homes	2,119	-301			2,119	-301
Day Services	1,473	-122			1,473	-122
Respite	-30	-37			-30	-37
Accommodation with Support	767	175			767	175
Other	3,109	20			3,109	20
Physical Disabilities	8,171	-243	0	0	8,171	-243
5						
Dundee Drug Alcohol Recovery			4,819	225	4,819	225
Care at Home	0	0			0	0
Care Homes	277	228			277	228
Day Services	64	1			64	1
Respite	0	0			0	0
Accommodation with Support	670	-138			670	-138
Other	411	-119			411	-119
Drug and Alcohol Recovery Service	1,422	-28	4,819	225	6,241	197

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Projected Overspend / (Underspend) £,000	Annual Budget £,000	Projected Overspend / (Underspend) £,000	Annual Budget £,000	Projected Overspend / (Underspend) £,000
6						
A.H.P.S Admin			528	-3	528	-3
Physio + Occupational Therapy			7,788	-125	7,788	-125
Nursing Services (Adult)			9,900	88	9,900	88
Community Supplies - Adult			344	58	344	58
Anticoagulation			483	-85	483	-85
Other Adult Services	-112	-112			-112	-112
Adult Services	-112	-112	19,043	-68	18,930	-180
7						
Palliative Care - Dundee			3,637	210	3,637	210
Palliative Care - Medical			1,667	150	1,667	150
Palliative Care - Angus			444	3	444	3
Palliative Care - Perth			2,070	-90	2,070	-90
Brain Injury			2,048	-30	2,048	-30
Dietetics (Tayside)			4,574	110	4,574	110
Sexual & Reproductive Health			2,558	-130	2,558	-130
Medical Advisory Service			80	-9	80	-9
Homeopathy			39	10	39	10
Tayside Health Arts Trust			82	0	82	0
Psychological Therapies			7,081	-13	7,081	-13
Psychotherapy (Tayside)			1,331	-220	1,331	-220
Perinatal Infant Mental Health			730	0	730	0
Learning Disability (Tay Ahp)			933	-235	933	-235
Lead Partner Services	0	0	27,275	-245	27,275	-245
8						
Working Health Services			1	-33	1	-33
The Corner			664	-73	664	-73
Dundee 2c (gms) Services			482	239	482	239
Ijb Management			806	-63	806	-63
Partnership Funding			26,607	0	26,607	0
Urgent Care			2,164	-73	2,164	-73
Community Health Team			52	-53	52	-53
Health Inclusion			1,410	-390	1,410	-390
Primary Care			1,009	-55	1,009	-55
Support Services / Management Costs	4,306	375			4,306	375
Other Dundee Services / Support / Mgmt	4,306	375	33,195	-499	37,501	-124
Centrally Managed Budget			2,354	-806	2,354	-806
Total Health and Community Care Services	106,529	3,334	113,164	-1,450	219,693	1,885
Other Contractors						
FHS Drugs Prescribing			34,398	-255	34,398	-255
FHS Drugs Prescribing Cost Pressure Investment			1,545	-1,545	1,545	-1,545
Other FHS Prescribing			-856	51	-856	51
General Medical Services			31,274	-2	31,274	-2
FHS - Cash Limited & Non Cash Limited			23,824	-30	23,824	-30
Large Hospital Set Aside			20,776	0	20,776	0
Grand H&SCP	106,529	3,334	224,125	-3,231	330,654	104
Lead Partner Services Recharges Out			-16,739	297	-16,739	297
Lead Partner Services Recharges In			11,277	228	11,277	228
Hosted Recharge Cost Pressure Investment			100	-100	100	-100
Adjustment			-5,362	425	-5,362	425
Financial Plan Gap (integrated budget)					-3,000	3,000
Grand Total	106,529	3,334	218,763	-2,806	322,292	3,528

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - February 24			
	Annual Budget £000s	Forecast Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,177	155	61
Out of Hours	9,236	1,715	676
Tayside Continence Service	1,552	245	97
Locality Pharmacy	3,280	0	0
Speech Therapy (Tayside)	1,509	(3)	(1)
Sub-total	16,754	2,112	832
Apprenticeship Levy & Balance of Savings Target	535	(474)	(187)
Total Lead Partner Services - Angus	17,289	1,638	645
Lead Partner Services - Perth & Kinross			
Prison Health Services	4,931	(156)	(61)
Public Dental Service	2,671	(520)	(205)
Podiatry (Tayside)	3,695	(394)	(155)
Sub-total	11,297	(1,070)	(421)
Apprenticeship Levy & Balance of Savings Target	34	11	4
Total Lead Partner Services - Perth&Kinross	11,332	(1,059)	(417)
Total Lead Partner Services from Angus and P&K			
	11,277		228

Dundee IJB - Budget Savings List 2023-24		Appendix 4	
Agreed Savings Programme			
	Savings / Initiative	2023/24 Value £000	Risk of non-delivery
Recurring Proposals			
1)	Dundee City Council Review of Charges – Additional Income	287	Medium
2)	Remove 2022/23 Budget Contingency	300	Low
3)	Reduce Service Budgets for Supplies and Services and Transport Costs	300	Low
4)	Impact of National Insurance Increase Policy Change	550	Low
	Total Recurring Savings / Initiatives	1,437	
Non-Recurring Proposals			
5)	Utilisation of IJB Reserves – Previously Agreed by IJB	2,500	Low
6)	Proposed Further Utilisation of Reserves	500	Low
7)	Management of natural staff turnover	700	Low
	Total Non Recurring Savings / Initiatives	3,700	
	Total Savings / Initiatives	5,137	

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