



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
27 OCTOBER 2021

REPORT ON: FINANCIAL MONITORING POSITION AS AT 27 OCTOBER 2021

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB52-2021

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 2021/22 including an overview of the costs and financial risks associated with Dundee Health and Social Care Partnership's response to the COVID-19 crisis.

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 2021/22 financial year end as at 31st August 2021 as outlined in Appendices 1, 2, 3 and 4 of this report.
- 2.2 Notes the costs and financial risks associated with Dundee Health and Social Care Partnership's response to the COVID-19 crisis as set out in section 4.5 of this report.
- 2.3 Notes that officers within the Health and Social Care Partnership will continue to carefully monitor expenditure and develop a range of actions to mitigate any overspend.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The underlying financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 31st August 2021 (excluding any implications of additional COVID-19 spend) shows a net projected underspend position at the year-end of £524k.
- 3.2 Dundee Health and Social Care Partnership continues to incur additional expenditure associated with the response to the Covid19 pandemic in line with the remobilisation plan as agreed by Dundee IJB at its meeting held on 21st April 2021 (Article X of the minute refers). The Scottish Government provided additional funding throughout 2020/21 to support these additional costs which included provision for unforeseen additional expenditure at the year end period due to the uncertainty of a range of costs. The Scottish Government instructed that any surplus funding at the year end would sit as earmarked in IJB's reserve balances and must be drawn down to cover additional Covid19 related spend in 2021/22 before any additional funding would be provided to cover 2021/22 Covid19 spend. Dundee IJB has a total of £6.1m of Covid19 reserves.
- 3.3 The projected total cost of the most recent Mobilisation Plan financial return submitted to the Scottish Government in July 2021 (Quarter 1 return) is £7.3m and they have advised that this return will be used as the basis for any future additional funding allocations.

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 26th March 2021 (Article IV of the minute of the 26th 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 2021/22 financial year. An updated assessment of the status of the savings plan is set out in Appendix 4 of this report.
- 4.1.3 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 the IJB's projected financial position. Officers within the Partnership will continue to explore areas to control expenditure and achieve the savings targets identified.
- 4.1.4 The enclosed financial reporting has been enhanced to include more detail of operational services financial performance as requested by IJB members.

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. These figures exclude the potential cost implications of responding to the COVID-19 crisis.

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 underspend of around £1,356k by the end of the financial year. Assuming all additional Covid costs are covered by additional funding, community based health services managed directly by Dundee Health and Social Care Partnership are projected to be underspent by approximately (£993k) and overall prescribing is projected to be underspend by (£715k).
- 4.3.2 Service underspends are also reported within Community Based Psychiatry of Old Age (£595k), hosted services such as Psychology (£202k), Tayside Dietetics (£43k), Learning Disability (Tayside Allied Health Professionals) (£159k), Drugs and Alcohol Recovery service of (£116k) and Sexual & Reproductive Health (£257k) mainly as a result of staff vacancies. Further underspends totalling (£359k) are anticipated within Public Health, Primary Care and Keep Well services.
- 4.3.3 Service overspends are anticipated in Enhanced Community Support £564k, Medicine for the Elderly £161k and Psychiatry of Old Age In-Patients £150k. Occupational Therapy budgets are projected to be overspent by £601k (however a budget realignment with Physiotherapy is being looked at), with further overspends arising in Community Nursing of £359k, and General Adult Psychiatry of £274k. Additional staffing pressures have contributed to the adverse position.

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 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 hosted services to Dundee being an overspend of £206k which mainly relates to higher spend within Out of Hours and Forensic Medical Services hosted by Angus IJB.

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 £832k.

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. As a result of this, older people care at home services are projected to be overspent by around £1,614k at this stage of the financial year. This is partly offset by an underspend in respite care for older people of £75k, partly as a result of the Covid Pandemic. Care home spend for mental health service users is projected to be £404k overspent however a review will be undertaken to realign care home budgets for adults given large underspends in learning disability, physical disability and drug and alcohol recovery care home budgeted expenditure.

4.4.3 Demand for learning disability services continues to be high with overspends projected in the provision of day services (£336k).

4.5 Financial Impact of the COVID-19 Response

4.5.1 The Health & Social Care Partnership's response to the Covid19 pandemic continues to evolve as the impact of the pandemic changes and is reflected in the HSCP's remobilisation plan. Consistent with the remobilisation plan, a quarterly financial return outlining Covid19 additional expenditure is required by the Scottish Government. The 2021/22 quarterly return was submitted to the Scottish Government at the end of July 2021, the detail of which is set out in table 1 of this report. A further quarterly return to end September is being collated and the details of this will be shared with the IJB in the next Financial Monitoring report.

4.5.2 The Scottish Government provided additional funding throughout 2020/21 to support these additional costs which included provision for unforeseen additional expenditure at the year end period due to the uncertainty of a range of costs. The Scottish Government instructed that any surplus funding at the year end would sit as earmarked in IJB's reserve balances and must be drawn down to cover additional Covid19 related spend in 2021/22 before any additional funding would be provided to cover 2021/22 Covid19 spend. Dundee IJB has a total of £6.1m of Covid19 reserves. The quarter 1 finance return will be used by the Scottish Government to determine any further Covid19 funding requirements of IJBs. Until this is confirmed, there is therefore a risk that the additional funding and value of the reserves brought forward is insufficient to meet the additional costs.

4.5.3 The Scottish Government recently agreed to extend the financial support offered to social care providers throughout the pandemic to date and funded through IJB remobilisation funding until March 2022. This element has been the most significant cost within the remobilisation plan to date and includes continued payment of underoccupancy payments to care homes (until the end of October 2021), payments for additional staff sickness and cover and additional PPE.

- 4.5.4 The providers financial support claim process involves assessment and scrutiny as well as benchmarking where possible by contracts officers and commissioning leads with a recommendation made to the Chief Finance Officer of Dundee IJB as to the reasonableness of the request. The Chief Finance Officer considers these recommendations and other considerations prior to authorising additional provider payments.
- 4.5.5 The latest financial summary of the mobilisation plan as submitted to the Scottish Government in July 2021 (Quarter 1 return) is as follows:

Table 1

Mobilisation Expenditure Area	Estimated Additional Expenditure to Year End (2021/22) £000
Additional Care Home Placements	150
PPE	58
Additional Staff Cover / Temporary Staff	2,560
Provider Sustainability Payments	1,474
IT / Telephony	50
Additional Family Health Services Contractor Costs	113
Additional Family Health Services Prescribing Costs	276
Loss of Charging Income	488
Additional Equipment and Maintenance	207
Primary Care	205
Additional Services within Remobilisation Plan	1,118
Other Costs	158
Anticipated Underachievement of Savings	481
Total Projected Mobilisation Costs	7,338

Please note this is based on a range of assumptions, including national agreements therefore is subject to change as actual expenditure figures become clearer throughout the financial year.

4.6 Reserves Position

- 4.6.1 The IJB's reserves position considerably improved at the year ended 31st March 2021 as a result of the IJB generating an operational surplus of £2,041k during 2020/21 and the impact of the release of significant funding to all IJB's by the Scottish Government for specific initiatives to be held as earmarked reserves. This results in the IJB having total committed reserves of £11,734k and uncommitted reserves of £2,094k. This leaves 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	Reserves Balance @ 31/3/21
	£k
Primary Care	2,424
Mental Health Action 15	527
ADP	358
Service Specific Projects	129
Community Living Change Fund	613
Covid-19	6,084
NHST - shifting balance of care	1,600
Total Committed Reserves	11,734
General Reserves (Uncommitted)	2,094

- 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 will be taken into consideration for these funds by the Scottish Government when releasing further in-year funding.
- 4.6.3 Similarly the provision of Covid19 funding can only be set against Covid19 related additional expenditure and this must be drawn down first before the Scottish Government will release any further funding during 2021/22.
- 4.6.4 Due to the nature of how reserves must be treated within the IJB's accounts, the actual position at the end of 2021/22 will show a significant overspend against these funding streams as the total reserves to be applied (nb the funding of these services) can only be drawn down at the financial year end. The figures included in this financial monitoring report present these additional costs as having already been met from reserves.

4.7 Savings Plan

- 4.7.1 The IJB's savings for 2021/22 were initially agreed at the IJB meeting of 26 March 2021 (item IV of the minute refers) and subsequently revised following confirmation of additional Scottish Government Funding as agreed at the IJB meeting of 23 June 2021 (Item IX of the minute refers.) The total savings to be delivered during 2020/21 amount to £2,042k and at this stage of the financial year it is considered that the risk of these not being delivered are generally low. This assessment is set out in Appendix 4.

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 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 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.

	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	41,213	1,101	16,848	168	58,060	1,269
					0	0
Mental Health	4,982	164	3,891	274	8,872	438
Learning Disability	28,027	417	1,509	(72)	29,536	345
Physical Disabilities	5,012	(270)	0	0	5,012	(270)
Drug and Alcohol Recovery Service	1,213	(296)	2,863	(116)	4,076	(412)
Community Nurse Services/AHP/Other Adult	484	(99)	14,421	169	14,905	70
Hosted Services			21,268	(690)	21,268	(690)
Other Dundee Services / Support / Mgmt	2,568	(184)	29,581	(241)	32,149	(425)
Centrally Managed Budgets			2,177	(486)	2,177	(486)
Total Health and Community Care Services	83,498	832	92,557	(993)	176,055	(161)
Prescribing (FHS)			32,909	(684)	32,909	(684)
Other FHS Prescribing			194	(31)	194	(31)
General Medical Services			27,281	136	27,281	136
FHS - Cash Limited & Non Cash Limited			22,314	10	22,314	10
Large Hospital Set Aside			0	0	0	0
Total	83,498	832	175,255	(1,562)	258,753	(730)
Net Effect of Hosted Services*			(3,299)	206	(3,299)	206
Grand Total	83,498	832	171,956	(1,356)	255,454	(524)

*Hosted Services - Net Impact of Risk Sharing Adjustment

- AHP – Allied Health Professionals
- FHS – Family Health Services

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2021/22						Aug-21
	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
1						
Psych Of Old Age (In Pat)			4,712	150	4,712	150
Older Peoples Serv. - Ecs			1,138	564	1,138	564
Older Peoples Serv. -Community			594	-241	594	-241
Ijb Medicine for Elderly			5,673	161	5,673	161
Medical (P.O.A)			713	237	713	237
Psy Of Old Age - Community			2,345	-595	2,345	-595
Intermediate Care			13	-13	13	-13
Medical (MFE)			1,659	-96	1,659	-96
Care at Home	19,200	1,614			19,200	1,614
Care Homes	25,238	80			25,238	80
Day Services	1,009	-72			1,009	-72
Respite	590	-75			590	-75
Accommodation with Support	276	40			276	40
Other	-5,100	-486			-5,100	-486
Older Peoples Services	41,213	1,101	16,848	168	58,060	1,269
2						
General Adult Psychiatry			3,891	274	3,891	274
Care at Home	39	-32			39	-32
Care Homes	372	404			372	404
Day Services	63	-34			63	-34
Respite	0	23			0	23
Accommodation with Support	4,109	-109			4,109	-109
Other	398	-89			398	-89
Mental Health	4,982	164	3,891	274	8,872	438
3						
Learning Disability (Dundee)			1,509	-72	1,509	-72
Care at Home	42	-16			42	-16
Care Homes	2,801	-131			2,801	-131
Day Services	7,883	336			7,883	336
Respite	549	-117			549	-117
Accommodation with Support	20,281	-122			20,281	-122
Other	-3,529	467			-3,529	467
Learning Disability	28,027	417	1,509	-72	29,536	345

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000
4						
Care at Home	807	-56			807	-56
Care Homes	1,856	-109			1,856	-109
Day Services	1,226	-200			1,226	-200
Respite	16	-59			16	-59
Accommodation with Support	572	-279			572	-279
Other	535	434			535	434
Physical Disabilities	5,012	-270	0	0	5,012	-270
5						
Dundee Drug Alcohol Recovery			2,863	-116	2,863	-116
Care at Home	0	0			0	0
Care Homes	324	-138			324	-138
Day Services	60	1			60	1
Respite	0	0			0	0
Accommodation with Support	287	-24			287	-24
Other	543	-135			543	-135
Drug and Alcohol Recovery Service	1,213	-296	2,863	-116	4,076	-412
6						
A.H.P.S Admin			452	0	452	0
Physiotherapy			4,423	-772	4,423	-772
Occupational Therapy			1,562	601	1,562	601
Nursing Services (Adult)			7,232	359	7,232	359
Community Supplies - Adult			310	35	310	35
Anticoagulation			440	-54	440	-54
Other Adult Services	484	-99			484	-99
Adult Services	484	-99	14,421	169	14,905	70
7						
Palliative Care - Dundee			2,954	-32	2,954	-32
Palliative Care - Medical			1,286	57	1,286	57
Palliative Care - Angus			372	14	372	14
Palliative Care - Perth			1,870	2	1,870	2
Brain Injury			1,848	-77	1,848	-77
Dietetics (Tayside)			3,213	-43	3,213	-43
Sexual & Reproductive Health			2,307	-257	2,307	-257
Medical Advisory Service			106	-50	106	-50
Homeopathy			29	6	29	6
Tayside Health Arts Trust			65	0	65	0
Psychology			5,428	-202	5,428	-202
Psychotherapy (Tayside)			915	52	915	52
Learning Disability (Tay Ahp)			875	-159	875	-159
Hosted Services	0	0	21,268	-690	21,268	-690

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000
8						
Working Health Services			0	20	0	20
The Corner			445	-15	445	-15
Grants Voluntary Bodies Dundee			0	0	0	0
Ijb Management			543	116	543	116
Partnership Funding			26,626	0	26,626	0
Urgent Care			143	-2	143	-2
Public Health			587	-100	587	-100
Keep Well			600	-103	600	-103
Primary Care			636	-156	636	-156
Support Services / Management Costs	2,568	-184			2,568	-184
Mgmt	2,568	-184	29,581	-241	32,149	-425
Centrally Managed Budget			2,177	-486	2,177	-486
Services	83,498	832	92,557	-993	176,055	-161
Other Contractors						
FHS Drugs Prescribing			32,909	-684	32,909	-684
Other FHS Prescribing			194	-31	194	-31
General Medical Services			27,281	136	27,281	136
FHS - Cash Limited & Non Cash Limited			22,314	10	22,314	10
Large Hospital Set Aside			0	0	0	0
Grand H&SCP	83,498	832	175,255	-1,562	258,753	-730
Hosted Recharges Out			-12,625	-64	-12,625	-64
Hosted Recharges In			9,326	270	9,326	270
Sharing Adjustment			-3,299	206	-3,299	206
Grand Total	0	832	171,956	-1,356	255,454	-524

**NHS Tayside - Services Hosted by Integrated Joint Boards - Charge to Dundee
Integration Joint Board
Risk Sharing Agreement – June 2021**

Appendix 3

	Annual Budget	Forecast Over (Underspend)	Dundee Allocation
Services Hosted in Angus			
Forensic Service	1,061,715	(250,000)	(98,500)
Out of Hours	7,679,846	(750,000)	(295,500)
Locality Pharmacy	2,085,159	0	0
Tayside Continence Service	1,517,184	(33,000)	(13,000)
Speech Therapy (Tayside)	1,237,773	10,000	3,900
Hosted Services	13,581,677	(1,023,000)	(403,100)
Apprenticeship Levy	46,000	(3,000)	(1,200)
Baseline Uplift surplus / (gap)	98,028	0	0
Balance of Savings Target	(24,734)	(24,734)	(9,700)
Grand Total Hosted Services	13,700,971	(1,050,734)	(414,000)
Services Hosted in Perth & Kinross			
Prison Health Services	4,043,310	(97,000)	(38,200)
Public Dental Service	2,182,873	48,500	19,100
Podiatry (Tayside)	3,303,887	167,000	65,800
Hosted Services	9,530,070	118,500	46,700
Apprenticeship Levy - Others	41,700	600	200
Baseline Uplift surplus / (gap) - Others	81,876	0	0
Balance of Savings Target	(306,208)	(306,208)	(120,600)
Grand Total Hosted Services	9,347,438	(187,108)	(73,700)
Total Hosted Services	23,048,409	(1,237,842)	(487,700)

Appendix 4

Dundee IJB - Budget Savings List 2021/22		
Agreed Savings Programme		
	2021/22 £000	Risk of non-delivery
(A) Full Year Effect of 2020/21 Savings		
1) New Meals Contract Price from Tayside Contracts under new CPU arrangements	52	Low
Total Base Budget Adjustments	52	
(B) Non Recurring Savings 2021/22		
1) Reduction in GP Prescribing Budget	500	Low
2) Reduction in Discretionary Spend (eg supplies & services, transport costs)	175	Low
3) Anticipated Increased Staff turnover	350	Low
4) Review Anticipated Additional Carers Funding for 2021/22	397	Low
5) Delayed Utilisation of Reinvestment funding	400	Low
Total Non-Recurring Savings	1,822	
(C) Recurring Savings		
1) Impact of DCC Review of Charges	168	Medium
Total Recurring Savings	168	
Total Savings Identified	2,042	
Savings Target	2,042	