



**REPORT TO:** HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –  
6 DECEMBER 2016

**REPORT ON:** FINANCIAL MONITORING POSITION AS AT OCTOBER 2016

**REPORT BY:** CHIEF FINANCE OFFICER

**REPORT NO:** DIJB55-2016

**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 31<sup>st</sup> October 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 31<sup>st</sup> October 2016 shows a net projected overspend position of £2,435k which is a deterioration on the previously reported figure. This change is mainly as a result of the transfer to the delegated budget of the Medicine for the Elderly service with an associated overspend projected of around £475k and a further deterioration in the prescribing budget which continues to be in an overspend position to the scale of £2.234m. Services delegated from NHS Tayside (excluding prescribing but including Family Health Services (FHS) and General Medical Services (GMS)) are estimated to be in an overspend position of around £754k by the end of the financial year. As with prescribing, 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 £553k at the 31<sup>st</sup> March 2017 which is less than projected in the previous period.
- 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 £1,135k. This is partly offset by a transfer out to the respective IJB's of a share of underspends projected in services hosted by Dundee on behalf of the other IJB's to the value of £71k. 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. 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 31<sup>st</sup> October 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 continues to be more aligned than integrated however, this will evolve as the transition to new locality based integrated service structures progresses.
- 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**

- 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) provide 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 £754k by the end of the financial year excluding the prescribing budget but including FHS and GMS. The recent transfer of the Medicine for the Elderly service to the IJB's delegated budget with an associated projected overspend of £475k has significantly impacted upon the ability of the partnership to move to a break even position. This is also subject to the risk sharing agreement.
- 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.

- 4.3.5 A projected shortfall totalling £2,234k remains in the prescribing budget which is a deterioration of around £400k higher than the previously reported figure. A number of initiatives are developing through NHS Tayside's Transformation Programme supported by the Prescribing Management Group (PMG). The PMG function as a collaborative with delegated authority from the three Tayside IJBs and NHS Tayside Board, to allocate, monitor and agree actions to make optimal use of the prescribing budget. The PMG will deliver a whole system approach to developing prescribing action plans, implementation of prescribing projects and monitoring, identification and management of financial risks within prescribing. Dundee HSCP contributes to the PMG and will continue to explore innovative ways of safely delivering services in a more cost effective manner. The actions undertaken through this approach are reflected in a separate report on this agenda. 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.
- 4.3.6 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 £1,064k.

#### **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 £553k. Within this overall position however there are a number of emerging pressure areas. The financial position has recently started to reflect the impact of responding to the challenge of reducing delayed discharges through investment in additional capacity above planned levels for care at home (domiciliary care) services and care home placements. This has been funded through underspend areas within the 2016/17 budget however is not sustainable in the longer term and will need to be considered as part of the 2017/18 budget setting process.
- 4.4.3 The areas of underspend mainly appear in budgeted resources allocated to further develop accommodation with support services. 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, staff costs within Older People's services are anticipated to fall short of meeting set slippage targets, partly due to delays in achieving planned service efficiencies and this will continue to be closely monitored throughout the year.

## **4.5 Transformation Programme Innovation and Development Funding**

- 4.5.1 Dundee IJB agreed Report DIJB15-2016 (Planning for Additional Resources) at its meeting on 4<sup>th</sup> May 2016 which set out the planned investment of additional funding from the Scottish Government with further investment reflected in Report DIJB50-2016 approved at the October meeting. The original planning assumptions around the commitment of these resources reflected in Report DIJB15-2016 was for additional spend of £5.844m on initiatives to support the priorities set out within the Strategic and Commissioning Plan in 2016/17. The latest financial monitoring position notes this is likely to be approximately £5.572m with the reduction mainly due to slippage in some of the large scale projects such as Enhanced Community Support and less commitment to new initiatives in 2016/17. However this increases the value of anticipated carry forward of resources from £2.520m to £2.792m in order to sustain innovation investment in future years.

## **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:** 15 November 2016

## Appendix 1

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2016/17 AS AT OCTOBER 2016						
	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
<b>Older Peoples Services</b>	41,521	1,092	14,021	473	55,542	1,565
<b>Mental Health</b>	1,615	-342	3,557	-320	5,172	-662
<b>Learning Disability</b>	23,056	-716	1,241	-83	24,297	-799
<b>Physical Disabilities</b>	5,578	-277	0	0	5,578	-277
<b>Substance Misuse</b>	783	33	2,355	0	3,138	33
<b>Community Nurse Services / AHP / Other Adult</b>	5,051	-273	10,932	-209	15,982	-482
<b>Hosted Services</b>	0	0	18,085	-478	18,085	-478
<b>Other Dundee Services / Support / Mgmt*</b>	1,312	-70	21,445	1,518	22,757	1,448
<b>Total Health and Community Care Services</b>	<b>78,915</b>	<b>-553</b>	<b>71,636</b>	<b>902</b>	<b>150,551</b>	<b>349</b>
Prescribing (FHS)	0	0	33,234	2,234	33,234	2,234
General Medical Services	0	0	24,629	-87	24,629	-87
FHS - Cash Limited & Non Cash Limited	0	0	20,169	-61	20,169	-61
<b>Grand Total</b>	<b>78,915</b>	<b>-553</b>	<b>149,668</b>	<b>2,988</b>	<b>228,583</b>	<b>2,435</b>
Hosted Services - Net Impact of Risk Sharing Adjustment			4,807	1,064	4,807	1,064
* Includes NHST budgeted efficiency savings target of £1,717k not yet allocated to specific cost centres.						



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**APPENDIX 2**

**DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP – FINANCE REPORT**

	<b>Dundee City Council Delegated Services</b>		<b>NHST Dundee Delegated Services</b>		<b>Partnership Total</b>	
	<b>Annual Budget</b>	<b>Projected Over / (Under)</b>	<b>Annual Budget</b>	<b>Projected Over / (Under)</b>	<b>Annual Budget</b>	<b>Projected Over / (Under)</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Psych Of Old Age (In Patient Service)			4,558	-55	4,558	-55
Older Peoples Services -Community			456	0	456	0
Continuing Care			2,396	65	2,396	65
Medicine for the Elderly			3,585	475	3,585	475
Medical ( Psychiatry of Old Age)			607	3	607	3
Psychiatry Of Old Age - Community			1,487	-15	1,487	-15
Intermediate Care			933	0	933	0
Staff Costs	18,719	695			18,719	695
Supplies & Services / Transport etc	1,904				1,904	0
Property Costs	1,489				1,489	0
Private & Voluntary Care Home Placements	20,606	91			20,606	91
Day Opportunities / Enabler Services	225				225	0
Respite Care	854	132			854	132
Domiciliary Care	5,820	312			5,820	312
Other Third Party Payments	1,610				1,610	0
Sheltered / Very Sheltered Housing	684				684	0
Income	-10,389	-138			-10,389	-138
<b>Older Peoples Services</b>	<b>41,521</b>	<b>1,092</b>	<b>14,021</b>	<b>473</b>	<b>55,542</b>	<b>1,565</b>

	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
General Adult Psychiatry			3,557	-320	3,557	-320
Staff Costs	633	-31			633	-31
Supplies & Services / Transport etc	9				9	0
Accommodation with Support	2,395	-246			2,395	-246
Private & Voluntary Care Home Placements	515				515	0
Day Opportunities / Enabler	249				249	0
Respite	19				19	0
Domiciliary Care	38	31			38	31
Housing Support	418				418	0
Sheltered / Very Sheltered Housing Income	216				216	0
	-2,876	-96			-2,876	-96
<b>Mental Health</b>	<b>1,615</b>	<b>-342</b>	<b>3,557</b>	<b>-320</b>	<b>5,172</b>	<b>-662</b>
Learning Disability (Dundee)			1,241	-83	1,241	-83
Staff Costs	6,596	-126			6,596	-126
Supplies & Services / Transport etc	294				294	0
Property Costs	287				287	0
Accommodation with Support	11,205	-607			11,205	-607
Care Home Placements	2,277				2,277	0
Day Opportunities / Enabler	1,518				1,518	0
Respite Care	124				124	0
Domiciliary Care	0	16			0	16
Housing Support	401				401	0
Other Third Party Payments	1,241				1,241	0
Sheltered / Very Sheltered Income	2,833				2,833	0
	-3,719				-3,719	0
<b>Learning Disability</b>	<b>23,056</b>	<b>-716</b>	<b>1,241</b>	<b>-83</b>	<b>24,297</b>	<b>-799</b>



	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
Staff Costs	1,442	24			1,442	24
Supplies & Services / Transport etc	100				100	0
Property Costs	140				140	0
Accommodation with Support	986	-417			986	-417
Care Home Placements	1,923				1,923	0
Respite Care	38				38	0
Domiciliary Care	20	117			20	117
Other Third Party Payments	1,421				1,421	0
Sheltered / Very Sheltered	116				116	0
Income	-608				-608	0
<b>Physical Disabilities</b>	<b>5,578</b>	<b>-277</b>	<b>0</b>	<b>0</b>	<b>5,578</b>	<b>-277</b>
Alcohol Problems Services			470	0	470	0
Drug Problems Services			1,885	0	1,885	0
Staff Costs	544	-38			544	-38
Supplies & Services / Transport etc	10				10	0
Accommodation with Support	239	71			239	71
Care Home Placements	149				149	0
Respite Care	0				0	0
Housing Support	37				37	0
Other Third Party Payments	32				32	0
Income	-228				-228	0
<b>Substance Misuse</b>	<b>783</b>	<b>33</b>	<b>2,355</b>	<b>0</b>	<b>3,138</b>	<b>33</b>

	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
Allied Health Professionals Admin			387	-11	387	-11
Physiotherapy			3,169	-90	3,169	-90
Occupational Therapy			1,379	-20	1,379	-20
Nursing Services (Adult)			5,127	-100	5,127	-100
Community Supplies - Adult			130	0	130	0
Anticoagulation			369	13	369	13
Joint Community Loan Store			371	0	371	0
Staff Costs	2,404	-273			2,404	-273
Supplies & Services / Transport Costs	587				587	0
Property Costs	148				148	0
Care Home Placements	-119				-119	0
Respite	364				364	0
Housing Support	363				363	0
Other Third Party Payments	172				172	0
Sheltered / Very Sheltered Housing	2,139				2,139	0
Income	-1,007				-1,007	0
<b>Community Nurse Services / AHP / Intake / Other Adult Services</b>	<b>5,051</b>	<b>-273</b>	<b>10,932</b>	<b>-209</b>	<b>15,982</b>	<b>-482</b>

	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			2,462	48	2,462	48
Palliative Care - Medical			998	20	998	20
Palliative Care - Angus			336	-40	336	-40
Palliative Care - Perth			1,457	138	1,457	138
Brain Injury			1,581	63	1,581	63
Dietetics (Tayside)			2,507	-118	2,462	-118
Sexual & Reproductive Health			1,962	-68	1,962	-68
Medical Advisory Service			150	-10	150	-10
Homeopathy			26	3	26	3
Tayside Health Arts Trust			57	0	57	0
Psychology			4,449	-415	4,449	-415
Eating Disorders			287	-33	287	-33
Psychotherapy (Tayside)			796	-26	796	-26
Learning Disability (Tayside Allied Health Professionals)			714	-20	714	-20
Keep Well			305	-20	305	-20
<b>Hosted Services</b>	0	0	18,085	-478	18,085	-478
The Corner			389	-12	389	-12
Resource Transfer - Dcc			8,578	0	8,578	0
Grants Voluntary Bodies Dundee			190	-20	190	-20
Management Costs			686	-40	686	-40
Partnership Funding			11,649	0	11,649	0
Carers Strategy - Dundee			166	0	166	0
Public Health			486	0	486	0
Primary Care			871	-95	871	-95
Centrally Managed Budgets			-1,570	1,685	-1,570	1,685
Staff Costs	934	-70			934	-70
Supplies & Services / Transport Costs	94				94	0
Property Costs	284				284	0
<b>Other Dundee Services / Support / Mgmt</b>	1,312	-70	21,445	1,518	22,757	1,448

	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
<b>Total Health and Community Care Services</b>	<b>78,915</b>	<b>-553</b>	<b>71,636</b>	<b>902</b>	<b>150,551</b>	<b>349</b>
<b>Other Contractors</b>						
Prescribing (Family Health Service)			33,234	2,234	33,234	2,234
General Medical Services			24,629	-87	24,629	-87
Family Health Service - Cash Limited & Non Cash Limited			20,169	-61	20,169	-61
<b>Grand H&amp;SCP</b>	<b>78,915</b>	<b>-553</b>	<b>149,668</b>	<b>2,988</b>	<b>228,583</b>	<b>2,435</b>
Hosted Recharges Out			-10,599	-71	-10,599	-71
Hosted Recharges In			15,406	1,135	15,406	1,135
<b>Hosted Services - Net Impact of Risk Sharing Adjustment</b>			<b>4,807</b>	<b>1,064</b>	<b>4,807</b>	<b>1,064</b>
<b>Large Hospital Set Aside</b>			<b>21,000</b>	<b>0</b>	<b>21,000</b>	<b>0</b>