



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
23 OCTOBER 2024**

REPORT ON: FINANCIAL MONITORING POSITION AS AT AUGUST 2024

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB61-2024

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 position for delegated health and social care services for 2024/25.

2.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board (IJB):

2.1 Notes the content of this report including the projected operational financial position for delegated services for the 2024/25 financial year end as at 31st August 2024 as outlined in Appendices 1, 2, and 3 of this report.

2.2 Note the ongoing actions being taken by Officers and Senior Management to address the current projected financial overspend position through the development of a Financial Recovery Plan, as detailed in 4.5.

2.3 Note the deterioration in Risk profile assessment (as detailed in section 6.0) due to the worsening financial position.

3.0 FINANCIAL IMPLICATIONS

3.1 The financial position for Dundee Health and Social Care Partnership for the financial year to 31st March 2025 shows a projected operational overspend of £9,005k (£6,197k projected overspend detailed in previous report DIJB41-2024 Article IV of the minute of meeting held on 21st August 2024) – of which £4,000k was anticipated as part of the 2024/25 financial plan however the additional £5,005k is as a result of unplanned and unanticipated cost pressures.

3.2 This overspend exceeds the parameters of the IJB's approved 2024/25 financial plan, whereby up to £4m of IJB reserves has been identified to support the IJB's financial position at the year end. The content of this report highlights key reasons for the projected variance and ongoing actions by Officers and Senior Management to address these and improve the position.

3.3 The IJB currently holds a further £4,789k in General Reserves, which can be utilised to fund the unplanned and unanticipated projected overspend, however this would still leave a shortfall of £216k. While work is ongoing to address the extent of the overspend through the Financial Plan, the potential implication of this overspend would result in Integration Scheme Risk Sharing arrangement being triggered with Dundee City Council and NHS Tayside being requested to fund any residual shortfall.

3.4 In addition, it should be recognised that if the majority of Reserves are utilised in 2024/25, this will significantly impact on financial planning flexibility in future years.

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 27th March 2024 (Article IV of the minute of the meeting of 27 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 2024/25 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 Operational Health and Community Care Services Delegated to Dundee IJB

- 4.3.1 The financial position for services delegated to the IJB details an operational overspend of £4,036k for the financial year.
- 4.3.2 Older People Services contribute a significant portion of this, with a projected overspend of £4,092k. The majority of this is due to Care at Home demands and costs of care packages. It should be noted that as a result of managing this increased Care at Home demand, there are significant and sustained benefits for patients and service users as well as the whole-system health and social care pathways through reduced hospital delayed discharges and reduced social care unmet need in the community. During recent months, Dundee has continued to be amongst the best performing Integration Authority in Scotland for Delayed Discharge performance. Work is ongoing to achieve a balanced position between meeting the whole-system demands and ongoing financial sustainability.
- 4.3.3 Learning Disabilities services contribute a further £1,151k overspend to the position, predominantly linked to staffing budgets.
- 4.3.4 Community Nurse Services / AHP / Other Adult Services are showing a projected overspend of £425k, partially linked to planned over-recruitment in Community Nursing Teams to help alleviate demand and staffing pressures, which is also anticipated to reduce reliance of bank staff to fill gaps.
- 4.3.5 Lead Partner Services managed by Dundee includes overspends within Specialist Palliative Care Services of £400k and Psychological Therapies of £250k. Both are linked mainly to staffing costs and budget holders continue to review options to resolve these positions.
- 4.3.6 Other Contractors includes GP Prescribing, General Medical Services and Family Health Services and is currently projecting a combined overspend of £655k. A significant portion of this is linked to the costs of operating the 2C GP Practices. Work is ongoing with service leads to address this.
- 4.3.7 Key drivers of underspends across various services continue 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), Social Care, Social Work and other staffing groups and across various bands / grades and skill-mixes. Recruitment activity continues to take place throughout the service areas to ensure patient demand and clinical risk is managed as best as possible. This ongoing recruitment and retention challenge was recognised during the 2024/25 budget setting process with non-recurring slippages / vacancy factor savings targets implemented to reflect the reality of the current position.

- 4.3.8 In addition to the specific service variances already highlighted, 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. In addition, under recovery of income for chargeable social care services is also creating a cost pressure across various service budgets.
- 4.3.9 Following recent national decisions regarding 24/25 Pay Award, the projected spend has been updated to incorporate anticipated implications. Agreement was reached via COSLA to implement the 24/25 pay offer to Council employed staff (either £1292 per year or 3.6%, whichever is lower). The 24/25 Financial Plan included an assumed 3% pay award cost with no additional funding; through the negotiation process, additional national funding is now anticipated to offset the additional cost above 3.2%, with 0.2% now incorporated as an additional cost pressure. This additional cost equates to around £130k. In terms of NHS staff, the Agenda for Change offer has been agreed at 5.5% and we continue to assume sufficient national funding will be received to offset the additional cost. An offer of 10.5% uplift has been made to Consultants and we also continue to assume this will be fully funded.
- 4.3.10 Supplementary spend during the first 5 months of 2024/25 totals £3,210k. This includes £723k on additional part-time hours and overtime, £699k on agency, and £1,788k on bank nursing / sessional staffing. Absence rates for NHS employed staff within HSCP have averaged at 7.21% during the first 5 months of 24/25. The working days lost for DCC employed staff within the HSCP to August 2024 was 11.49%.
- 4.3.11 GP and Other Family Health Services Prescribing continues to be monitored on a local and Tayside-wide basis due to the scale and complexity of the budget. The Prescribing financial plan for Dundee for 2024/25 indicated a projected cost pressure of £1,052k as a result of anticipated volume and pricing growth, and funding was identified and set aside as part of the 2024/25 financial plan to manage this gap. The latest projections are based on 3 months actual data to June 24 and show an anticipated projected overspend of £308k compared to plan, with fluctuations in pricing and volume of prescriptions continuing to show an element of volatility. (It is normal for data to be received 2 months in arrears to allow for national review and verification).

4.4 Tayside-wide Delegated Services

- 4.4.1 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 £314k 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 and subsequent recovery. Work continues within the service to develop a financial recovery plan and future sustainable service delivery model.
- 4.4.2 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. Currently, there is no budget delegated to the IJBs for 2024/25. Due to the IJB's having strategic planning responsibility for the services, there is a requirement to show a delegated budget and spend position in the IJB's annual accounts. Given the unusual governance position around In-Patient Mental Health Services whereby there is a separation between strategic planning and operational delivery of the service, ongoing discussions are taking place to agree financial risk sharing arrangements amongst the 3 IJB's and NHS Tayside for the current financial year.

4.5 Actions to resolve Projected Financial Gap

4.5.1 The current financial position has been discussed at Senior and Extended Management Meetings, with actions being progressed to ensure both a robust understanding of financial drivers as well as implementing actions to improve the projected financial position. These actions are detailed in the separate report – Financial Recovery Plan 2024/25 (DIJBxx-2024), but include -

- Efficiencies in Care at Home spend to better manage and prioritise demand
- Enhanced process to maximise income recovery rates for chargeable social care services
- Specific plans from overspending services, with the aim of returning these to within budget where safe to do so
- Enhanced controls of ‘discretionary’ spend and supplementary staffing to minimise any non-essential or non-critical expenditure
- Continue progress to delivery current year savings plans and transformation plans to deliver a sustainable annual financial position

4.5.2 Strategic Prioritisation and endeavouring to protect front-line services that provide support to Dundee’s most vulnerable continues to be aim, but this needs to be managed within the available financial resources.

4.6 Reserves Position

4.6.1 The IJB’s reserves position was reduced at the year ended 31st March 2024 as a result of the operational overspend of £3,744k during 2023/24. This resulted in the IJB having total committed reserves of £11,024k and uncommitted reserves of £6,789k at the start of 2024/25 financial year. Following the IJB’s approval to enhance Transformation Funding (report DIJB45-2024 Article VI of the minute of meeting held on 21st August 2024), the Reserves breakdown has been restated. The current reserves position is noted in Table 1 below:

Table 1

Reserve Purpose	Closing Reserves @ 31/3/24 (restated)
	£k
Mental Health	1,036
Primary Care	1,859
Drug & Alcohol	559
Strategic Developments	3,756
Revenue Budget Support	4,000
Service Specific	1,452
Other Staffing	362
Total committed	13,024
General	4,789
TOTAL RESERVES	17,813

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.

4.6.3 The IJB’s Reserves Policy seeks to retain Reserves of 2% of budget (approximately £6.4m) however it is recognised that this is particularly challenging to maintain within the current financial climate with many IJB’s across the country having no reserves or below their respective reserves policies.

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 5 x Impact 5 = Risk Scoring 25 (which is an Extreme Risk Level)
Mitigating Actions (including timescales and resources)	Regular financial monitoring reports to the IJB will highlight issues raised. Actions to be taken by Officers, Senior Management and Budget holders to manage overspending areas. Transformation and Strategic Delivery Plan to drive forward priorities towards a sustainable financial position Financial Recovery Plan developed to address overspend position.
Residual Risk Level	Likelihood 3 x Impact 4 = Risk Scoring 12 (which is a High Risk Level)
Planned Risk Level	Likelihood 3 x Impact 3 = Risk Scoring 9 (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.

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		Appendix 1
		Aug-24
DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT		
	Partnership Total	
	Net Budget £,000	Projected Overspend / (Underspend) £,000
Older Peoples Services	76,897	4,092
Mental Health	13,246	3
Learning Disability	36,627	1,151
Physical Disabilities	8,660	(224)
Drug and Alcohol Recovery Service	6,037	34
Community Nurse Services/AHP/Other Adult	16,858	425
Lead Partner Services	26,042	380
Other Dundee Services / Support / Mgmt	38,322	41
Centrally Managed Budgets	3,260	(1,866)
Total Health and Community Care Services	225,948	4,036
Prescribing & Other FHS Prescribing	34,888	344
General Medical Services	31,401	386
FHS - Cash Limited & Non Cash Limited	23,900	(75)
Large Hospital Set Aside	21,711	0
In-Patient Mental Health	0	0
Total	337,847	4,691
Net Effect of Lead Partner Services*	(5,232)	314
Financial Plan Gap (integrated budget)	(4,000)	4,000
Grand Total	328,615	9,005
*Lead Partner Services (formerly known as 'Hosted Services') - Net Impact of Risk Sharing Adjustment		

		Appendix 2	
DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT		Aug-24	
		Partnership Total	
		Annual Budget £,000	Projected Overspend / (Underspend) £,000
1			
	Psych Of Old Age (In Pat)	5,532	-720
	Older People Serv. - Ecs	273	-25
	Older Peoples Serv. -Community	1,093	75
	Ijb Medicine for Elderly	6,757	150
	Medical (P.O.A)	828	275
	Psy Of Old Age - Community	2,803	-65
	Medical (MFE)	2,454	3
	Care at Home	29,535	4,884
	Care Homes	29,801	131
	Day Services	1,298	-78
	Respite	520	-199
	Accommodation with Support	1,207	-31
	Other	-5,206	-309
	Older Peoples Services	76,897	4,092
2			
	Community Mental Health Team	4,378	25
	Tayside Adult Autism Consultancy Team	364	20
	Care at Home	1,129	-74
	Care Homes	643	422
	Day Services	65	0
	Respite	-3	81
	Accommodation with Support	5,818	164
	Other	852	-635
	Mental Health	13,246	3
3			
	Learning Disability (Dundee)	1,631	15
	Care at Home	-320	552
	Care Homes	3,321	-69
	Day Services	9,772	479
	Respite	480	-64
	Accommodation with Support	23,954	-495
	Other	-2,210	732
	Learning Disability	36,627	1,151
4			
	Care at Home	1,101	218
	Care Homes	2,238	-756
	Day Services	76	-63
	Respite	-25	194
	Accommodation with Support	813	-46
	Other	4,457	231
	Physical Disabilities	8,660	-224
5			
	Dundee Drug Alcohol Recovery	4,542	150
	Care at Home	0	0
	Care Homes	380	229
	Day Services	70	-5
	Respite	0	0
	Accommodation with Support	350	-168
	Other	695	-173
	Drug and Alcohol Recovery Service	6,037	34

		Partnership Total	
		Annual Budget	Projected
		£,000	Overspend /
			(Underspend)
		£,000	£,000
6			
	A.H.P.S Admin	519	-3
	Physio + Occupational Therapy	7,512	-150
	Nursing Services (Adult)	8,112	530
	Community Supplies - Adult	344	115
	Anticoagulation	484	-20
	Other Adult Services	-112	-48
	Community Nurse Services / AHP / Other Adult Services	16,858	425
7			
	Palliative Care - Dundee	3,567	280
	Palliative Care - Medical	1,692	120
	Palliative Care - Angus	445	30
	Palliative Care - Perth	2,101	-30
	Brain Injury	2,023	20
	Dietetics (Tayside)	4,281	38
	Sexual & Reproductive Health	2,591	-115
	Medical Advisory Service	80	-11
	Homeopathy	40	8
	Tayside Health Arts Trust	81	0
	Psychological Therapies	6,800	250
	Psychotherapy (Tayside)	1,119	-120
	Perinatal Infant Mental Health	357	65
	Learning Disability (Tay Ahp)	863	-155
	Lead Partner Services	26,042	380
8			
	Working Health Services	2	30
	The Corner	645	-45
	ljb Management	766	-25
	Partnership Funding	28,386	0
	Urgent Care	1,731	-100
	Community Health Team	196	-30
	Health Inclusion	1,136	-85
	Primary Care	987	-35
	Support Services / Management Costs	4,473	331
	Other Dundee Services / Support / Mgmt	38,322	41
	Centrally Managed Budget	3,260	-1,866
	Total Health and Community Care Services	225,948	4,036
	Other Contractors		
	FHS Drugs Prescribing	34,492	1,188
	FHS Drugs Prescribing Cost Pressure Investment	1,052	-1,052
	Other FHS Prescribing	-657	208
	General Medical Services	30,927	183
	Dundee 2c (gms) Services	474	203
	FHS - Cash Limited & Non Cash Limited	23,900	-75
	Large Hospital Set Aside	21,711	0
	Grand H&SCP	337,847	4,691
	Lead Partner Services Recharges Out	-15,870	-206
	Lead Partner Services Recharges In	10,539	620
	Hosted Recharge Cost Pressure Investment	100	-100
	Hosted Services - Net Impact of Risk Sharing Adjustment	-5,232	314
	Financial Plan Gap (integrated budget)	-4,000	4,000
	Grand Total	328,615	9,005

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - August 24			
	Annual Budget £000s	Forecast Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,165	108	43
Out of Hours	9,287	1,948	768
Tayside Continence Service	1,528	300	118
Locality Pharmacy	2,568	0	0
Speech Therapy (Tayside)	1,500	15	6
Sub-total	16,046	2,371	934
Apprenticeship Levy & Balance of Savings Target	84	(22)	(9)
Total Lead Partner Services - Angus	16,130	2,349	925
Lead Partner Services - Perth & Kinross			
Prison Health Services	4,960	108	42
Public Dental Service	1,934	(495)	(195)
Podiatry (Tayside)	3,664	(356)	(140)
Sub-total	10,558	(744)	(293)
Apprenticeship Levy & Balance of Savings Target	60	(31)	(12)
Total Lead Partner Services - Perth&Kinross	10,618	(775)	(305)
Total Lead Partner Services from Angus and P&K	10,539		620

Dundee IJB - Budget Savings List 2024-25

Appendix 4

Agreed Savings Programme

Savings / Initiative		2024/25 Value	Risk of non-delivery
		£000	
Recurring Proposals			
1)	Dundee City Council Review of Charges – Additional Income	313	Medium
2)	Additional Community Alarm Charge to DCC Housing	34	Low
3)	Redirect existing budget underspends	1,400	Low
4)	Reduction in Care Home Placements	1,100	Medium
5)	Review of Day Care Services	400	Medium
6)	Review of Direct Payment Commitments	100	Medium
7)	Care at Home Contract Efficiency review	447	Medium
8)	Review of Transport	150	Medium
9)	Use of Physical Resources / Quality of Environment	200	Medium
10)	Review of Contractual Commitments	300	Medium
11)	Review of residual Practical Support Service	150	Low
12)	Reduced Employer Contribution rate to DCC Pension scheme	300	Low
Total Recurring Savings / Initiatives		4,894	
Non-Recurring Proposals			
13)	Utilisation of IJB Reserves	4,000	Low
14)	Management of natural staff turnover – continuation of 23/24	700	Low
15)	Management of natural staff turnover / vacancy management	600	Medium
16)	Return of additional investment from Prescribing	493	Medium
Total Non Recurring Savings / Initiatives		5,793	
Total Savings / Initiatives		10,687	

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