



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
25 JUNE 2019**

REPORT ON: FINANCIAL MONITORING YEAR END POSITION

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB34-2019

1.0 PURPOSE OF REPORT

The purpose of this report is to provide the Integration Joint Board with an overview of the final financial position for delegated health and social care services for 2018/19.

2.0 RECOMMENDATIONS

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

2.1 Notes the content of this report including the year end outturn for delegated services to the 2018/19 financial year end as at 31 March 2019 as outlined in Appendices 1, 2 and 3 of this report.

3.0 FINANCIAL IMPLICATIONS

3.1 A £1,794k overspend is reported for the IJB for the 2018/19 Financial Year. The overall financial performance consists of an underlying deficit of £3,630k in Social Care budgets and an underlying surplus of £1,836k in NHS budgets resulting in a net deficit of £1,794k. In line with the risk sharing agreement with NHS Tayside and Dundee City Council from 2018/19 onwards whereby any residual overspend arising is met from reserves and consistent with the planned use of reserves as outlined in the IJB's Budget setting process and service redesign reports, the impact of the overall financial position for integrated services in Dundee for 2018/19 has resulted in the level of reserves held by Dundee City Integration Joint Board decreasing to £2,766k at the year ended 31 March 2019 (as against £4.560k at the year ended 31 March 2018).

3.2 Given many of the areas of overspend were projected throughout the financial year, provision has been made within the 2019/20 IJB's budget to support these cost pressures. Work continues to identify and monitor other emerging cost pressures incurred during 2018/19 to assess any impact these may have on the 2019/20 budget position.

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 set out its final budget for delegated services at its meeting of the 28 August 2018 following receipt of confirmation of NHS Tayside's budget (Article XIII of the minute refers). Within this report, the risks around the prescribing budget were reiterated after being formally noted in the initial budget report presented to a special meeting of the IJB held on 30 March 2018 (Article V of the minute refers) in addition to Report DIJB41-2018 (Dundee Prescribing Management Position) considered by the IJB at its meeting held on 27 June 2018 (Article X of the minute refers).
- 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.
- 4.1.4 Under the terms of the risk sharing arrangements within the Integration Scheme, should the IJB incur an overspend at the end of the financial year it must apply any uncommitted reserves prior to any residual overspends being met proportionately by the Council and NHS Tayside. Given the potential financial risk to both parties, the IJB has advised them of the partnership's financial position as it developed throughout the financial year. As a result of overspends being projected during the year, the parties requested a financial recovery plan, which was presented to the IJB meeting in Feb 2019 (Report DIJB7-2019). This consisted of applying a risk based approach to vacancy management which reduced particular financial pressure areas in addition to a review of historical legacy funding passed over to the IJB by NHS Tayside during the financial year. The latter resulted in a resource release of approximately £1m.

4.2 2018/19 Year End 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.

4.3 Services Delegated from NHS Tayside

- 4.3.1 The NHS underspend position is mainly due to underspends in Scottish Government ring fenced funding such as Primary Care, Mental Health Action 15 and Alcohol and Drug Partnership funding totalling £1,505k. This funding is carried forward in the IJB's general fund balances to 2019/20 to be invested in new services and service redesign in line with the Scottish Government's requirements and local plans. A further underspend of £331k was achieved in community based operational services including the net impact of hosted services recharged from Angus and Perth and Kinross IJB's. This position was achieved as a direct response to a request from NHS Tayside for a financial recovery plan in line with the integration scheme, prompted by the projection of a significant overspend in NHS budgets early on in the 2018/19 financial year. Uncommitted, non-recurring funding was applied by the IJB to support overspending areas of the budget such as GP Prescribing and In-Patient Mental Health Services.
- 4.3.2 Service underspends are reported within Allied Health Professionals (£391k), Keep Well (£170k), Public Health (£106k) and hosted services such as Psychology (£558k) and Dietetics (£209k) mainly as a result of staff vacancies.
- 4.3.3 Staff cost pressures continue to exist in a number of other services such as the Medicine for the Elderly (+£710), Palliative Care (+£124k), Brain Injury (+£123k) and Community Nursing Services (+£173k). Additional staffing pressures have contributed to the adverse position within these services through ensuring safe staffing levels in accordance with the National Nursing and Midwifery workload tools requirements.
- 4.3.4 The Family Health Services drugs prescribing was overspent by £448k at the end of the financial year. This was consistent with the anticipated position reported during the latter part of the financial year. The effect of this was partly offset by an underspend in other prescribing costs.

- 4.3.5 Members of the IJB will also be aware that Angus and Perth and 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 throughout the financial year 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 overspends to the value of £545k being recharged with the net impact of hosted services to Dundee being an overspend of £522k.
- 4.3.6 The financial position of Dundee City IJB continued to be impacted upon by the significant overspend in the Mental Health Inpatient service which is hosted by Perth & Kinross IJB. Perth and Kinross IJB has continued to utilise cost pressure funding and apply other interventions to reduce the overspend position in respect of this service provision. The final year end position from Perth and Kinross shows Dundee's share of this overspend as being £529k. This position was driven by undelivered savings carried forward from previous years, medical locum costs and nursing costs in General Adult Psychiatry. Plans to reduce and offset costs particularly through the Mental Health, Learning Difficulties, Inpatient, Transformation Programme will continue into future financial years in order to reduce this financial deficit.

4.4 Services Delegated from Dundee City Council

- 4.4.1 The overspend in Social Care budgets was mainly due to the planned use of reserves as part of the 2018/19 budget setting process of £1,983k and planned draw down from reserves as transition funding to support community based investment as part of the Reshaping Non Acute Care Programme of £757k. Overspends were incurred during the year in relation to staff costs of £460k, including the effect of a higher than budgeted pay award and the non-achievement of savings through the redesign of care at home services. In addition, high demand for community based social care services lead to an overspend in services provided by third and independent sector care providers of £319k. This included particular pressures around home based social care services and accommodation with support services for adults with a disability mainly as a result of demographic factors with the underlying cost of service provision also increasing. This led to significant overspends being incurred within adult services and older peoples services and resulted in the Council's net expenditure position moving to an overspend of £890k after adjustments were made for the planned use of reserves. This deficit has reduced the overall level of reserves available for future use by the IJB.
- 4.4.2 In line with the IJB's strategic vision, the range of service developments around multi-disciplinary models of care primarily through the Enhanced Community Support Acute Model have started to impact positively through a reduction in care home placements for older people with an underspend of £559k achieved during 2018/19.
- 4.4.3 A range of underspends within Substance Misuse and Management and Support functions mainly arising from staff turnover as well as slippage in the development of new services supported the overall budget position..

4.5 Primary Care Improvement Funding and Mental Health Action 15 Funding

- 4.5.1 The above funding streams have been provided by the Scottish Government from 2018/19 and have been subject to separate reporting to the IJB with plans set out at the IJB's meeting of 28 August 2018 (Articles IX and XII of the minute refer). Given the timescales for developing, submitting and approving expenditure plans associated with these funding streams it was always anticipated that significant expenditure slippage would occur. Indeed the Scottish Government withheld 30% of funding to partnerships unless they could demonstrate full commitment of expenditure during the year, with this balance being released in the following financial year. Dundee's expenditure profile for 2018/19 is set out below. The underspends in relation to the 70% funding allocation noted below have contributed to the underspend in the NHS budget, the impact of which has dropped in to the IJB's reserves as ring fenced funding to be carried forward into 2019/20 with the 30% balance of funding held by the Scottish Government but due to be allocated back to the IJB in 2019/20.

18/19 Financial Position	Primary Care £	Mental Health £	Total £
2018/19 Funding:			
2018/19 Allocation Received (70%)	789,777	228,135	1,017,912
2018/19 Allocation Retained by SG for use in future years (30%)*	338,476	97,772	436,248
Pharmacotherapy Initial Allocation	227,223		227,223
Transfers from Angus and Perth	66,091		66,091
Total Funding Available	1,421,567	325,907	1,747,474
Expenditure at Year Ended March 2019	383,100	80,000	463,100
Slippage to be Carried Forward to 2019/20	1,038,467	245,907	1,284,374

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

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 4 x Impact 5 = Risk Scoring 20 (which is Extreme Risk Level)
Mitigating Actions (including timescales and resources)	The IJB has agreed a range of efficiency savings and other interventions including the use of reserves to balance expenditure. A range of service redesign options through the Transformation Programme will offer opportunities to further control expenditure. Regular financial monitoring reports to the IJB will highlight issues raised.
Residual Risk Level	Likelihood 3 x Impact 4 = Risk Scoring 12 (which is a High Risk Level)
Planned Risk Level	Likelihood 3 x Impact 4 = Risk Scoring 12 (which is a High Risk Level)
Approval recommendation	While the inherent risk levels are extreme, the impact of the planned actions reduce the risk and therefore the risk should be accepted.

7.0 CONSULTATIONS

The Chief Officer, Executive Director of Corporate Services (Dundee City Council), Director of Finance of NHS Tayside and the Clerk were consulted in the preparation of this report.

8.0 DIRECTIONS

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

None.

Dave Berry
Chief Finance Officer

DATE: 10 June 2019

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Net Budget £,000	Actual Over / (Under) £,000	Net Budget £,000	Actual Over / (Under) £,000	Net Budget £,000	Actual Over / (Under) £,000
Older Peoples Services	39,887	837	15,229	726	55,115	1,563
Mental Health	4,438	93	3,362	(75)	7,799	18
Learning Disability	23,882	790	1,291	(25)	25,173	765
Physical Disabilities	7,083	256	0	0	7,083	256
Substance Misuse	1,070	(137)	2,752	70	3,823	(68)
Community Nurse Services/AHP/Other Adult	657	30	12,668	(282)	13,325	(252)
Hosted Services	0	0	19,277	(562)	19,277	(562)
Other Dundee Services / Support / Mgmt	1,442	(978)	26,290	(560)	27,732	(1,538)
Centrally Managed Budgets	0	2,740	1,846	(1,634)	1,846	1,105
Total Health and Community Care Services	78,458	3,630	82,715	(2,343)	161,174	1,287
Prescribing (FHS)	0	0	32,738	448	32,738	448
Other FHS Prescribing	0	0	866	(432)	866	(432)
General Medical Services	0	0	25,106	4	25,106	4
FHS - Cash Limited & Non Cash Limited	0	0	18,119	(36)	18,119	(36)
Grand Total	78,458	3,630	159,544	(2,359)	238,003	1,271
Net Effect of Hosted Services*			5,832	522	5,832	522
Grand Total	78,458	3,630	165,376	(1,837)	243,835	1,793
Large Hospital Set Aside			17,449	0	17,449	0
Total Comprehensive Income & Expenditure		3,630		-1,837		1,794
Less: Planned Draw Down From Reserve Balances		(1,983)				(1,983)
Less: Additional Draw Down From Reserve Balances		(1,647)				(1,647)
Add: Transfer to reserves				1,837		1,837
	78,458	0	182,825	(1,837)	261,284	1,794

*Hosted Services - Net Impact of Risk Sharing
Adjustment

Dundee City Integration Joint Board – Health and Social Care Partnership – Finance Report Year End to
31 March 2019

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Actual Over / (Under)	Annual Budget	Actual Over / (Under)	Annual Budget	Actual Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Psychiatry Of Old Age (POA) (In Patient)			4,498	123	4,498	123
Older People Serv. – Ecs			248	0	248	0
Older Peoples Services -Community			395	(49)	395	(49)
Continuing Care			(16)	16	(16)	16
Medicine for the Elderly			4,898	710	4,898	710
Medical (POA)			641	2	641	2
Psychiatry Of Old Age (POA) - Community			1,883	(145)	1,883	(145)
Intermediate Care			779	87	779	87
Dundee- Supp People At Home			65	0	65	0
Medical (MFE)			1,838	(19)	1,838	(19)
Older People Services	39,887	837			39,887	(837)
Older Peoples Services	38,557	837	15,229	726	55,115	1,563
General Adult Psychiatry			3,362	(75)	3,362	(75)
Mental Health Services	4,438	93			4,438	93
Mental Health	4,438	93	3,362	(75)	7,799	18
Learning Disability (Dundee)	23,882	790	1,291	(25)	25,173	765
Learning Disability	23,882	790	1,291	(25)	25,173	765

		Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
		Annual Budget	Actual Over / (Under)	Annual Budget	Actual Over / (Under)	Annual Budget	Actual Over / (Under)
		£,000	£,000	£,000	£,000	£,000	£,000
Physical Disabilities		7,083	256			7,083	256
	Physical Disabilities	7,083	256	0	0	7,083	256
Substance Misuse		1,070	(137)	2,752	70	3,823	(68)
	Substance Misuse	1,070	(137)	2,752	70	3,238	(68)
A.H.P. Admin				374	(13)	374	(13)
Physiotherapy				3,780	(220)	3,780	(220)
Occupational Therapy				1,452	(158)	1,452	(158)
Nursing Services (Adult)				6,533	173	6,533	173
Community Supplies - Adult				155	(20)	155	(20)
Anticoagulation				374	(44)	374	(44)
Intake/Other Adult Services		657	30			657	30
	Community Nurse Services / AHP / Intake / Other Adult Services	657	30	12,668	(282)	13,325	(252)

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Actual Over / (Under)	Annual Budget	Actual Over / (Under)	Annual Budget	Actual Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Palliative Care – Dundee			2,587	61	2,587	61
Palliative Care – Medical			1,122	(20)	1,122	(20)
Palliative Care – Angus			324	10	324	10
Palliative Care – Perth			1,609	73	1,609	73
Brain Injury			1,596	123	1,596	123
Dietetics (Tayside)			3,144	(209)	3,144	(209)
Sexual and Reproductive Health			2,069	(44)	2,069	(44)
Medical Advisory Service			154	(60)	154	(60)
Homeopathy			27	4	27	4
Tayside Health Arts Trust			58	(2)	58	(2)
Psychology			4,924	(558)	4,924	(558)
Eating Disorders			0	0	0	0
Psychotherapy (Tayside)			894	139	894	139
Learning Disability (Tayside AHP)			769	(79)	769	(79)
Hosted Services	0	0	19,277	(562)	19,277	(562)
Working Health Services			(21)	0	(21)	0
The Corner			407	22	407	22
Primary Care			596	(81)	596	(81)
Resource Transfer			0	0	0	0
Grants Voluntary Bodies Dundee			46	0	46	0
IJB Management			804	(57)	804	(57)
Partnership Funding			22,980	(167)	22,980	(167)
Urgent Care			43	0	43	0
Public Health			846	(106)	846	(106)
Keep Well			590	(170)	590	(170)
Support Services/Management Costs	1,442	(978)			1,442	(978)
Other Dundee Services / Support / Mgmt	1,442	(978)	26,290	(560)	27,732	(1,538)

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Actual Over / (Under)	Annual Budget	Actual Over / (Under)	Annual Budget	Actual Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Centrally Managed Budgets	0	2,740	1,846	(1,634)	1,846	1,105
Total Health and Community Care Services	78,458	3,630	82,715	(2,343)	161,174	1,287
Other Contractors						
Prescribing (FHS)			32,738	448	32,738	448
Other FHS Prescribing			866	(432)	866	(432)
General Medical Services			25,106	4	25,106	4
FHS - Cash Limited and Non Cash Limited			18,119	(36)	18,119	(36)
Grand Total HSCP	78,458	3,630	159,544	(2,359)	238,003	1,271
Hosted Recharges Out			(11,319)	(22)	(11,319)	(22)
Hosted Recharges In			17,151	544	17,151	544
Hosted Services - Net Impact of Risk Sharing Adjustment			5,832	522	5,832	522
	78,458	3,630	165,376	(1,837)	243,835	1,793
Large Hospital Set Aside			17,449		17,449	
Total Comprehensive Income & Expenditure		3,360		(1,837)		1,794
Less: Planned Draw Down From Reserve Balances		(1,983)				(1,983)
Less: Additional Draw Down From Reserve Balances		(1,647)				(1,647)
Add: Transfer to reserves				1,837		1,837
TOTAL	78,458	0	182,825	0		1,794

**NHS Tayside - Services Hosted by Integrated Joint Boards - Charge to Dundee IJB
Risk Sharing Agreement - March 19**

Appendix 3

Services Hosted in Angus	Annual Budget	Actual Over (Underspend)	Dundee Allocation
Forensic Service	961,218	(105,836)	(41,699)
Out of Hours	7,433,140	149,858	59,044
Tayside Continence Service	1,408,126	(47,321)	(18,644)
Ang-loc Pharmacy	1,854,300	469	185
Speech Therapy (Tayside)	1,040,628	(10,815)	(4,261)
Hosted Services	12,697,412	(13,645)	(5,376)
Balance of Savings Target	-113,308	113,308	44,643
Grand Total Hosted Services	12,584,104	99,663	39,267

Services Hosted in Perth

Angus Gap Inpatients	2,196,513	329,786	129,936
Dundee Gap Inpatients	6,105,211	(62,786)	(24,738)
Dundee Gap Snr Medical	1,950,746	489,490	192,859
P+K Gap Inpatients	5,425,676	249,154	98,167
Learning Disability (Tayside)	6,011,501	194,038	76,451
T.A.P.S.	653,265	(44,114)	(17,381)
Tayside Drug Problem Services	801,977	(115,190)	(45,385)
Prison Health Services	3,386,677	(294)	(116)
Public Dental Service	2,003,863	(35,035)	(13,804)
Podiatry (Tayside)	2,833,180	(144,672)	(57,001)
Hosted Services	31,368,609	860,377	338,989
Balance of Savings Target	(337,546)	84,507	33,296
Balance of Savings Target - IPMH	(84,507)	337,546	132,993
Grand Total Hosted Services	30,946,556	1,282,430	505,278

Total Hosted Services	43,530,660	1,382,093	544,545
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