



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
25 AUGUST 2020**

REPORT ON: FINANCIAL MONITORING YEAR END POSITION

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB35-2020

1.0 PURPOSE OF REPORT

1.1 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 2019/20.

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 2019/20 financial year end as at 31 March 2020 as outlined in Appendices 1, 2 and 3 of this report.

3.0 FINANCIAL IMPLICATIONS

3.1 A £2,274k overspend is reported for the IJB for the 2019/20 Financial Year. The overall financial performance consists of a deficit of £4,735k in Social Care budgets and a surplus of £2,461k in NHS budgets resulting in a net deficit of £2,274k.

3.1 The net deficit is after the application of the risk sharing agreement between NHS Tayside and Dundee City Council which came into force from 2018/19 onwards. The risk sharing agreement requires any residual overspend arising to be 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 2019/20 has resulted in the level of reserves held by Dundee City Integration Joint Board decreasing to £492k at the year ended 31 March 2020 (as against £2,766k at the year ended 31 March 2019).

3.3 Given many of the areas of overspend were projected throughout the financial year, provision has been made within the 2020/21 IJB's budget to support these cost pressures. Work continues to identify and monitor other emerging cost pressures incurred during 2019/20 to assess any impact these may have on the 2020/21 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 29 March 2019 following receipt of confirmation of NHS Tayside's budget (Article VI 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.
- 4.1.5 The projected overspend was identified at an early stage as part of the Dundee City IJB's 2019/20 revenue monitoring process and reflected continued increasing demand for services. Officers from the Health and Social Care Partnership progressed a number of actions to restrict future spend and where practicable recover the overspend already incurred. This consisted of applying a risk based approach. The key actions applied during 2019/20 were as follows:-

- A review of health and care pathways to reduce hospital stays including delayed discharge to ensure any system blockages are cleared and systems and processes are working at their optimum level.

An action plan was developed and implemented by operational services to ensure component parts of pathways worked effectively.

- Continuous scrutiny of staff vacancies and managing these effectively where safe to do so.

All requests for approval to recruit signed off by Head of Health and Community Care Services and Chief Finance Officer with a prescribed requirement to demonstrate all other alternative approaches have been explored. Notably within this action patient and service user safety remained the priority.

- Continuous review of discretionary spend across all service areas.

Budget holders to ensure expenditure is only incurred when absolutely necessary.

- Review of specific expenditure areas such as Learning Disability Services.

Benchmarking exercise were undertaken to compare cost base with other systems across other authorities in Scotland.

- Work with partners to ensure resources are maximised across the whole system supporting health and social care.

Dialogue with partner agencies to ensure relevant services continue to prioritise complementary services which support the health and wellbeing of the local population.

- Review of progress of previously agreed savings proposals.
- Application of reserves where practicable.
- Restatement of eligibility criteria for access to services to critical and substantial.
- Review of additional support in care packages.

Ensuring any support arrangements above standard levels (eg 1:1 support in care homes) remain appropriate to meet the needs of service users.

- Review of Intermediate Care Provision

Ensuring maximum value is achieved through current contractual arrangements.

4.2 2019/20 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 was mainly due to underspends within the overall GP and other prescribing budget of £1,072k, partly offset by a net effect overspend position within hosted services where the primary cost pressure in this area was the recharged share from Perth and Kinross IJB of an overspend within In-Patient Mental Health Services. Dundee City IJB's share was £733k.

4.3.2 Service underspends are reported within Physiotherapy (£232k) and in particular services hosted by Dundee City which provided underspends in Dietetics (£217k); Sexual & Reproductive Health (202k); and Psychology (£868k).

4.3.3 Cost pressures continue to exist in a number of other services such as the Medicine for the Elderly (+£500); General Adult Psychiatry (+£264k); Brain Injury (+£164k); and Palliative Care (+£157k). Additional staffing pressures have contributed to the adverse position within these services through ensuring safe staffing levels remained in accordance with the National Nursing workload tools requirements.

4.3.4 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 £486k being recharged to Dundee City IJB per the risk sharing agreement. In addition the net impact of hosted services charged out by Dundee City IJB was an overspend of £255k.

4.3.5 The financial position of Dundee City IJB continued to be impacted upon by the significant overspend in the Inpatient Mental Health 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 £733k. Following the transfer of operational management of this service to NHS Tayside during 2020/21, this will no longer appear as a cost pressure to the Tayside IJBs.

4.4 Services Delegated from Dundee City Council

4.4.1 The underlying deficit in Social Care budgets was £6,037k. This was partly due to the planned use of reserves as part of the 2019/20 budget setting process of £386k to support community based investment through care at home services (£103k) and the Assessment at Home Service (£283k).

4.4.2 Overspends were incurred during the year in relation to staff costs of £1,660k. A significant part of this overspend was due to the delay in the full implementation of the redesigned Home Care service which was not applied until part way through the financial year. The full benefit of this change will be derived in 2020/21. 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 £3,372k. 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 and Older Peoples services. A bad debt provision made by Dundee City Council of £341k mainly contributed to an overspend in supplies and services of £391k with a shortfall in income of £174k partly due to the reduced levels of residential charging income from council operated care homes to reflect a planned reduction in the number of placements.

4.5 Ring Fenced Reserves

4.5.1 The reserves (£492k) held by Dundee City IJB at 31 March 2020 are all ring fenced and can therefore only be applied to specific service provisions. In particular these reserves cannot be applied to general overspends. The ring fenced reserves are noted as follows:-

Ring Fenced Reserve	£000
Alcohol & Drugs Partnership (ADP)	281
Primary Care Investment Fund (PCIF)	58
Primary Care	153
Total	492

5.0 POLICY IMPLICATIONS

5.1 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

7.1 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

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: 3 August 2020

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2019/20

	Dundee City Council Delegated Services		NHST Dundee Delegated		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	43,721	2,334	15,266	691	58,986	3,025
Mental Health	4,374	145	3,671	264	8,046	409
Learning Disability	25,700	1,798	1,411	14	27,111	1,811
Physical Disabilities	6,333	468	0	0	6,333	468
Substance Misuse	1,928	(65)	2,926	(43)	4,855	(108)
Community Nurse Services/AHP/Other Adult	874	369	14,220	(335)	15,093	34
Hosted Services	0	0	20,582	(1,014)	20,582	(1,014)
Other Dundee Services / Support / Mgmt	(376)	603	27,471	2,391	27,096	2,994
Centrally Managed Budgets	0		-1,117	1,340	(1,117)	1,340
Total Health and Community Care Services	82,554	5,651	84,431	3,307	166,985	8,958
Prescribing (FHS)	0	0	32,577	96	32,577	96
Other FHS Prescribing	0	0	901	(1,168)	901	(1,168)
General Medical Services	0	0	26,679	8	26,679	8
FHS - Cash Limited & Non Cash Limited	0	0	19,244	(28)	19,244	(28)
Total	82,554	5,651	163,832	2,215	246,386	7,866
Net Effect of Hosted Services*			6,182	740	6,182	740
Grand Total	82,554	5,651	170,014	2,955	252,568	8,606
Large Hospital Set Aside			18,172			
Grant Total	82,554	5,651	188,186	2,955	252,568	8,606
Year end position:						
Total Comprehensive Income & Expenditure						
Increase in funding contribution due to risk share agreement	1,021		2,042			
NHST adj to Partnership Funding and Centrally Manged Budgets				-4,600		-4,600
	83,575	5,651	190,228	-1,645	273,803	4,006
Less Risk share agreement		-1,021		-2,042		-3,063
Draw Down From Reserve Balances		386		1,379		1,765
Ring fence funding adjustment		-281		-153		-434
TOTAL	83,575	4,735	190,228	-2,461	273,803	2,274

Dundee City Integration Joint Board – Health and Social Care Partnership – Finance Report Year End to
31 March 2020

	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)			4,858	(114)	4,858	(114)
Older People Serv. – Ecs			(254)	582	(254)	582
Older Peoples Services -Community			641	25	641	25
IJB Medicine for Elderly			5,283	500	5,283	500
Medical (P.O.A)			684	(7)	684	(7)
Psychiatry Of Old Age (POA) - Community			1,964	(227)	1,964	(227)
Intermediate Care			(44)	89	(44)	89
Older Peoples' Services			2,134	(156)	2,134	(156)
Older People Services	43,721	2,334			43,721	2,334
Older Peoples Services	43,721	2,334	15,266	691	58,986	3,026
General Adult Psychiatry			3,671	264	3,671	264
Mental Health Services	4,374	145			4,374	145
Mental Health	4,374	145	3,671	264	8,046	409
Learning Disability (Dundee)	25,700	1,798	1,411	14	27,111	1,811
Learning Disability	25,700	1,798	1,411	14	27,111	1,811

		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		6,333	468			6,333	468
	Physical Disabilities	6,333	468	0	0	6,333	468
Substance Misuse		1,928	(65)	2,926	(43)	4,855	(108)
	Substance Misuse	1,928	(65)	2,926	(43)	4,855	(108)
A.H.P. Admin				406	(17)	406	(17)
Physiotherapy				4,251	(232)	4,251	(232)
Occupational Therapy				1,456	19	1,456	19
Nursing Services (Adult)				7,398	(15)	7,398	(15)
Community Supplies - Adult				315	(25)	315	(25)
Anticoagulation				395	(66)	395	(66)
Intake/Other Adult Services		874	369			874	369
	Community Nurse Services / AHP / Intake / Other Adult Services	874	369	14,220	(335)	15,093	34

	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			2,773	(42)	2,773	(42)
Palliative Care – Medical			1,199	14	1,199	14
Palliative Care – Angus			348	11	348	11
Palliative Care – Perth			1,738	157	1,738	157
Brain Injury			1,719	164	1,719	164
Dietetics (Tayside)			3,430	(217)	3,430	(217)
Sexual and Reproductive Health			2,075	(202)	2,075	(202)
Medical Advisory Service			103	(31)	103	(31)
Homeopathy			28	4	28	4
Tayside Health Arts Trust			62	(5)	62	(5)
Psychology			5,329	(868)	5,329	(868)
Psychotherapy (Tayside)			953	42	953	42
Learning Disability (Tayside AHP)			826	(41)	826	(41)
Hosted Services	0	0	20,582	(1,014)	20,582	(1,014)
Working Health Services			21	(31)	21	(31)
The Corner			441	(74)	441	(74)
Grants Voluntary Bodies Dundee			26	0	26	0
IJB Management			736	(129)	736	(129)
Partnership Funding			24,181	2,977	24,181	2,977
Urgent Care			125	0	125	0
Public Health			750	(83)	750	(83)
Keep Well			632	(179)	632	(179)
Primary Care			560	(91)	560	(91)
Support Services/Management Costs	(376)	603			(376)	603
Other Dundee Services / Support / Mgmt	(376)	603	27,471	2,391	27,096	2,994

	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	0	(1,117)	1,340	(1,117)	1,340
Total Health and Community Care Services	82,554	5,651	84,431	3,307	166,985	8,958
Other Contractors						
Prescribing (FHS)			32,577	96	32,577	96
Other FHS Prescribing			901	(1,168)	901	(1,168)
General Medical Services			26,679	8	26,679	8
FHS - Cash Limited and Non Cash Limited			19,244	(28)	19,244	(28)
Grand Total HSCP	82,554	5,651	163,832	2,215	246,386	7,866
Hosted Recharges Out			(12,159)	255	(12,159)	255
Hosted Recharges In			18,340	486	18,340	486
Hosted Services - Net Impact of Risk Sharing Adjustment			6,182	740	6,182	740
Large Hospital Set Aside			18,172	0	18,172	0
	82,554	5,651	188,186	2,955	270,740	8,606
Total Comprehensive Income & Expenditure						
Increase in Funding Per Risk Share Agreement	1,021		2,042		3,063	
Less: Risk Share Agreement		(1,021)		(2,042)		(3,063)
Draw Down from Reserves		386		1,379		1,765
Ring Fenced Funding		(281)		(153)		(434)
TOTAL	83,575	4,735	190,228	(2,461)	273,803	2,274

**NHS Tayside - Services Hosted by Integrated Joint Boards - Charge to Dundee IJB
Risk Sharing Agreement – 31 March 2020**

Appendix 3

Services Hosted in Angus	Annual Budget	Actual Over (Underspend)	Dundee Allocation
Forensic Service	1,006,336	135,528	53,398
Out of Hours	7,905,990	284,848	112,230
Tayside Continence Service	2,352,577	0	0
Ang-loc Pharmacy	1,440,681	36,838	14,514
Speech Therapy (Tayside)	1,126,042	85,384	33,641
Hosted Services	13,831,626	542,598	213,783
Apprenticeship Levy	41,188	(3,458)	(1,362)
Baseline Uplift surplus / (gap)	13,000	13,000	5,122
Balance of Savings Target	(193,272)	(193,272)	(76,149)
Grand Total Hosted Services	13,692,542	358,868	141,394

Services Hosted in Perth	Annual Budget	Actual Over (Underspend)	Dundee Allocation
Angus Gap Inpatients	1,419,299	(64,432)	(25,386)
Dundee Gap Inpatients	6,480,037	(192,444)	(75,823)
Dundee Gap Snr Medical	3,642,248	(1,601,501)	(630,991)
P+K Gap Inpatients	4,375,869	151,122	59,542
Learning Disability (Tayside)	6,392,513	10,468	4,124
T.A.P.S.	707,472	(2,061)	(812)
Tayside Drug Problem Services	851,678	149,670	58,970
Prison Health Services	4,136,427	189,915	74,827
Public Dental Service	2,140,185	87,617	34,521
Podiatry (Tayside)	3,112,151	196,532	77,435
Hosted Services	33,257,879	(1,075,114)	(423,594)
Apprenticeship Levy – Others	41,700	2,420	953
Apprenticeship Levy – IPMH	76,600	1,251	493
Baseline Uplift surplus / (gap) – Others	67,000	67,000	26,398
Baseline Uplift surplus / (gap) - IPMH	12,000	12,000	4,728
Balance of Savings Target	(273,553)	(273,553)	(107,780)
Balance of Savings Target - IPMH	(325,009)	(325,009)	(128,054)
Grand Total Hosted Services	32,856,617	(1,591,005)	(626,856)

Total Hosted Services

46,549,159	(1,232,137)	(485,462)
-------------------	--------------------	------------------