



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
25 OCTOBER 2023**

REPORT ON: FINANCIAL MONITORING POSITION AS AT AUGUST 2023

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB55-2023

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 31st August 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 £6,024k.

3.2 This projected overspend now exceeds the parameters of the IJB’s approved 2023/24 financial plan, whereby up to £3m of IJB reserves have been identified to support the IJB’s financial position at the year end. The projected position also recognises anticipated winter demand pressures, which should result in the ability to access up to £1m of reserves identified to support winter pressures.

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 meeting of 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 £479k for the financial year.

4.3.2 Community-based health services managed directly by Dundee Health and Social Care Partnership are projected to overspend by £180k along with the additional cost of risk sharing adjustments for Lead Partner Service (formerly referred to as Hosted Services) of £312k. Prescribing is showing a projected overspend of £69k with other Primary Care services projected to be overspent by £57k.

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 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 (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 Supplementary spend during the first 5 months of 2023/24 totals £2.78m. This includes £317k on additional part-time hours and overtime, £345k on medical locums, £221k on agency nursing, £1,735k on bank nursing and £161k other. Sickness absence rates for NHS employed staff within HSCP have averaged at 6.5% during the first 5 months of 23/24.

4.3.6 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 £1,476k. 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 £1,545k is anticipated and acknowledged in the Plan). 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. The IJB should note that due to issues with the transition to a new pharmacy payment system nationally from which the local prescribing expenditure information is drawn, there is only 2 months of actual verified prescribing spend for 2023/24 available therefore there is a high level of estimation in the projections. There is currently no clarity regarding when more recent information will become available.

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

- 4.3.8 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 £312k 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.
- 4.3.9 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 £2,544k 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. During the first 5 months of 23/24, sessional staffing costs of £441k have been incurred along with agency staffing costs of £404k
- 4.4.4 Following ongoing discussions between COSLA and Trade Unions, which have so far failed to reach an agreed on 23/24 Pay Award for Council-employed staff (and resulted in recent industrial action), it is recognised that the provision of 4% pay award is no longer realistic. The financial projection now includes provision of an average 6% pay award. It is also currently assumed this additional 2% is unfunded and will require to be managed within existing IJB funding streams. As a result, an increased cost pressure of further £774k is now included in the projected position. Should any additional Scottish Government funding be received to partly offset this pressure this will be reflected in future financial monitoring reports.
- 4.4.5 An additional cost pressure is also noted within external Care at Home spend, partially due to managing the significant increased demand levels being experienced this year. Furthermore, the agreed contract change to paying providers for planned shifts under Fairer Working Conditions in Home Care arrangements agreed at the IJB meeting of 21st June, 2023 (Article XIII of the minute of meeting refers) 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. However as a result of managing this increased demand, there are benefits for patients and service users as well as the wider health and social care system and pathways through reduced hospital delayed discharges and reduced social care unmet need.

4.5 Reserves funding to manage recognised gap

- 4.5.1 The 2023/24 Financial Plans and Budget setting report also includes utilisation of up to £3m of IJB Reserves to manage the gap within the integrated position. This means that the IJB's financial position was planned as an overspend of £3m for 2023/24. The current projected operational overspend is therefore higher than originally anticipated.

- 4.5.2 In addition, further £1m was set aside to support winter planning and pressures. The current projected position includes some additional costs to support winter preparations as well as assumptions that spend will be proportionately higher during the second half of the year, therefore it is likely that this Reserves funding will be utilised and drawn down to partially offset the projected overspend position.
- 4.5.3 The remaining projected overspend (£2.024m) is currently not earmarked against any identified Reserve and this shortfall would likely be covered from General Reserves at year end should further financial management interventions not successfully reduce the projected deficit.

4.6 Financial Impact of the COVID-19 Response

- 4.6.1 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.

4.7 Reserves Position

- 4.7.1 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 £13,179k 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

- 4.7.2 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: 27th September 2023

Christine Jones
Partnership Finance Manager

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

Aug-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	52,100	1,746	19,515	440	71,615	2,186
Mental Health	7,591	375	4,729	(95)	12,319	280
Learning Disability	31,993	908	1,618	(100)	33,611	808
Physical Disabilities	7,949	(263)	0	0	7,949	(263)
Drug and Alcohol Recovery Service	1,800	(293)	4,446	550	6,245	257
Community Nurse Services/AHP/Other Adult	-138	(105)	17,610	185	17,471	80
Lead Partner Services			24,865	133	24,865	133
Other Dundee Services / Support / Mgmt	4,142	176	31,321	(115)	35,463	62
Centrally Managed Budgets			-914	(818)	(914)	(818)
Total Health and Community Care Services	105,437	2,544	103,189	180	208,626	2,724
Prescribing (FHS)			33,819	1,606	33,819	1,606
FHS Drugs Prescribing Cost Pressure Investment			1,545	(1,545)	1,545	(1,545)
Other FHS Prescribing			-856	(130)	(856)	(130)
General Medical Services			29,241	65	29,241	65
FHS - Cash Limited & Non Cash Limited			23,802	(8)	23,802	(8)
Large Hospital Set Aside			20,776	0	20,776	0
Total	105,437	2,544	211,516	168	316,953	2,712
Net Effect of Lead Partner Services*			(5,324)	312	(5,324)	312
Financial Plan Gap (integrated budget)					(3,000)	3,000
Grand Total	105,437	2,544	206,193	479	308,630	6,024

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

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

Aug-23

	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
1						
Psych Of Old Age (In Pat)			5,523	150	5,523	150
Older People Serv. - Ecs			284	-30	284	-30
Older Peoples Serv. -Community			1,078	-100	1,078	-100
Ijb Medicine for Elderly			6,743	240	6,743	240
Medical (P.O.A)			775	250	775	250
Psy Of Old Age - Community			2,826	-100	2,826	-100
Medical (MFE)			2,287	30	2,287	30
Care at Home	24,349	2,805			24,349	2,805
Care Homes	29,531	-264			29,531	-264
Day Services	1,205	75			1,205	75
Respite	751	-163			751	-163
Accommodation with Support	1,102	13			1,102	13
Other	-4,838	-720			-4,838	-720
Older Peoples Services	52,100	1,746	19,515	440	71,615	2,186
2						
Community Mental Health Team			4,729	-95	4,729	-95
Care at Home	832	42			832	42
Care Homes	587	318			587	318
Day Services	65	-12			65	-12
Respite	-3	64			-3	64
Accommodation with Support	5,340	209			5,340	209
Other	770	-246			770	-246
Mental Health	7,591	375	4,729	-95	12,319	280
3						
Learning Disability (Dundee)			1,618	-100	1,618	-100
Care at Home	-387	374			-387	374
Care Homes	3,074	-116			3,074	-116
Day Services	8,044	682			8,044	682
Respite	1,996	-42			1,996	-42
Accommodation with Support	22,216	-534			22,216	-534
Other	-2,949	544			-2,949	544
Learning Disability	31,993	908	1,618	-100	33,611	808
4						
Care at Home	1,199	-154			1,199	-154
Care Homes	2,119	-315			2,119	-315
Day Services	1,416	-126			1,416	-126
Respite	-30	34			-30	34
Accommodation with Support	767	119			767	119
Other	2,478	180			2,478	180
Physical Disabilities	7,949	-263	0	0	7,949	-263
5						
Dundee Drug Alcohol Recovery			4,446	550	4,446	550
Care at Home	0	0			0	0
Care Homes	277	200			277	200
Day Services	64	-1			64	-1
Respite	0	0			0	0
Accommodation with Support	401	-108			401	-108
Other	1,058	-384			1,058	-384
Drug and Alcohol Recovery Service	1,800	-293	4,446	550	6,245	257

	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			518	10	518	10
Physio + Occupational Therapy			7,467	20	7,467	20
Nursing Services (Adult)			8,798	100	8,798	100
Community Supplies - Adult			344	40	344	40
Anticoagulation			483	15	483	15
Other Adult Services	-138	-105			-138	-105
Adult Services	-138	-105	17,610	185	17,471	80
7						
Palliative Care - Dundee			3,637	230	3,637	230
Palliative Care - Medical			1,536	133	1,536	133
Palliative Care - Angus			444	18	444	18
Palliative Care - Perth			2,070	80	2,070	80
Brain Injury			2,042	215	2,042	215
Dietetics (Tayside)			3,773	140	3,773	140
Sexual & Reproductive Health			2,504	-100	2,504	-100
Medical Advisory Service			80	-10	80	-10
Homeopathy			31	13	31	13
Tayside Health Arts Trust			82	0	82	0
Psychological Therapies			6,297	-125	6,297	-125
Psychotherapy (Tayside)			1,139	-225	1,139	-225
Perinatal Infant Mental Health			298	0	298	0
Learning Disability (Tay Ahp)			933	-235	933	-235
Lead Partner Services	0	0	24,865	133	24,865	133
8						
Working Health Services			1	40	1	40
The Corner			644	-33	644	-33
Dundee 2c (gms) Services			482	273	482	273
Ijb Management			802	-80	802	-80
Partnership Funding			25,402	0	25,402	0
Urgent Care			1,771	-38	1,771	-38
Community Health Team			169	-5	169	-5
Health Inclusion			1,190	-175	1,190	-175
Primary Care			860	-98	860	-98
Support Services / Management Costs	4,142	176			4,142	176
Other Dundee Services / Support / Mgmt	4,142	176	31,321	-115	35,463	62
Centrally Managed Budget			-914	-818	-914	-818
Total Health and Community Care Services	105,437	2,544	103,189	180	208,626	2,724
Other Contractors						
FHS Drugs Prescribing			33,819	1,606	33,819	1,606
FHS Drugs Prescribing Cost Pressure Investment			1,545	-1,545	1,545	-1,545
Other FHS Prescribing			-856	-130	-856	-130
General Medical Services			29,241	65	29,241	65
FHS - Cash Limited & Non Cash Limited			23,802	-8	23,802	-8
Large Hospital Set Aside			20,776	0	20,776	0
Grand H&SCP	105,437	2,544	211,516	168	316,953	2,712
Lead Partner Services Recharges Out			-15,240	31	-15,240	31
Lead Partner Services Recharges In			9,817	381	9,817	381
Hosted Recharge Cost Pressure Investment			100	-100	100	-100
Adjustment			-5,324	312	-5,324	312
Financial Plan Gap (integrated budget)					-3,000	3,000
Grand Total	105,437	2,544	206,193	479	308,630	6,024

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - August 2023			
	Annual Budget £000s	Forecast Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,130	177	70
Out of Hours	8,846	1,424	561
Locality Pharmacy	1,523	64	25
Tayside Continence Service	2,561	0	0
Speech Therapy (Tayside)	1,433	1	0
Sub-total	15,492	1,666	656
Apprenticeship Levy & Balance of Savings Target	(513)	(47)	(18)
Total Lead Partner Services - Angus	14,979	1,619	638
Lead Partner Services - Perth & Kinross			
Prison Health Services	4,452	(146)	(58)
Public Dental Service	1,742	(144)	(57)
Podiatry (Tayside)	3,695	(362)	(142)
Sub-total	9,889	(652)	(257)
Apprenticeship Levy & Balance of Savings Target	48	(1)	(1)
Total Lead Partner Services - Perth&Kinross	9,937	(653)	(257)
Total Lead Partner Services from Angus and P&K	9,817		381

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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