



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
23 AUGUST 2023

REPORT ON: FINANCIAL MONITORING POSITION AS AT JUNE 2023

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB49-2023

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 year-end financial position for delegated health and social care services for 2023/24.

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 for the 2023/24 financial year end as at 30th June 2023 as outlined in Appendices 1, 2, and 3 of this report.

3.0 FINANCIAL IMPLICATIONS

3.1 The projected financial position for Dundee Health and Social Care Partnership for the financial year to 31st March 2024 shows a net operational overspend of £2,852k. This projected overspend remains within the parameters of the IJB's approved 2023/24 financial plan, whereby up to £3m of Reserves have been identified to support the IJB's financial position at the year end.

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 29th March 2023 (Article IV of the minute of the 29 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 2023/24 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 Services Delegated from NHS Tayside

4.3.1 The financial position for services delegated from NHS Tayside to the IJB details a projected overspend of £770k for the financial year.

4.3.2 Community-based health services managed directly by Dundee Health and Social Care Partnership are projected to underspend by (£1,967k) partly offset by the additional cost of risk sharing adjustments for Lead Partner Service (formerly referred to as Hosted Services) of £1,019k. Prescribing is showing a projected overspend of £1,354k with other Primary Care services projected to be overspent by £364k.

4.3.3 Key drivers of underspends across various services continued 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) and other staffing groups and across various bands and skills-mix.

4.3.4 Key drivers of overspends tend to be 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 (this is particularly noted in in-patient service areas, i.e. Psychiatry of Old Age, Medicine for the Elderly and Palliative Care), plus the increased cost of prescribed drug costs in substance use services.

4.3.5 In recent years, GP and Other Family Health Services Prescribing had contributed an underspend to the overall financial position. However as previously forecast, the projected position for 2023/24 is now showing an overspend of £1,354k. At this early stage, the figures are marginally better than expected in the 2023/24 Financial Plan (as reported in the Budget Setting report of 29 March 2023 where a cost pressure of £1,500k is anticipated). The anticipated Plan figures allows for volume growth of 3% and pricing growth of 2% on 2022/23 baseline spend. Ongoing regular monitoring of the local and regional Prescribing financial position is undertaken within multi-disciplinary meetings. Nationally, it is recognised that prices have also been impacted by short supply for certain items with price premiums required to meet wholesale cost increases, and this continues to cause some fluctuations and uncertainty.

4.3.6 Other Primary Care Service projected overspend is mainly driven by the share of cost pressure relating to GP 2C practices.

4.3.7 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 £1,019k 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. Work is ongoing within the service to develop a financial recovery plan and future sustainable service delivery model.

4.3.8 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. Discussions continue between the 3 Integration Joint Boards Chief Officers and Chief Finance Officers and NHS Tayside Chief Executive and Director of Finance with respect to the longer-term financial planning and risk sharing arrangements.

4.4 Services Delegated from Dundee City Council

4.4.1 The projected financial outturn for services delegated from Dundee City Council to the IJB shows an overspend of £2,082k for the financial year.

4.4.2 A key driver of underspending areas continues to be from vacancies as a result of recruitment and retention challenges across various teams, professions and grades.

4.4.3 Key drivers of overspend include ongoing lower chargeable income levels and premium cost of sessional and agency staff to fill vacant posts where necessary.

4.4.4 An additional cost pressure is also noted within external Care at Home spend, partially due to the legacy impact of using non-framework providers (at higher cost) for packages of care during the pandemic as a result of demand pressures. Work is ongoing to absorb these packages back to commissioned framework providers. Furthermore, the planned contract change to paying providers for shifts worked under Fairer Working Conditions in Home Care arrangements (DIJB30-2023) has resulted in varying efficiencies in the utilisation of downtime and operational managers continue to work with providers to improve this. This position will be closely monitored to ensure funding is utilised as efficiently and effectively as possible.

4.4.5 The 2023/24 Financial Plans and Budget setting report also includes utilisation of up to £3m of IJB Reserves to manage the gap. This 'additional' funding is not currently included in the projected outturn position for 2023/24 and therefore a projected operational overspend of up to £3m is currently in line with the expectations for the current financial year.

4.5 Financial Impact of the COVID-19 Response

4.5.1 While significant additional funding was made available in previous years to support the additional expenditure incurred by Dundee Health and Social Care Partnership as a result of the Covid19 pandemic, it has previously been recognised and reported that no additional funding will be made available for this purpose after the end of 2022/23 and any legacy expenditure must be managed within existing resources.

4.6 Reserves Position

4.6.1 The IJB's reserves position significantly improved at the year ended 31st March 2023 as a result of the IJB generating an operational surplus of £7,531k during 2022/23. This resulted in the IJB having total committed reserves of £13,179 and uncommitted reserves of £10,789k at the start of 2023/24 financial year. This provided the IJB with more 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 2 below:

Table 2

Reserve Purpose	Closing Reserves @ 31/3/23
	£k
Mental Health	635
Primary Care	1,535
Community Living Fund	613
NHST - Shifting Balance of Care	1,600
Drug & Alcohol	925
Strategic Developments	2,500
Revenue Budget Support	3,000
Service Specific	1,995
Other Staffing	377
Total committed	13,179
General	10,789
TOTAL RESERVES	23,968

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.

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

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 2 x Impact 4 = Risk Scoring 8 (which is a High Risk Level)
Mitigating Actions (including timescales and resources)	Regular financial monitoring reports to the IJB will highlight issues raised.
Residual Risk Level	Likelihood 2 x Impact 3 = Risk Scoring 6 (which is a Moderate Risk Level)
Planned Risk Level	Likelihood 2 x Impact 3 = Risk Scoring 6 (which is a Moderate Risk Level)
Approval recommendation	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.

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: 26th July 2023

Christine Jones
Partnership Finance Manager

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DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2023/24

Jun-23

	Dundee City Council Delegated Services		NHST Dundee Delegated		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	53,823	(282)	19,403	375	73,226	93
Mental Health	6,762	581	4,675	(50)	11,437	531
Learning Disability	32,833	(206)	1,653	(70)	34,486	(276)
Physical Disabilities	8,398	(478)	0	0	8,398	(478)
Drug and Alcohol Recovery Service	1,799	(470)	4,373	500	6,172	30
Community Nurse Services/AHP/Other Adult	-253	(107)	17,198	35	16,945	(72)
Lead Partner Services			24,636	(376)	24,636	(376)
Other Dundee Services / Support / Mgmt	(925)	3,044	31,368	(483)	30,443	2,561
Centrally Managed Budgets			-9,647	(1,899)	(9,647)	(1,899)
Total Health and Community Care Services	102,437	2,082	93,660	(1,967)	196,096	115
Prescribing (FHS)			33,832	1,544	33,832	1,544
Other FHS Prescribing			-864	(190)	(864)	(190)
General Medical Services			29,241	374	29,241	374
FHS - Cash Limited & Non Cash Limited			23,802	(10)	23,802	(10)
Large Hospital Set Aside			20,776	0	20,776	0
Total	102,437	2,082	200,446	(249)	302,883	1,833
Net Effect of Lead Partner Services*			(5,341)	1,019	(5,341)	1,019
Grand Total	102,437	2,082	195,105	770	297,542	2,852

*Lead Partner Services (formerly known as 'Hosted Services') - Net Impact of Risk Sharing Adjustment

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DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2022/23

Jun-23

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Overspend / (Underspend)	Annual Budget	Projected Overspend / (Underspend)	Annual Budget	Projected Overspend / (Underspend)
	£,000	£,000	£,000	£,000	£,000	£,000
1						
Psych Of Old Age (In Pat)			5,523	150	5,523	150
Older People Serv. - Ecs			289	-30	289	-30
Older Peoples Serv. -Community			873	-30	873	-30
Ijb Medicine for Elderly			6,803	200	6,803	200
Medical (P.O.A)			778	175	778	175
Psy Of Old Age - Community			2,826	-50	2,826	-50
Medical (MFE)			2,312	-40	2,312	-40
Care at Home	25,761	470			25,761	470
Care Homes	29,529	36			29,529	36
Day Services	1,205	85			1,205	85
Respite	786	24			786	24
Accommodation with Support	1,102	24			1,102	24
Other	-4,559	-920			-4,559	-920
Older Peoples Services	53,823	-282	19,403	375	73,226	93
2						
Community Mental Health Team			4,675	-50	4,675	-50
Care at Home	832	63			832	63
Care Homes	387	426			387	426
Day Services	65	-12			65	-12
Respite	-3	75			-3	75
Accommodation with Support	4,690	467			4,690	467
Other	792	-437			792	-437
Mental Health	6,762	581	4,675	-50	11,437	531
3						
Learning Disability (Dundee)			1,653	-70	1,653	-70
Care at Home	-590	409			-590	409
Care Homes	3,274	-660			3,274	-660
Day Services	9,139	1,144			9,139	1,144
Respite	445	-115			445	-115
Accommodation with Support	23,365	-1,851			23,365	-1,851
Other	-2,801	868			-2,801	868
Learning Disability	32,833	-206	1,653	-70	34,486	-276
4						
Care at Home	1,422	-254			1,422	-254
Care Homes	2,119	-240			2,119	-240
Day Services	1,415	-162			1,415	-162
Respite	-45	67			-45	67
Accommodation with Support	501	40			501	40
Other	2,986	71			2,986	71
Physical Disabilities	8,398	-478	0	0	8,398	-478
5						
Dundee Drug Alcohol Recovery			4,373	500	4,373	500
Care at Home	0	0			0	0
Care Homes	356	224			356	224
Day Services	0	-1			0	-1
Respite	64	0			64	0
Accommodation with Support	0	-119			0	-119
Other	1,379	-575			1,379	-575
Drug and Alcohol Recovery Service	1,799	-470	4,373	500	6,172	30

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Projected Overspend / (Underspend) £,000	Annual Budget £,000	Projected Overspend / (Underspend) £,000	Annual Budget £,000	Projected Overspend / (Underspend) £,000
6						
A.H.P.S Admin			514	5	514	5
Physio + Occupational Therapy			7,411	-115	7,411	-115
Nursing Services (Adult)			8,421	200	8,421	200
Community Supplies - Adult			344	10	344	10
Anticoagulation			508	-65	508	-65
Other Adult Services	-253	-107			-253	-107
Adult Services	-253	-107	17,198	35	16,945	-72
7						
Palliative Care - Dundee			3,637	195	3,637	195
Palliative Care - Medical			1,536	105	1,536	105
Palliative Care - Angus			444	20	444	20
Palliative Care - Perth			2,070	-40	2,070	-40
Brain Injury			2,047	-25	2,047	-25
Dietetics (Tayside)			3,804	75	3,804	75
Sexual & Reproductive Health			2,527	-90	2,527	-90
Medical Advisory Service			90	-14	90	-14
Homeopathy			31	15	31	15
Tayside Health Arts Trust			82	0	82	0
Psychological Therapies			6,146	-163	6,146	-163
Psychotherapy (Tayside)			1,102	-225	1,102	-225
Perinatal Infant Mental Health			182	0	182	0
Learning Disability (Tay Ahp)			938	-230	938	-230
Lead Partner Services	0	0	24,636	-376	24,636	-376
8						
Working Health Services			1	20	1	20
The Corner			637	-30	637	-30
Ijb Management			864	-75	864	-75
Partnership Funding			25,515	0	25,515	0
Urgent Care			1,660	-75	1,660	-75
Community Health Team			189	-23	189	-23
Health Inclusion			1,175	-175	1,175	-175
Primary Care			1,327	-125	1,327	-125
Support Services / Management Costs	-925	3,044			-925	3,044
Other Dundee Services / Support / Mgmt	-925	3,044	31,368	-483	30,443	2,561
Centrally Managed Budget			-9,647	-1,899	-9,647	-1,899
Total Health and Community Care Services	102,437	2,082	93,660	-1,967	196,096	115
Other Contractors						
FHS Drugs Prescribing			33,832	1,544	33,832	1,544
Other FHS Prescribing			-864	-190	-864	-190
General Medical Services			29,241	374	29,241	374
FHS - Cash Limited & Non Cash Limited			23,802	-10	23,802	-10
Large Hospital Set Aside			20,776	0	20,776	0
Grand H&SCP	102,437	2,082	200,446	-249	302,883	1,833
Lead Partner Services Recharges Out			-15,102	338	-15,102	338
Lead Partner Services Recharges In			9,760	681	9,760	681
Adjustment			-5,341	1,019	-5,341	1,019
Grand Total	102,437	2,082	195,105	770	297,542	2,852

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - June 2023			
	Annual Budget £000s	Forecast Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,130	180	71
Out of Hours	8,846	1,800	709
Locality Pharmacy	1,467	52	20
Tayside Continence Service	2,178	0	0
Speech Therapy (Tayside)	1,402	80	32
Sub-total	15,023	2,112	832
Apprenticeship Levy & Balance of Savings Target	56	(45)	(18)
Total Lead Partner Services - Angus	15,079	2,067	814
Lead Partner Services - Perth & Kinross			
Prison Health Services	4,452	7	3
Public Dental Service	1,742	0	0
Podiatry (Tayside)	3,695	(344)	(135)
Sub-total	9,889	(337)	(133)
Apprenticeship Levy & Balance of Savings Target	(195)	(2)	(1)
Total Lead Partner Services - Perth&Kinross	9,694	(338)	(133)
Total Lead Partner Services from Angus and P&K	9,760		681

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Dundee IJB - Budget Savings List 2023-24			Appendix 4
Agreed Savings Programme			
Savings / Initiative	2023/24 Value £000	Risk of non-delivery	
Recurring Proposals			
1)	Dundee City Council Review of Charges – Additional Income	287	Medium
2)	Remove 2022/23 Budget Contingency	300	Low
3)	Reduce Service Budgets for Supplies and Services and Transport Costs	300	Low
4)	Impact of National Insurance Increase Policy Change	550	Low
	Total Recurring Savings / Initiatives	1,437	
Non-Recurring Proposals			
5)	Utilisation of IJB Reserves – Previously Agreed by IJB	2,500	Low
6)	Proposed Further Utilisation of Reserves	500	Low
7)	Management of natural staff turnover	700	Low
	Total Non Recurring Savings / Initiatives	3,700	
	Total Savings / Initiatives	5,137	

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