



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
24 AUGUST 2022**

REPORT ON: FINANCIAL MONITORING POSITION AS AT JUNE 2022

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB60-2022

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 2022/23 including an overview of the costs and financial risks associated with Dundee Health and Social Care Partnership's continued response to the Covid-19 pandemic.

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 2022/23 financial year end as at 30th June 2022 as outlined in Appendices 1, 2, and 3 of this report.
- 2.2 Notes the costs and financial risks associated with Dundee Health and Social Care Partnership's continued response to the Covid-19 pandemic 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 throughout the remainder of the financial year.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The underlying financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 30th June 2022 (excluding any implications of additional Covid-19 spend) shows a net projected underspend position for 2022/23 of (£901k).
- 3.2 Dundee Health and Social Care Partnership continues to incur additional expenditure associated with the response to the Covid-19 pandemic and the Scottish Government provided additional funding throughout 2020/21 and 2021/22 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.
- 3.3 Dundee IJB currently has a total of £15.6m of Covid-19 reserves, which will be drawn down to meet additional ongoing Covid-19 related demands on delegated services in 2022/23. The Scottish Government has confirmed that no further additional Covid-19 funding will be made available.
- 3.4 As detailed in section 4.5, it is anticipated that the earmarked Reserves balance will be sufficient to meet the additional 2022/23 Covid-19 related expenditure.

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 25th March 2022 (Article IV of the minute of the 25 March refers). This set out the cost pressures and funding available to ensure the IJB had a balanced budget position going into the 2022/23 financial year. The 2022/23 budget did not require to stipulate any additional savings plan to achieve a balanced budget position, therefore the financial monitoring reports will not need to include an updated assessment of the status of the savings plan during this year.

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 projected cost implications of responding to the Covid-19 pandemic.

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 (£554k) by the end of the financial year. Throughout the year, community-based health services managed directly by Dundee Health and Social Care Partnership are projected to be underspent by approximately (£34k). The impact of Lead Partner Service (formerly referred to as Hosted Services) risk sharing adjustment is indicating an additional cost to Dundee IJB of £487k, prescribing is projected to be underspend by (£1,360k) and other Primary Care services are expected to be overspent by £353k. These figures are net of additional Covid-19 costs which will be covered by the IJB's Covid-19 reserve.

4.3.2 A key driver of underspends across various services continues to be staffing vacancies, with ongoing challenges to recruit staff. This is similar across a number of medical, nursing, AHP and other staffing groups and across various bands.

4.3.3 Key drivers of overspends tend to be as a result of reliance on bank, agency or locum staff (with premium costs) to fill vacancies where patient acuity and / or safe-staffing levels necessitate the use of these additional staff.

4.3.4 National discussions in relation to the NHS-employed staff pay award for 2022/23 are continuing. The baseline budget uplift received from NHS Tayside was set at 2%, however it is acknowledged that an offer to staff has been made which is higher than this. As in previous years, it is assumed that additional funding will be received from the Scottish Government should the pay award be higher than the budgeted uplift to offset the increased cost.

4.3.5 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 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 increased cost implication of £474k which mainly relates to higher spend within Out of Hours and Forensic Medical Services led by Angus IJB.

- 4.3.6 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 with NHS Tayside around financial risk sharing arrangements for these services however there is unlikely to be any resultant financial risk to Dundee IJB in 2022/23.

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 underspend of (£347k).
- 4.4.2 Key drivers of underspend include vacancies across various teams and grades, and also lower activity in some areas as services continue to return pre-pandemic levels.
- 4.4.3 Key drivers of overspend includes ongoing lower income levels (due to lower activity levels), and an assumed additional cost pressure against potential pay award agreements.
- 4.4.4 National and local conversations continue in relation to pay award settlement for Dundee City Council-employed staff. The IJB's 2022/23 Budget included an assumption of 2% pay award against a flat-cash settlement from Dundee City Council, with this cost pressure being incorporated into the overall financial plan. It is now acknowledged that the pay award settlement is likely to be higher than this, resulting in an additional unplanned cost pressure for 2022/23. At this stage, the value of this is unknown, however a prudent assumption of additional £1m charge has been built into the current position.

4.5 Financial Impact of the Covid-19 Response

- 4.5.1 The Scottish Government provided additional funding throughout 2020/21 and 2021/22 to support additional health and social care expenditure incurred to respond to the Covid-19 pandemic. This funding 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 be required to sit as earmarked in the IJB's reserve balances. Dundee IJB currently has a total of £15.6m of Covid-19 reserves, which must be drawn down to meet additional ongoing Covid-19 related demands on delegated services in 2022/23. The Scottish Government has confirmed that no further additional funding will be made available.

4.5.3 The latest financial summary as submitted to the Scottish Government in July 2022 (after Quarter 1 2022/23) is as follows:

Table 1

Mobilisation Expenditure Area	2022/23 Projected Covid-19 Additional Spend (As at Q1) £000	2021/22 Covid-19 Additional Expenditure £000	2020/21 Covid-19 Additional Expenditure £000
Additional Care Home Placements	0	0	336
PPE	63	192	157
Additional Staff Cover / Temporary Staff	1,574	2,659	2,817
Provider Sustainability Payments	1,284	2,538	4,379
IT / Telephony	50	0	50
Additional Family Health Services Contractor Costs	87	143	678
Additional Family Health Services Prescribing Costs	0	226	0
Loss of Charging Income	0	1,028	1,350
Additional Equipment and Maintenance	47	336	189
Primary Care	266	197	0
Additional Services within Remobilisation Plan	0	484	0
Other Costs	276	119	114
Anticipated Underachievement of Savings	0	0	200
Total Mobilisation Costs	3,647	7,922	10,271

4.5.4 Based on the current financial information and projected spend profile, it is anticipated that the Covid-19 Reserves balance will be sufficient to fully cover the anticipated additional expenditure during 2022/23

4.5.5 Discussions are ongoing with NHS Tayside finance colleagues in relation to potential additional Covid-19 related spend in other delegated services areas – including In-Patient Mental Health services and Unscheduled Car pathways. The financial implications of this are currently unknown and therefore have not yet been included in the above figures. However, it is anticipated these costs for 2022/23 will also be met from within the earmarked reserves balance.

4.5.6 The Scottish Government recently confirmed the extension of the financial support offered to social care providers throughout the pandemic to date and funded through IJB remobilisation funding has ended on 30 June 2022 (although some ongoing support under the Social Care Staff Support fund remains in place until 30 September 2022 and financial support arrangement for testing and vaccinations remains until 31 March 2023). This element has been the most significant cost within the remobilisation plan to date and included continued payment of underoccupancy payments to care homes (until the end of October 2021), payments for additional staff sickness and cover and additional PPE.

4.5.7 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.

4.5.8 Any future year or ongoing financial implications relating to additional Covid-19 costs continues to be reviewed and funding options considered. Where expenditure relates to new ways of working or other strategic priorities, this will be considered during the annual financial planning

and budget setting process with a view to identifying recurring funding. Any appropriate reports will be presented to the IJB.

4.6 Reserves Position

- 4.6.1 The IJB's reserves position significantly improved at the year ended 31st March 2022 as a result of the IJB generating an operational surplus of £7,839k during 2021/22 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 £29,065k and uncommitted reserves of £9,933k. These values are currently subject to annual external Audit processes. 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 @ 31/3/22
	£k
Mental Health	1,825
Primary Care	4,995
Service specific	1,947
Community Living Change Fund	613
NHST - shifting balance of care	1,600
ADP	1,220
Covid-19	15,595
Analogue to Digital Grant	876
Other Staffing	394
Total Committed Reserves	29,065
General Reserves (Uncommitted)	9,933

- 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 Covid-19 funding can only be set against Covid-19 related additional expenditure and the Scottish Government had previously advised that there will be no further resource allocation to support any additional expenditure.
- 4.6.4 While it is still relatively early in the financial year, it is anticipated that a significant portion of Committed Reserves will be utilised during 2022/23. This includes Covid-19 due to the understanding that no additional funding will be made available and any additional Covid-19 related costs within delegated services should be funded from this balance, in addition to the expectation that further in-year annual allocations for areas such as Primary Care Improvement fund, Mental Health Action 15 and Alcohol and Drug Partnership will only be made available once current Reserves balances have been utilised.

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)	The IJB has agreed a range of savings and other interventions to balance expenditure, which alongside additional in year Scottish Government funding and the impact on service levels due to Covid-19 reduces the risk for 2021/22. 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.

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

Jun-22

	Dundee City Council Delegated Services		NHST Dundee Delegated		Partnership Total	
	Net Budget	Forecast Overspend / (Underspend)	Net Budget	Forecast Overspend / (Underspend)	Net Budget	Forecast Overspend / (Underspend)
	£,000	£,000	£,000	£,000	£,000	£,000
Older Peoples Services	52,415	(802)	16,759	790	69,174	(12)
Mental Health	5,707	(9)	3,979	210	9,686	201
Learning Disability	30,638	582	1,514	(43)	32,152	539
Physical Disabilities	6,056	(227)	0	0	6,056	(227)
Drug and Alcohol Recovery Service	1,245	(317)	3,655	215	4,900	(102)
Community Nurse Services/AHP/Other Adult	-69	(88)	14,234	(69)	14,164	(157)
Lead Partner Services			21,874	(846)	21,874	(846)
Other Dundee Services / Support / Mgmt	3,281	515	30,104	(493)	33,384	22
Centrally Managed Budgets			1,301	202	1,301	202
Total Health and Community Care Services	99,272	(347)	93,420	(34)	192,692	(381)
Prescribing (FHS)			33,465	(986)	33,465	(986)
Other FHS Prescribing			-687	(374)	(687)	(374)
General Medical Services			27,955	351	27,955	351
FHS - Cash Limited & Non Cash Limited			21,433	2	21,433	2
Large Hospital Set Aside			0	0	0	0
Total	99,272	(347)	175,585	(1,041)	274,857	(1,388)
Net Effect of Lead Partner Services*			(4,250)	487	(4,250)	487
Grand Total	99,272	(347)	171,336	(554)	270,608	(901)

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

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

Jun-22

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000
1						
Psych Of Old Age (In Pat)			4,816	210	4,816	210
Older People Serv. - Ecs			262	-10	262	-10
Older Peoples Serv. -Community			597	120	597	120
Ijb Medicine for Elderly			5,689	575	5,689	575
Medical (P.O.A)			742	235	742	235
Psy Of Old Age - Community			2,522	-375	2,522	-375
Medical (MFE)			2,131	35	2,131	35
Care at Home	20,754	307			20,754	307
Care Homes	28,072	-873			28,072	-873
Day Services	1,094	95			1,094	95
Respite	589	-56			589	-56
Accommodation with Support	1,005	79			1,005	79
Other	901	-355			901	-355
Older Peoples Services	52,415	-802	16,759	790	69,174	-12
2						
Community Mental Health Team			3,979	210	3,979	210
Care at Home	598	-10			598	-10
Care Homes	418	321			418	321
Day Services	63	-12			63	-12
Respite	-3	39			-3	39
Accommodation with Support	4,523	-39			4,523	-39
Other	108	-309			108	-309
Mental Health	5,707	-9	3,979	210	9,686	201
3						
Learning Disability (Dundee)			1,514	-43	1,514	-43
Care at Home	-549	328			-549	328
Care Homes	3,085	-121			3,085	-121
Day Services	8,365	718			8,365	718
Respite	582	-140			582	-140
Accommodation with Support	21,736	-143			21,736	-143
Other	-2,581	-59			-2,581	-59
Learning Disability	30,638	582	1,514	-43	32,152	539
4						
Care at Home	916	-180			916	-180
Care Homes	2,040	76			2,040	76
Day Services	1,099	-97			1,099	-97
Respite	10	-26			10	-26
Accommodation with Support	402	-118			402	-118
Other	1,588	118			1,588	118
Physical Disabilities	6,056	-227	0	0	6,056	-227
5						
Dundee Drug Alcohol Recovery			3,655	215	3,655	215
Care at Home	0	0			0	0
Care Homes	274	57			274	57
Day Services	62	1			62	1
Respite	0	0			0	0
Accommodation with Support	310	-112			310	-112
Other	599	-263			599	-263
Drug and Alcohol Recovery Service	1,245	-317	3,655	215	4,900	-102

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000
6						
A.H.P.S Admin			442	33	442	33
Physio + Occupational Therapy			5,995	-125	5,995	-125
Nursing Services (Adult)			6,978	95	6,978	95
Community Supplies - Adult			315	26	315	26
Anticoagulation			504	-98	504	-98
Other Adult Services	-69	-88			-69	-88
Adult Services	-69	-88	14,234	-69	14,164	-157
7						
Palliative Care - Dundee			3,037	-148	3,037	-148
Palliative Care - Medical			1,334	-25	1,334	-25
Palliative Care - Angus			372	25	372	25
Palliative Care - Perth			1,849	-20	1,849	-20
Brain Injury			1,860	-78	1,860	-78
Dietetics (Tayside)			3,316	50	3,316	50
Sexual & Reproductive Health			2,341	-228	2,341	-228
Medical Advisory Service			170	-85	170	-85
Homeopathy			30	7	30	7
Tayside Health Arts Trust			75	0	75	0
Psychological Therapies			5,503	-250	5,503	-250
Psychotherapy (Tayside)			936	65	936	65
Perinatal Infant Mental Health			141	0	141	0
Learning Disability (Tay Ahp)			909	-160	909	-160
Lead Partner Services	0	0	21,874	-846	21,874	-846
8						
Working Health Services			0	20	0	20
The Corner			445	12	445	12
Ijb Management			914	-195	914	-195
Partnership Funding			25,475	0	25,475	0
Urgent Care			1,288	-110	1,288	-110
Health Inequalities			641	45	641	45
Keep Well			644	-215	644	-215
Primary Care			696	-50	696	-50
Support Services / Management Costs	3,281	515			3,281	515
Other Dundee Services / Support / Mgmt	3,281	515	30,104	-493	33,384	22
Centrally Managed Budget			1,301	202	1,301	202
Total Health and Community Care Services	99,272	-347	93,420	-34	192,692	-381
Other Contractors						
FHS Drugs Prescribing			33,465	-986	33,465	-986
Other FHS Prescribing			-687	-374	-687	-374
General Medical Services			27,955	351	27,955	351
FHS - Cash Limited & Non Cash Limited			21,433	2	21,433	2
Large Hospital Set Aside			0	0	0	0
Grand H&SCP	99,272	-347	175,585	-1,041	274,857	-1,388
Lead Partner Services Recharges Out			-13,315	174	-13,315	174
Lead Partner Services Recharges In			9,066	313	9,066	313
Adjustment			-4,250	487	-4,250	487
Grand Total	99,272	-347	171,336	-554	270,608	-901

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - June 2022			
	Annual Budget £000s	Forecast Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,046	250	99
Out of Hours	8,258	700	276
Locality Pharmacy	2,186	0	0
Tayside Continence Service	1,529	50	20
Speech Therapy (Tayside)	1,241	(75)	(30)
Sub-total	14,260	925	365
Apprenticeship Levy & Balance of Savings Target	(61)	32	13
Total Lead Partner Services - Angus	14,198	957	378
Lead Partner Services - Perth & Kinross			
Prison Health Services	4,104	(121)	(48)
Public Dental Service	1,501	42	17
Podiatry (Tayside)	3,351	(389)	(153)
Sub-total	8,955	(468)	(184)
Apprenticeship Levy & Balance of Savings Target	(144)	304	120
Total Lead Partner Services - Perth&Kinross	8,811	(164)	(64)
Total Lead Partner Services from Angus and P&K	9,066		314