



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
30 AUGUST 2016

REPORT ON: FINANCIAL MONITORING – JULY 2016

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB38-2016

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 2016/17.

2.0 RECOMMENDATIONS

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

- 2.1 Notes the overall projected financial position for delegated services as at 31st July 2016
- 2.2 Instructs the Chief Finance Officer to continue to monitor the 2016/17 projected financial outturn and present this to the IJB throughout the remainder of the financial year.
- 2.3 Notes that the format and focus of this financial monitoring will change over time as budgets become more integrated and more closely aligned with the priorities set out within the Strategic and Commissioning Plan.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 31st July 2016 shows a net projected overspend position of £1,808k. This is mainly due to the anticipated shortfall in achieving a balanced prescribing budget as noted as a key risk in the due diligence process. Services delegated from NHS Tayside (excluding prescribing) are estimated to be in an overspend position of around £844k by the end of the financial year. 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. Services delegated from Dundee City Council are anticipated to be in an underspend position of approximately £791k at the 31st March 2017.
- 3.2 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 £1,015k. This will be partly offset by a transfer out to the respective IJB's of a share of overspends projected in services hosted by Dundee on behalf of the other IJB's to the value of £237k. This net 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. The detail of this is outlined in a separate report on this agenda. 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 current financial position as at 31st July 2016 is shown in Appendix 1. Members of the IJB will note that the presentation of the budgets and projected expenditure position to March 2017 at this stage is more aligned than integrated however, this will evolve as the transition to new locality based integrated service structures progresses. Future reporting will also reflect the shift of resources in line with actions taken to implement the aims of the Strategic and Commissioning Plan.
- 4.1.4 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

The following sets out the main areas of note from the financial information contained within Appendix 1 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 £844k by the end of the financial year excluding the prescribing budget. This is greater than the anticipated budgetary shortfall of £253k highlighted to the IJB in June following an assessment of achievable efficiency savings against the target set for delegated services. However as further efficiency proposals are implemented at service level, this position is likely to change.
- 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. It should be noted however that many of the efficiency savings targets have not yet been redistributed to individual services and this will shift as the year progresses. Those savings targets currently not delegated to individual services are held centrally within the Other Dundee Services / Support / Management heading and this is the main reason for this budget reflecting an adverse position.
- 4.3.4 Staff cost pressures exist in a number of other services such as Continuing Care and Palliative Care where the use of nursing bank and agency costs, although reducing from previous years, results in increased costs. Initiatives planned within the Transformation Programme will reduce the impact of these in due course.

- 4.3.4 A projected shortfall totalling £1,802k remains in the prescribing budget. A number of initiatives are developing through NHS Tayside's Transformation Programme which will achieve significant change in the way the prescribing budget is managed in order to deliver financial efficiencies. Dundee HSCP is contributing to this Transformation Programme 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.
- 4.3.5 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 reallocated 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 is a projected overspend of £778k.

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 position of around £791k. 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, there is no indication yet that the staff slippage targets will not be achieved by the service however this will continue to be closely monitored throughout the year.

4.5 Additional Partnership Funds

- 4.5.1 Dundee IJB agreed Report DIJB15-2016 (Planning for Additional Resources) at its meeting on 4th May 2016 which set out the planned investment of additional funding from the Scottish Government. The value of these funds in 2016/17 is £7.76m and at this stage of the financial year the projected spend is in line with this original plan. Future financial monitoring reports will include an assessment of progress with this investment over the course of the year.

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 issues.

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: 8th August 2016

Appendix 1						
DUNDEE INTEGRATION JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2016/17 AS AT JULY 2016						
	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	41,878	0	10,428	10	52,306	10
Mental Health	1,903	-417	3,556	-200	5,459	-617
Learning Disability	23,056	-131	1,241	-90	24,297	-221
Physical Disabilities	7,642	-329	0	0	7,642	-329
Substance Misuse	654	86	2,354	41	3,008	127
Community Nurse Services / AHP / Other Adult	2,460	0	10,847	-161	13,307	-161
Hosted Services	0	0	17,784	-204	17,784	-204
Other Dundee Services / Support / Mgmt*	1,322	0	12,808	1,448	14,130	1,448
Total Health and Community Care Services	78,915	-791	59,018	844	137,933	53
Prescribing (FHS)	0	0	33,299	1,802	33,299	1,802
General Medical Services	0	0	24,559	0	24,559	0
FHS - Cash Limited & Non Cash Limited	0	0	20,169	-47	20,169	-47
Grand Total	78,915	-792	137,045	2,600	215,960	1,808
Hosted Services - Net Impact of Risk Sharing Adjustment			4,826	778	4,826	778

* Includes NHST budgeted efficiency savings target of £1,723k not yet allocated to specific cost centres.



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
30 AUGUST 2016

REPORT ON: FUTURE OF RESIDENTIAL CARE FOR OLDER PEOPLE

REPORT BY: CHIEF OFFICER

REPORT NO: DIJB42-2016

1.0 PURPOSE OF REPORT

The purpose of this report is to outline proposals for the provision of Local Authority operated residential care to meet the future needs of older people.

2.0 RECOMMENDATIONS

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

- 2.1 Notes the contents of this report;
- 2.2 Approves Option 4 as the preferred option to ensure Dundee City Council's residential care home provision is well placed to meet the changing needs of the local elderly population;
- 2.2 Recommends to Dundee City Council that sufficient provision should be made within its Capital Plan to support the investment in a new build care home.
- 2.3 Notes the financial implications of revised staffing models required within Dundee City Council's residential care service to meet the increasing needs of its residents.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial implications of each option is set out within the tables shown at paragraphs 4.4 & 4.5.
- 3.2 It should be noted that due to changes required to staffing levels within Dundee City Council care homes to meet the increasing demands of its residents, additional budgeted revenue investment of approximately £1.353m is required per annum across the current four homes. The cost of the preferred option will require investment over and above this of £134k however it should be noted that in addition to a new build facility, this investment will also see the creation of additional Housing with Care capacity and will retain the current level of respite care placements. The funding package required to sustain Dundee City Council's residential care home provision and expand alternative models of support as set out in this report will be a key element of the budget negotiation process with Dundee City Council in the medium term, with longer term recurring resources released through further service redesign in future years.

4.0 MAIN TEXT

4.1 Background

- 4.1.1 Dundee, along with the rest of Scotland, faces significant challenges related to an ageing population and significant numbers of people with dementia. To meet these challenges will

require a preventative approach which supports older people to remain healthier longer, shifts the balance of care to allow older people to remain in their own home and further develops specialist services for people with dementia. This means that in Dundee there is a need to develop Housing with Care, provide specialist residential dementia provision in a new build care home and attain safe levels of staffing for people with increasingly complex needs who live in residential care. The strategic approach to these challenges is outlined nationally in the Reshaping Care for Older People policy and Scotland's National Dementia Strategy.

- 4.1.2 The Dundee Health and Social Care Partnership has set its strategic direction in the Health and Social Care Strategic and Commissioning Plan 2016-2021 by identifying eight strategic priorities. These are health inequalities, early intervention/prevention, person centred care, carers, building community capacity, engagement with localities, models of support/pathways of care and making best use of our resources.
- 4.1.3 The Dundee Joint Older People's Strategic and Commissioning Statement and Scotland's National Dementia Strategy set out the following objectives:
- support, protect and improve the health of older people;
 - shift the balance of care across the whole system of health and social care;
 - provide older people with access to a wide range of care and support;
 - prevent inappropriate admissions to hospital;
 - facilitate timely discharge from hospital;
 - enable people to keep control over their own lives; and
 - enable people with dementia to access high quality care services.
- 4.1.4 In 2014 the Scottish Government published the Future of Residential Care for Older People in Scotland. This report seeks to examine the purpose of residential care to meet the aspirations and needs of future generations in terms of the strategic direction outlined above. This sets out three key objectives which are to continue to develop Housing with Care, Intermediate Care and smaller specialist care homes.
- 4.1.5 The Dundee Health and Social Care Partnership's Older People's Service is currently engaged in a change process through both the Reshaping Care Programme and Integrated Care Fund. The change process is aimed at realising longer term change to contribute to community capacity building and preventative services. There is an expectation across partner agencies that resources released through disinvestment will be reinvested in future models of care to provide a greater opportunity for sustainable resource to support older people to live at home.
- 4.1.6 In order to contribute to shifting the balance of care across the systems of health and social care, flexible responsive models are required which will allow them to best meet the needs of the local population and maximise the movement of individuals through the hospital system. Through the Change Fund we have developed a model of Housing with Care which provides on-site social care support for 8-10 older people with complex needs in their own home. The model has proved to be an effective option for both older people who are physically frail and/or those who have dementia, however provision is currently limited and waiting lists are building up.
- 4.1.7 A recent review of residential provision in Dundee concluded that as a result of work undertaken to change models of care people in care homes have increasingly complex needs. There is a need to provide care homes specialising in residential dementia provision and transitional care. The market has not provided for this need.
- 4.1.8 These advances in the way older people are cared for, mean that people living in care homes have increasingly high levels of dependency and increasing needs associated with dementia. The review of Local Authority care homes found that these levels have changed considerably and investment will be required to ensure safe staffing levels are achieved. The required ratio is 1:4 during day time hours and an additional member of staff on night shift. The current sleepover arrangement is provided by Senior Social Care Officers and is not in line with the European Working Time Directive. An additional senior in each care home will replace the current acting senior role. These staffing levels are not attainable within the current staffing

model and therefore an additional investment of approximately £1.353m per annum is required to support the required model.

4.1.9 In summary the strategic drivers would indicate that the Dundee Health & Social Care Partnership should:

- Continue to develop care at home services to meet more complex care needs in community settings;
- Further progress the development of housing with care services to support individuals with more complex needs to access community accommodation with on-site support;
- Continue to review the level and type of care home provision to take into account any changing demands arising from both service redesign and demographic needs;
- Develop care home provision which safely meets the needs of people with complex dementia care needs and long term conditions, including palliative care and which demonstrates improved outcomes for individuals;
- Further shift the balance of care from care in care home settings to care in the community.

The preferred option is viewed as an enabler to achieve these aims.

4.2 Existing Residential Care Homes

4.2.1 At present, Dundee City Council operates four residential care homes for older people in the city, which provide 122 permanent and 10 respite places.

4.2.2 Janet Brougham House

Janet Brougham House is a relatively new residential establishment specifically for residents with dementia and completed in late 2007. Janet Brougham House works well and is considered fit for purpose. Any minor adaptations or alterations considered necessary in the future can be funded from the corporate capital plan.

4.2.3 Menzieshill House

Menzieshill House is a relatively new residential establishment completed in mid-2005. Menzieshill House works well and is considered fit for purpose. Any minor adaptations or alterations considered necessary in the future can be funded from the corporate capital plan.

4.2.4 Turriff House

Turriff House is a care home opened in 2003 which works well but requires some minor upgrading and improvements to make it more appropriate to meet the needs of residents with dementia. These works can be carried out without the need to decant any of the residents. It would not be possible to attain a dementia friendly environment of the same standard as Janet Brougham House.

4.2.5 Craigie House

The design of Craigie House is 44 bedrooms constructed in four wings of 10 and one wing of four. Even after substantial renovation, the narrow, dark corridors and small public spaces no longer meet the current design expectations for people with dementia. The building will not lend itself to further remodelling to ensure the layout meets dementia friendly standards.

The current lift is original to the building, its physical capacity is inadequate for evacuation purposes and for safe use in a medical emergency where a resident may need to be carried by stretcher to an ambulance rather than being in a seated position. The existing lift is becoming beyond repair and requires to be replaced in the near future. At this time the lift is not operational which has contributed to the upper floor being closed. The existing lift shaft would not permit the installation of a larger fire evacuation lift.

The bedrooms are small and do not have en-suite shower facilities. The construction of the building does not lend itself to improving the en-suite facilities or increasing bedroom size. In addition the corridor style bedroom wings do not meet the dementia friendly design criteria that has been developed in Dundee and used so successfully in Dundee City Council's three other residential homes for older people. Dementia friendly design ensures that the building will meet the need of all residents ensuring that they can readily understand the built environment which reduces confusion, while also creating a safe working environment for staff.

The physical constraints of Craigie House compromises its ability to provide safe egress in an emergency. This combined with the lack of en-suite bathing facilities and the inappropriate building layout mean there is a high risk of failing to meet the Care Inspectorate standards along with the requirements of the Scottish Fire and Rescue Service.

4.3 Options Appraisal: Shortlist of Options

A number of options have been explored as follows:

Option 1

Retain the four existing residential care homes.

Option 2

Replace Craigie House with a new build 24 bed dementia care unit, close Turriff House and develop 42 housing with care tenancies and make alternative arrangements for 10 respite places. The anticipated timescale to complete this would be around two years from the date of the decision to the date of completion.

Option 3

Close Craigie House, refurbish Turriff House to provide a specialist dementia care unit, develop 34 housing with care tenancies and make alternative arrangements for 10 respite places. The anticipated timescale would be around two years from the date of the decision.

Option 4

Rebuild Craigie House and retain three other current care homes, make alternative arrangements for 10 respite places and 20 housing with care places.

**NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPHS 3, 6 and 9
OF PART 1 OF SCHEDULE 7A OF THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973**

4.4 Annual Revenue Cost implications based on current prices

Annual Revenue Costs	Current Costs £	Option 1 £	Option 2 £	Option 3 £	Option 4 £
Annual Property Costs	478,045	478,045	334,596	341,530	450,148
Other running costs:	1,184,337	1,629,069	-	-	-
Craigie House					
Turriff House	874,060	1,236,363	-	1,236,363	1,236,363
Menziesshill House	868,361	1,213,835	1,213,835	1,213,835	1,213,835
Janet Brougham House	824,578	1,025,089	1,025,089	1,025,089	1,025,089
New Build	-	-	1,025,089	-	1,025,089
P&V Respite Placements (10 places)	-	-	156,291	156,291	156,291
Housing with care packages					
(42 places)	-	-	567,000	-	-
(34 places)	-	-	-	459,000	-
(20 places)	-	-	-	-	270,000
Loan Charges associated with capital	-	-	333,300	25,640	339,715
Total Revenue	4,229,381	5,582,401	4,655,200	4,457,748	5,716,530
Current Service Cost		4,229,381	4,229,381	4,229,381	4,229,381
Increased/(Decreased) Cost*		1,353,020	425,819	228,367	1,487,149

*Note: included in above

Net additional staff costs investment required		1,353,020	355,070	908,287	717,373
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4.5 Projected Capital Costs

Initial Costs	Option 1 £	Option 2 £	Option 3 £	Option 4 £
<u>Capital</u>				
Refurbishment and New Build	-	6,500,000	522,000	6,500,000
<u>Site Cost</u>				
Demolition(s)	-	275,000	125,000	125,000
Disposals/Capital Receipt(s)	-	-520,000	-250,000	-250,000
Site Acquisition	-	250,000	0	250,000
<u>Revenue Cost of Moves</u>				
Removals	-	30,000	0	£30,000
Initial Capital/Revenue Costs		6,535,000	397,000	6,655,000

4.6 Impact Statement

Project Objectives	Option 1	Option 2	Option 3	Option 4
Buildings meet the needs of people with dementia and complex needs	No	Yes	No	Yes
Contributes to shifting the balance of care across the system of health and social care	No	Yes	Yes	Yes
Provides older people with access to a wide range of care and support to allow them to stay at home	No	Yes	Yes	Yes
Meet the National Care standards in respect of building facilities	No	Yes	Yes	Yes
Meet the egress standards and the requirements of the Fire and Rescue service	No	Yes	Yes	Yes
Maintain a flow through Ninewells and RVH	Yes	No	No	Yes

4.7 Summary

As demonstrated in the impact statement, Options 2, and 4 best meet the objectives set out in the Older People Strategy. Option 2 would however, mean a more significant reduction of care home places over a short period of time and may result in difficulties maintaining the flow through Ninewells and Royal Victoria Hospital. Option 4 is therefore the preferred option.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Equality Impact Assessment and Risk Management. An EQIA is attached.

6.0 CONSULTATIONS

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

7.0 BACKGROUND PAPERS

None.

David W Lynch
Chief Officer

DATE: 1 August 2016