



**REPORT TO: DUNDEE HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
27 AUGUST 2019**

REPORT ON: FINANCIAL MONITORING POSITION AS AT JUNE 2019

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB42-2019

1.0 PURPOSE OF REPORT

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 2019/20.

2.0 RECOMMENDATIONS

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

- 2.1 Notes the content of this report including the overall projected financial position for delegated services to the 2019/20 financial year end as at 30 June 2019 as outlined in Appendices 1, 2 and 3 of this report.
- 2.2 Notes that officers within the Health and Social Care Partnership will assess a number of actions required to effect a recovery plan which will be reflected in the August financial monitoring report to be presented at the IJB meeting of the 29th October 2019 as outlined in section 4.7.1 of this report.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 30 June 2019 shows a net projected overspend position at the year end of £2,316k. As a result of this projected position, officers within the Health and Social Care Partnership will assess a number of actions required to effect a recovery plan.

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 25 June 2019 following receipt of confirmation of NHS Tayside's budget (DIJB31-2019). Within this report, the risks around the prescribing budget were reiterated after being formally noted in the budget report presented to a meeting of the IJB held on 29 March 2019 (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 Integration Scheme, the risk sharing arrangements in relation to any residual overspends incurred by the end of the financial year will be met proportionately by the Council and NHS Tayside. Discussions will be ongoing throughout the financial year with both parties to consider the implications of this should an overspend arise. Officers within the partnership will however continue to explore areas to control expenditure and achieve the savings targets identified.

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 (More Detailed Position) and provides commentary on the reasons for significant variances, actions being taken to manage these and outlines the key elements of risk which may remain.

4.3 Services Delegated from NHS Tayside

4.3.1 The financial projection for services delegated from NHS Tayside to the IJB indicates a projected overspend of around £459k by the end of the financial year. Community based health services managed directly by Dundee Health and Social Care Partnership are projected to be underspent by approximately (£373k), while GP prescribing is projected to be overspent by £364k. A further overspend of £249k relates to General Medical /Family Health services and an overspend of £219k as a result of the net effect of hosted services risk sharing.

4.3.2 Service underspends are reported within Allied Health Professionals (£288k), Keep Well (£175k) and hosted services such as Psychology (£550k) and Sexual & Reproductive Health (£150k) mainly as a result of staff vacancies.

4.3.3 Service overspends are anticipated in Continuing Care £640k, Psychiatry of Old Age £163k and Intermediate Care £101k and Medicine for the Elderly £380k. These are associated with the Delayed Discharge issues highlighted at section 4.4.2 below. Community Mental Health services are also anticipated to be overspent by £215k. 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 prescribing budget currently projects a shortfall totalling £364k based on the expenditure trends to date. General Medical Services forecast an overspend of £247k.

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 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 £276k being recharged with the net impact of hosted services to Dundee being an overspend of £219k.

4.3.6 As with 2018/19, the financial position of Dundee City IJB continues 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. This has resulted in Dundee City IJB reducing its share of the estimated overspend to £296k, compared to the year-end overspend for 18/19 of £473k. This position is 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 through savings anticipated from Mental Health, Learning Difficulties, Inpatient and the Transformation Programme will to be monitored closely over the financial year.

4.4 Services Delegated from Dundee City Council

- 4.4.1 The financial projection for services delegated from Dundee City Council to the IJB shows an anticipated overspend of £1,857k based on the expenditure position to date.
- 4.4.2 A significant financial challenge facing the IJB's delegated budget continues to be the provision of home and community based social care at a sufficient level to meet increasing demographic demand and reduce delayed discharges in hospital while balancing financial resources. At this stage of the financial year, the activity in this area is at such a level that a significant overspend is projected across a range of services. An overspend of approximately £600k is anticipated within externally purchased care at home services while expenditure on private and voluntary sector care homes is significantly higher than projected with an increased number of placements compared to the previous year's position and anticipated trajectory resulting in a further overspend of around £450k. In addition, expenditure on respite care is higher than budget by around £145k again mainly due to high levels of demand. Furthermore, expenditure on the Assessment at Home Service, an essential part of the multi-disciplinary Enhanced Community Support Service was originally planned to be funded through reserves as part of transitional arrangements leading to a further overspend of £824k, however current reserve balances set aside for this purpose are no longer sufficient to support this level of spend.
- 4.4.3 A range of underspends within Learning Disabilities, Substance Misuse and Mental Health functions partly arising from staff turnover as well as slippage in the development of new services are currently projected to partly offset these budget pressure areas.

4.5 Reserves Position

- 4.5.1 The IJB's reserves position was adversely affected at the year ended 31st March 2019 as a result of a greater than anticipated overspend incurred during last financial year. The reserves position is noted below and is subject to the audit of the 2018/19 annual accounts.

	Opening Balance £000	Anticipated Commitments	Projected Net Position at Year end
Non-Earmarked Reserves	561	-	561
Earmarked Reserves – Transformation	400	(300)	100
Earmarked Reserves – Specific*	1,805	(1,805)	-
Total	2,766	(2,105)	661

*These balances mainly consist of Primary Care, ADP and Mental Health Action 15 Scottish Government Funds which must be spent on the purposes for which they were provided for. In addition, a balance of funding of around £300k is to be used to support the assessment at home service.

4.6 Savings and Transformation Plan

- 4.6.1 The IJB agreed a savings and transformation programme at its meeting of 29th March 2019 to the value of approximately £5.4m which was around £500k short of the required target to fully balance the budget. This shortfall is included within the projections contained within this report.
- 4.6.2 A risk assessment has been made of the full delivery of the savings as follows:

Risk Category	Value of Savings £000k
Green	2,558
Amber	932
Red	1,900
Total	5,390

In respect of the red categorised savings, £500k relates to the planned private and voluntary care home placements reduction included in the overspend above with the balance also reflected in the overall projected overspend position. These savings will continue to be progressed and monitored closely over the remainder of the financial year.

4.7 Recovery Action

4.7.1 Given the level of overspend projected and continued increasing demand for services officers from the Health and Social Care Partnership have commenced assessing a number of actions required to reduce expenditure. The implications of these will be reported in full at the IJB meeting of the 29th October 2019 and will include:

- 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.
- Continuous scrutiny of staff vacancies and managing these effectively where safe to do so
- Continuous review of discretionary spend across all service areas
- Review of specific expenditure areas such as Learning Disability Services
- Work with partners to ensure resources are maximised across the whole system supporting health and social care
- Review of progress of previously agreed savings proposals
- Options around use of remaining reserves

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: 5 August 2019

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		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	40,842	1,938	15,777	1,206	56,619	3,144
Mental Health	3,867	(196)	3,559	120	7,426	(76)
Learning Disability	23,738	(270)	1,409	40	25,147	(230)
Physical Disabilities	6,118	281	0	0	6,118	281
Substance Misuse	1,883	(199)	2,824	55	4,707	(144)
Community Nurse Services/AHP/Other Adult	966	88	12,449	(393)	13,415	(305)
Hosted Services	0	0	20,018	(384)	20,018	(384)
Other Dundee Services / Support / Mgmt	-366	215	25,704	(353)	25,337	(138)
Centrally Managed Budgets	0		-1,427	(664)	(1,427)	(664)
Total Health and Community Care Services	77,047	1,857	80,313	(373)	157,360	1,484
Prescribing (FHS)	0	0	32,569	364	32,569	364
Other FHS Prescribing	0	0	830	0	830	0
General Medical Services	0	0	24,939	247	24,939	247
FHS - Cash Limited & Non Cash Limited	0	0	18,165	2	18,165	2
Grand Total	77,047	1,857	156,816	240	233,863	2,097
Net Effect of Hosted Services*			6,074	219	6,074	219
Grand Total	77,047	1,857	162,890	459	239,937	2,316
Less: Planned Draw Down From Reserve Balances		0				0
Grand Total	77,047	1,857	162,890	459	239,937	2,316

*Hosted Services - Net Impact of Risk Sharing Adjustment

Dundee City Integration Joint Board – Health and Social Care Partnership – Finance Report June 2019

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Psychiatry Of Old Age (POA) (In Patient)			4,863	163	4,863	163
Older People Serv. – Ecs			37	0	37	0
Older Peoples Services -Community			510	0	511	0
Continuing Care			1,025	640	1,025	640
Medicine for the Elderly			5,274	380	5,274	380
Medical (POA)			668	0	668	0
Psychiatry Of Old Age (POA) - Community			1,972	(175)	1,972	(175)
Intermediate Care			(44)	101	(44)	101
Dundee- Supp People At Home			0	0	0	0
Medical (MFE)			1,472	98	1,472	98
Older People Services	40,842	1,983			40,842	1,938
Older Peoples Services	40,842	1,983	15,777	1206	56,619	3,144
General Adult Psychiatry			3,559	120	3,559	120
Mental Health Services	3,867	(196)			3,867	(196)
Mental Health	3,867	(196)	3,559	120	7,426	(76)
Learning Disability (Dundee)	23,738	(270)	1,409	40	25,147	(230)
Learning Disability	23,738	(270)	1,409	40	25,147	(230)

		Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
		Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
		£,000	£,000	£,000	£,000	£,000	£,000
Physical Disabilities		6,118	281			6,118	281
	Physical Disabilities	6,118	281	0	0	6,118	281
Substance Misuse		1,883	(199)	2,824	55	4,707	(144)
	Substance Misuse	1,883	(199)	2,824	55	4,707	(144)
A.H.P. Admin				406	(12)	406	(12)
Physiotherapy				3,777	(160)	3,777	(160)
Occupational Therapy				1,454	(116)	1,454	(116)
Nursing Services (Adult)				6,262	0	6,262	0
Community Supplies - Adult				155	(25)	155	(25)
Anticoagulation				394	(80)	394	(80)
Joint Community Loan Store				0	0	0	0
Intake/Other Adult Services		966	88			966	88
	Community Nurse Services / AHP / Intake / Other Adult Services	966	88	12,449	(393)	13,415	(305)

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Palliative Care – Dundee			2,774	0	2,774	0
Palliative Care – Medical			1,152	10	1,152	10
Palliative Care – Angus			348	0	348	0
Palliative Care – Perth			1,730	150	1,730	150
Brain Injury			1,710	200	1,710	200
Dietetics (Tayside)			3,001	(20)	3,001	(20)
Sexual and Reproductive Health			2,175	(150)	2,175	(150)
Medical Advisory Service			160	(88)	160	(88)
Homeopathy			28	4	28	4
Tayside Health Arts Trust			62	0	62	0
Psychology			5,190	(550)	5,190	(550)
Psychotherapy (Tayside)			863	120	863	120
Learning Disability (Tayside AHP)			825	(60)	825	(60)
Hosted Services	0	0	20,018	(384)	20,018	(384)
Working Health Services			0	0	0	0
The Corner			416	(8)	416	(8)
Grants Voluntary Bodies Dundee			84	0	84	0
IJB Management			807	(100)	807	(100)
Partnership Funding			22,768	0	22,768	0
Urgent Care			0	0	0	0
Public Health			469	0	469	0
Keep Well			630	(175)	630	(175)
Primary Care			529	(70)	529	(70)
Support Services/Management Costs	(366)	215			(366)	(215)
Other Dundee Services / Support / Mgmt	(366)	215	25,704	(353)	25,337	(138)

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Centrally Managed Budgets			(1,427)	(664)	(1427)	(664)
Total Health and Community Care Services	77,047	1,857	80,313	(373)	157,360	1,484
Other Contractors						
Prescribing (FHS)			32,569	364	32,569	364
Other FHS Prescribing			830	0	830	0
General Medical Services			24,939	247	24,939	247
FHS - Cash Limited and Non Cash Limited			18,165	2	18,165	2
Grand Total HSCP	77,047	1,857	156,816	240	233,863	2,097
Hosted Recharges Out			(11,887)	(58)	(11,887)	(58)
Hosted Recharges In			17,961	276	17,961	276
Hosted Services - Net Impact of Risk Sharing Adjustment			6,074	219	6,074	219
Less: Planned Draw Down from Reserves						
Total	77,047	1,857	162,890	459	239,937	2,316

**NHS Tayside - Services Hosted by Integrated Joint Boards - Charge to Dundee IJB
Risk Sharing Agreement - June 2019**

Services Hosted in Angus	Annual Budget	Forecast Over (Underspend)	Dundee Allocation
Forensic Service	991,113	(95,000)	(37,430)
Out of Hours	7,443,345	(33,000)	(13,002)
Tayside Continence Service	1,440,352	(33,000)	(13,002)
Ang-loc Pharmacy	1,850,651	0	0
Speech Therapy (Tayside)	1,128,661	(39,500)	(15,563)
Hosted Services	12,854,122	(200,500)	(78,997)
Apprenticeship Levy	41,188	704	277
Balance of Savings Target	-109,308	109,308	43,067
Grand Total Hosted Services	12,786,002	(90,488)	(35,652)
Services Hosted in Perth			
Angus Gap Inpatients	2,095,480	275,000	108,350
Dundee Gap Inpatients	6,078,856	337,500	132,975
Dundee Gap Snr Medical	2,032,833	25,000	9,850
P+K Gap Inpatients	5,771,043	50,000	19,700
Learning Disability (Tayside)	6,418,630	65,000	25,610
T.A.P.S.	704,868	(7,500)	(2,955)
Tayside Drug Problem Services	830,784	(50,000)	(19,700)
Prison Health Services	3,926,385	(38,500)	(15,169)
Public Dental Service	2,115,396	(6,500)	(2,561)
Podiatry (Tayside)	3,035,794	(186,000)	(73,284)
Hosted Services	33,010,069	464,000	182,816
Apprenticeship Levy - Others	41,700	304	120
Apprenticeship Levy - IPMH	76,600	(1,064)	(419)
Balance of Savings Target	(36,894)	291,765	114,955
Balance of Savings Target - IPMH	(291,765)	36,894	14,536
Grand Total Hosted Services	32,799,710	791,899	312,008
Total Hosted Services	45,585,712	701,411	276,356