



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –  
21 AUGUST 2024**

**REPORT ON: FINANCIAL MONITORING POSITION AS AT JUNE 2024**

**REPORT BY: CHIEF FINANCE OFFICER**

**REPORT NO: DIJB41-2024**

**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 financial position for delegated health and social care services for 2024/25.

**2.0 RECOMMENDATIONS**

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

- 2.1 Notes the content of this report including the projected operational financial position for delegated services for the 2024/25 financial year end as at 30<sup>th</sup> June 2024 as outlined in Appendices 1, 2, and 3 of this report.
- 2.2 Note the actions being taken by Officers and Senior Management to address the current projected financial overspend position, with a report on progress and implications to develop a formal Financial Recovery plan to be presented at next IJB meeting (as detailed in section 4.5).
- 2.3 Instructs the Chief Finance Officer to request a copy of the financial Recovery Plan for Tayside GP Out of Hours service from Angus IJB (as detailed in section 4.5.4).

**3.0 FINANCIAL IMPLICATIONS**

- 3.1 The financial position for Dundee Health and Social Care Partnership for the financial year to 31<sup>st</sup> March 2025 shows a projected operational overspend of £6,197k – of which £4,000k was anticipated as part of the 2024/25 financial plan however the additional £2,197k is as a result of unplanned and unanticipated cost pressures.
- 3.2 This overspend exceeds the parameters of the IJB’s approved 2024/25 financial plan, whereby up to £4m of IJB reserves has been identified to support the IJB’s financial position at the year end. The content of this report highlights key reasons for the projected variance and ongoing actions by Officers and Senior Management to address these and improve the 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’s final budget for delegated services was approved at the meeting of the IJB held on the 27<sup>th</sup> March 2024 (Article IV of the minute of the meeting of 27 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 2024/25 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 Operational Health and Community Care Services Delegated to Dundee IJB**

4.3.1 The financial position for services delegated to the IJB details an operational overspend of £1,303k for the financial year.

4.3.2 Older People Services contribute a significant portion of this, with a projected overspend of £997k. The majority of this is due to Care at Home demands and costs of care packages. 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. During recent months, Dundee has continued to be amongst the best performing Integration Authority in Scotland for Delayed Discharge performance. Further analysis is now required to get a balanced position between meeting the whole-system demands and ongoing financial sustainability.

4.3.3 Learning Disabilities services contribute a further £412k overspend to the position, predominantly linked to staffing budgets.

4.3.4 Community Nurse Services / AHP / Other Adult Services are showing a projected overspend of £166k, partially linked to planned over-recruitment in Community Nursing Teams to help alleviate demand and staffing pressures, which is also anticipated to reduce reliance of bank staff to fill gaps.

4.3.5 Lead Partner Services managed by Dundee includes overspends within Specialist Palliative Care Services of £470k and Psychological Therapies of £300k. Both are linked mainly to staffing costs and budget holders continue to review options to resolve these positions.

4.3.6 Other Contractors includes GP Prescribing, General Medical Services and Family Health Services and is currently projecting a combined overspend of £378k. A significant portion of this is linked to the costs of operating the 2C GP Practices. Work is ongoing with service leads to address this.

4.3.7 Key drivers of underspends across various services continue 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), social care, social work and other staffing groups and across various bands / grades and skill-mixes. Recruitment activity continues to take place throughout the service areas to ensure patient demand and clinical risk is managed as best as possible. This ongoing recruitment and retention challenge was recognised during the 2024/25 budget setting process with non-recurring slippages / vacancy factor savings targets implemented to reflect the reality of the current position.

4.3.8 In addition to the specific service overspends already highlighted, 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. In addition, under recovery of income for chargeable social care services is also creating a cost pressure across various service budgets.

4.3.9 Supplementary spend during the first 3 months of 2024/25 totals £1,958k. This includes £447k on additional part-time hours and overtime, £458k on agency, and £1,050k on bank nursing / sessional staffing. Absence rates for NHS employed staff within HSCP have averaged at 6.62% during the 3 months of 24/25. The working days lost for DCC employed staff within the HSCP for June 2024 was 11.62%.

4.3.10 GP and Other Family Health Services Prescribing continues to be monitored as a local and Tayside-wide basis due to the scale and complexity of the budget. The Prescribing financial plan for 2024/25 indicated a projected cost pressure of £1052k as a result of anticipated volume and pricing growth, and funding was identified and set aside as part of the 2024/25 financial plan to manage this gap. At this stage of the financial year, projected spend is relatively close to plan but that is to be expected due to having limited data. (It is normal for data to be received 2 months in arrears to allow for national review and verification).

#### **4.4 Tayside-wide Delegated Services**

4.4.1 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 £516k 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 and subsequent recovery. Work continues within the service to develop a financial recovery plan and future sustainable service delivery model.

4.4.2 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 2024/25. Due to the IJB's having 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, ongoing discussions are taking place to agree financial risk sharing arrangements amongst the 3 IJB's and NHS Tayside for the current financial year.

#### **4.5 Actions to resolve Projected Financial Gap**

4.5.1 The 2024/25 Financial Plans and Budget setting report included utilisation of up to £4m of IJB Reserves to manage the gap within the integrated position. This means that the IJB's financial position is planned as an overspend of £4m for 2024/25. The current projected operational overspend is therefore higher than originally anticipated.

4.5.2 At this stage of the financial year, the projected position is based on known spend and activity during the first 3 months of the year only, with projections based on anticipated trends and spend patterns for the remaining 9 months. This highlights a degree of uncertainty and estimation in the projections, but also allows time for actions to be taken to help address some of the financial challenges in a planned and managed way.

4.5.3 The current financial position has been discussed at Senior and Extended Management Meetings, with actions being progressed to ensure both a robust understanding of financial drivers as well as implementing actions to improve the projected financial position. These actions include –

- Detailed analysis of Care at Home spend, alongside demand pressures
- Review of income recovery rates for chargeable social care services
- Review of services that are projecting an overspend, with the aim of returning these to within budget where safe to do so
- Ongoing consideration of 'discretionary' spend and supplementary staffing to minimise any non-essential or non-critical expenditure
- Continue progress to delivery current year savings plans and transformation plans to deliver a sustainable annual financial position

- 4.5.4 Within Lead Partner services, it is noted that GP Out of Hours service is projected a significant overspend for 24/25. This service is operationally and strategically managed by Angus IJB. The financial implications of this overspend is resulting in an unexpected additional cost pressure of £848k for Dundee under the Risk Sharing Agreement. It is proposed that Dundee IJB submit a formal request to Angus IJB for sight of the service Financial Recovery Plan.
- 4.5.5 Under the IJB’s Integration Scheme, where an unplanned year end overspend is projected, a Recovery Plan must be presented to address the in-year overspends and any recurring overspends for future years. Due to the early stage in the current financial year and operational actions being implemented, it is proposed that the development of a formal Recovery Plan is deferred to the IJB’s next meeting in October, where projections based on 31<sup>st</sup> August position will be available.
- 4.5.6 The 2024/25 projected overspend position could be managed from the combined earmark and general Reserves balances, however should this be required, the IJB’s Reserves would be reduced and would leave limited flexibility for future year planning.

**4.6 Reserves Position**

- 4.6.1 The IJB’s reserves position was reduced at the year ended 31<sup>st</sup> March 2024 as a result of the operational overspend of £3,744k during 2023/24. This resulted in the IJB having total committed reserves of £11,024k and uncommitted reserves of £6,789k at the start of 2024/25 financial year. This continues to provide the IJB with some 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 1 below:

Table 1

Reserve Purpose	Closing Reserves @ 31/3/24
	£k
Mental Health	1,036
Primary Care	1,859
Community Living Fund	0
NHST - Shifting Balance of Care	0
Drug & Alcohol	559
Strategic Developments	1,756
Revenue Budget Support	4,000
Service Specific	1,452
Other Staffing	362
<b>Total committed</b>	<b>11,024</b>
General	6,789
<b>TOTAL RESERVES</b>	<b>17,813</b>

- 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 The IJB’s Reserves Policy seeks to retain Reserves of 2% of budget (approximately £6.4m) however it is recognised that this is particularly challenging to maintain within the current financial climate with many IJB’s across the country having no reserves or below their respective reserves policies.

## 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

<b>Risk 1 Description</b>	There is a significant risk that the IJB is unable to deliver a balanced budget over the financial year.
<b>Risk Category</b>	Financial
<b>Inherent Risk Level</b>	Likelihood 4 x Impact 5 = Risk Scoring 20 (which is an Extreme Risk Level)
<b>Mitigating Actions</b> (including timescales and resources)	Regular financial monitoring reports to the IJB will highlight issues raised. Actions to be taken by Officers, Senior Management and Budget holders to manage overspending areas. Transformation and Strategic Delivery Plan to drive forward priorities towards a sustainable financial position
<b>Residual Risk Level</b>	Likelihood 3 x Impact 4 = Risk Scoring 12 (which is a High Risk Level)
<b>Planned Risk Level</b>	Likelihood 3 x Impact 3 = Risk Scoring 9 (which is a Moderate Risk Level)
<b>Approval recommendation</b>	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.

<b>Direction Required to Dundee City Council, NHS Tayside or Both</b>	<b>Direction to:</b>	
	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: 25 July 2024

		<b>Appendix 1</b>
<b>DUNDEE INTEGRATED JOINT BOARD - HEALTH &amp; SOCIAL CARE PARTNERSHIP - FINANCE REPORT</b>		<b>Jun-24</b>
	<b>Partnership Total</b>	
	<b>Net Budget £,000</b>	<b>Projected Overspend / (Underspend) £,000</b>
<b>Older Peoples Services</b>	76,788	997
<b>Mental Health</b>	11,622	31
<b>Learning Disability</b>	36,613	412
<b>Physical Disabilities</b>	8,658	(457)
<b>Drug and Alcohol Recovery Service</b>	5,947	(33)
<b>Community Nurse Services/AHP/Other Adult</b>	17,773	166
<b>Lead Partner Services</b>	25,119	462
<b>Other Dundee Services / Support / Mgmt</b>	35,049	132
<b>Centrally Managed Budgets</b>	(1,406)	(406)
<b>Total Health and Community Care Services</b>	<b>216,163</b>	<b>1,303</b>
Prescribing (FHS)	34,492	829
FHS Drugs Prescribing Cost Pressure Investment	1,052	(1,052)
Other FHS Prescribing	(657)	208
General Medical Services	31,292	468
FHS - Cash Limited & Non Cash Limited	23,900	(75)
Large Hospital Set Aside	21,711	0
In-Patient Mental Health	0	0
<b>Total</b>	<b>327,954</b>	<b>1,681</b>
Net Effect of Lead Partner Services*	(5,000)	516
Financial Plan Gap (integrated budget)	(4,000)	4,000
<b>Grand Total</b>	<b>318,954</b>	<b>6,197</b>
*Lead Partner Services (formerly known as 'Hosted Services') - Net Impact of Risk Sharing Adjustment		

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		<b>Appendix 2</b>	
<b>DUNDEE INTEGRATED JOINT BOARD - HEALTH &amp; SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2024/25</b>		<b>Jun-24</b>	
		<b>Partnership Total</b>	
		<b>Annual Budget £,000</b>	<b>Projected Overspend / (Underspend) £,000</b>
<b>1</b>			
	Psych Of Old Age (In Pat)	5,527	10
	Older People Serv. - Ecs	273	-25
	Older Peoples Serv. -Community	1,065	83
	Ijb Medicine for Elderly	6,814	200
	Medical ( P.O.A)	828	225
	Psy Of Old Age - Community	2,804	-150
	Medical (MFE)	2,454	0
	Care at Home	29,488	1,399
	Care Homes	29,809	-7
	Day Services	1,299	14
	Respite	520	-60
	Accommodation with Support	1,208	39
	Other	-5,301	-731
	<b>Older Peoples Services</b>	<b>76,788</b>	<b>997</b>
<b>2</b>			
	Community Mental Health Team	4,288	-75
	Tayside Adult Autism Consultancy Team	364	75
	Care at Home	-15	-153
	Care Homes	643	243
	Day Services	65	1
	Respite	-3	58
	Accommodation with Support	5,818	194
	Other	463	-312
	<b>Mental Health</b>	<b>11,622</b>	<b>31</b>
<b>3</b>			
	Learning Disability (Dundee)	1,619	0
	Care at Home	-315	353
	Care Homes	3,321	-47
	Day Services	9,752	443
	Respite	480	-185
	Accommodation with Support	23,954	-611
	Other	-2,198	459
	<b>Learning Disability</b>	<b>36,613</b>	<b>412</b>
<b>4</b>			
	Care at Home	1,101	-41
	Care Homes	2,290	-765
	Day Services	1,347	-72
	Respite	-26	123
	Accommodation with Support	813	143
	Other	3,133	154
	<b>Physical Disabilities</b>	<b>8,658</b>	<b>-457</b>
<b>5</b>			
	Dundee Drug Alcohol Recovery	4,453	225
	Care at Home	0	0
	Care Homes	380	55
	Day Services	70	-5
	Respite	0	0
	Accommodation with Support	350	-140
	Other	694	-169
	<b>Drug and Alcohol Recovery Service</b>	<b>5,947</b>	<b>-33</b>

		<b>Partnership Total</b>	
		<b>Annual Budget</b>	<b>Projected Overspend / (Underspend)</b>
		<b>£,000</b>	<b>£,000</b>
<b>6</b>			
	A.H.P.S Admin	515	8
	Physio + Occupational Therapy	7,428	10
	Nursing Services (Adult)	7,580	200
	Community Supplies - Adult	344	55
	Anticoagulation	483	-8
	Other Adult Services	1,422	-99
	<b>Community Nurse Services / AHP / Other Adult Services</b>	<b>17,773</b>	<b>166</b>
<b>7</b>			
	Palliative Care - Dundee	3,564	290
	Palliative Care - Medical	1,620	175
	Palliative Care - Angus	445	30
	Palliative Care - Perth	2,100	-25
	Brain Injury	2,022	-70
	Dietetics (Tayside)	3,851	50
	Sexual & Reproductive Health	2,591	-75
	Medical Advisory Service	80	-10
	Homeopathy	40	9
	Tayside Health Arts Trust	81	0
	Psychological Therapies	6,549	300
	Psychotherapy (Tayside)	1,093	-85
	Perinatal Infant Mental Health	220	23
	Learning Disability (Tay Ahp)	863	-150
	<b>Lead Partner Services</b>	<b>25,119</b>	<b>462</b>
<b>8</b>			
	Working Health Services	2	-40
	The Corner	638	-5
	Ijb Management	765	-15
	Partnership Funding	25,312	0
	Urgent Care	1,610	-40
	Community Health Team	196	-25
	Health Inclusion	1,163	-75
	Primary Care	845	-15
	Support Services / Management Costs	4,518	347
	<b>Other Dundee Services / Support / Mgmt</b>	<b>35,049</b>	<b>132</b>
	Centrally Managed Budget	-1,406	-406
	<b>Total Health and Community Care Services</b>	<b>216,163</b>	<b>1,303</b>
	<b>Other Contractors</b>		
	FHS Drugs Prescribing	34,492	829
	FHS Drugs Prescribing Cost Pressure Investment	1,052	-1,052
	Other FHS Prescribing	-657	208
	General Medical Services	30,820	335
	Dundee 2c (gms) Services	472	133
	FHS - Cash Limited & Non Cash Limited	23,900	-75
	Large Hospital Set Aside	21,711	0
	<b>Grand H&amp;SCP</b>	<b>327,954</b>	<b>1,681</b>
	Lead Partner Services Recharges Out	-15,311	-255
	Lead Partner Services Recharges In	10,211	871
	Hosted Recharge Cost Pressure Investment	100	-100
	<b>Hosted Services - Net Impact of Risk Sharing Adjustment</b>	<b>-5,000</b>	<b>516</b>
	<b>Financial Plan Gap (integrated budget)</b>	<b>-4,000</b>	<b>4,000</b>
	<b>Grand Total</b>	<b>318,954</b>	<b>6,197</b>

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - June 24			
	Annual Budget £000s	Forecast Over / (Underspend) £000s	Dundee Share of Variance £000s
<b>Lead Partner Services - Angus</b>			
Forensic Service	1,163	111	44
Out of Hours	9,284	2,152	848
Tayside Continence Service	1,527	534	210
Locality Pharmacy	2,314	0	0
Speech Therapy (Tayside)	1,494	14	6
<b>Sub-total</b>	<b>15,783</b>	<b>2,811</b>	<b>1,108</b>
Apprenticeship Levy & Balance of Savings Target	(304)	0	0
<b>Total Lead Partner Services - Angus</b>	<b>15,479</b>	<b>2,811</b>	<b>1,108</b>
<b>Lead Partner Services - Perth &amp; Kinross</b>			
Prison Health Services	4,959	146	57
Public Dental Service	1,841	(414)	(163)
Podiatry (Tayside)	3,664	(300)	(118)
<b>Sub-total</b>	<b>10,464</b>	<b>(568)</b>	<b>(224)</b>
Apprenticeship Levy & Balance of Savings Target	(27)	(31)	(12)
<b>Total Lead Partner Services - Perth&amp;Kinross</b>	<b>10,437</b>	<b>(599)</b>	<b>(236)</b>
<b>Total Lead Partner Services from Angus and P&amp;K</b>	<b>10,211</b>		<b>871</b>

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**Dundee IJB - Budget Savings List 2024-25**

**Appendix 4**

**Agreed Savings Programme**

	<b>Savings / Initiative</b>	<b>2024/25 Value £000</b>	<b>Risk of non-delivery</b>
	<b>Recurring Proposals</b>		
1)	Dundee City Council Review of Charges – Additional Income	313	Medium
2)	Additional Community Alarm Charge to DCC Housing	34	Low
3)	Redirect existing budget underspends	1,400	Low
4)	Reduction in Care Home Placements	1,100	Medium
5)	Review of Day Care Services	400	Medium
6)	Review of Direct Payment Commitments	100	Medium
7)	Care at Home Contract Efficiency review	447	Medium
8)	Review of Transport	150	Medium
9)	Use of Physical Resources / Quality of Environment	200	Medium
10)	Review of Contractual Commitments	300	Medium
11)	Review of residual Practical Support Service	150	Low
12)	Reduced Employer Contribution rate to DCC Pension scheme	300	Low
	<b>Total Recurring Savings / Initiatives</b>	<b>4,894</b>	
	<b>Non-Recurring Proposals</b>		
13)	Utilisation of IJB Reserves	4,000	Low
14)	Management of natural staff turnover – continuation of 23/24	700	Low
15)	Management of natural staff turnover / vacancy management	600	Medium
16)	Return of additional investment from Prescribing	493	Medium
	<b>Total Non Recurring Savings / Initiatives</b>	<b>5,793</b>	
	<b>Total Savings / Initiatives</b>	<b>10,687</b>	

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