



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
15 DECEMBER 2021

REPORT ON: FINANCIAL MONITORING POSITION AS AT OCTOBER 2021

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB63-2021

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 October 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 October 2021 (excluding any implications of additional COVID-19 spend) shows a net projected underspend position at the year-end of £576k.
- 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 October 2021 (Quarter 2 return) is £7.7m and they have advised that this return will continue to be used as the basis for any future additional funding allocations.

- 3.4 Following previous submission of Quarter 1 return (projected £7.3m expenditure, submitted in July 2021), the Scottish Government has recently provided feedback following their review of the information. The majority of Dundee IJB's Covid-19 expenditure has been approved and additional funding allocation will be provided. The initial exclusion figure of £870k relates to FHS (Family Health Service) and unachieved savings from previous years. These are subject to further review and is in line with NHS Tayside and other Tayside IJB's. Recent correspondence suggests the FHS expenditure will be approved during the current review of Q2 returns.

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 projected 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 £971k 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 (£339k) and overall prescribing is projected to be underspend by (£1129k).
- 4.3.2 Service underspends are also reported within Community Based Psychiatry of Old Age (£450k) and Older People Services (£122k), hosted services such as Psychology (£201k), Tayside Dietetics (£52k), Learning Disability (Tayside Allied Health Professionals) (£147k), Drugs and Alcohol Recovery service of (£70k) and Sexual & Reproductive Health (£275k) mainly as a result of staff vacancies. Further underspends totalling (£376k) are anticipated within Public Health, Primary Care and Keep Well services.

- 4.3.3 Service overspends are anticipated in Enhanced Community Support £568k, Medicine for the Elderly £256k and Psychiatry of Old Age In-Patients £91k. Occupational Therapy budgets are projected to be overspent by £668k (however a budget realignment with Physiotherapy is being progressed), with further overspends arising in Community Nursing of £337k, and General Adult Psychiatry of £275k. Additional staffing pressures not directly linked to COVID-19 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 £216k 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 £395k.
- 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 £1,688k at this stage of the financial year. This is partly offset by an underspend in respite care for older people of £379k, partly as a result of the Covid Pandemic. Care home spend for mental health service users is projected to be £412k 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 (£497k).

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 quarter 2 return was submitted to the Scottish Government during October 2021, the detail of which is set out in table 1 of this report. A further quarterly return to end December is expected to be required 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 has been used by the Scottish Government to determine any further Covid19 funding requirements of IJBs.
- 4.5.3 Following the conclusion of the review of Quarter 1 returns, Scottish Government has released additional funding to Dundee IJB of £651k. Total Covid-19 funding now received is confirmed at £6.7m against a quarter 1 return figure of £7.3m. At the time of the Scottish Government review, expenditure relating to FHS (Family Health Services) and Unachieved Savings was not confirmed, in line with the position in other IJB's and Health Boards. Subsequent correspondence from Scottish Government indicates that expenditure relating to FHS will be included after the next review.

- 4.5.4 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.
- 4.5.5 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.
- 4.5.6 The latest financial summary of the mobilisation plan as submitted to the Scottish Government in October 2021 (Quarter 2 return) is as follows:

Table 1

Mobilisation Expenditure Area	Estimated Additional Expenditure to Year End (2021/22) £000
Additional Care Home Placements	156
PPE	125
Additional Staff Cover / Temporary Staff	2,218
Provider Sustainability Payments	1,837
IT / Telephony	100
Additional Family Health Services Contractor Costs	180
Additional Family Health Services Prescribing Costs	215
Loss of Charging Income	877
Additional Equipment and Maintenance	241
Primary Care	192
Additional Services within Remobilisation Plan	980
Other Costs	134
Anticipated Underachievement of Savings	481
Total Projected Mobilisation Costs	7,736

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 utilised 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.

4.8 Winter Planning Funding

- 4.8.1 The Scottish Government has recently announced £300m of additional Winter Planning funding to support Health and Social Care (DIJB64-2021).
- 4.8.2 Specific details continue to emerge for the various aspects of the new funding streams included in the Winter Planning funding, and as a result the figures included in this report as at 31st October 2021 do not include any assumption with regards to receipt of specific funding nor does it include additional expenditure in relation to, for example, recruitment of additional staff or increased contract payments to External Providers.

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.

Dave Berry
Chief Finance Officer

Date: 18th November 2021

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DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2021/22

Oct-21

	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	942	16,984	392	58,197	1,334
Mental Health	4,982	336	3,934	275	8,916	611
Learning Disability	28,027	52	1,509	(51)	29,536	1
Physical Disabilities	5,012	(391)	0	0	5,012	(391)
Drug and Alcohol Recovery Service	1,213	(252)	2,925	(70)	4,138	(322)
Community Nurse Services/AHP/Other Adult	484	(100)	14,629	647	15,113	547
Hosted Services			21,418	(786)	21,418	(786)
Other Dundee Services / Support / Mgmt	2,568	(193)	29,766	(257)	32,334	(450)
Centrally Managed Budgets			1,442	(488)	1,442	(488)
Total Health and Community Care Services	83,498	395	92,607	(339)	176,105	56
Prescribing (FHS)			32,909	(1,052)	32,909	(1,052)
Other FHS Prescribing			128	(77)	128	(77)
General Medical Services			28,036	276	28,036	276
FHS - Cash Limited & Non Cash Limited			22,535	5	22,535	5
Large Hospital Set Aside			0	0	0	0
Total	83,498	395	176,215	(1,187)	259,713	(792)
Net Effect of Hosted Services*			(3,093)	216	(3,093)	216
Grand Total	83,498	395	173,122	(971)	256,620	(576)

*Hosted Services - Net Impact of Risk Sharing Adjustment

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2021/22

Oct-21

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected	Annual Budget	Projected	Annual Budget	Projected
	£,000	Over / (Under) £,000	£,000	Over / (Under) £,000	£,000	Over / (Under) £,000
1						
Psych Of Old Age (In Pat)			4,714	91	4,714	91
Older Peoples Serv. - Ecs			1,138	568	1,138	568
Older Peoples Serv. -Community			558	-122	558	-122
Ijb Medicine for Elderly			5,675	256	5,675	256
Medical (P.O.A)			734	195	734	195
Psy Of Old Age - Community			2,371	-450	2,371	-450
Intermediate Care			13	-13	13	-13
Medical (MFE)			1,780	-133	1,780	-133
Care at Home	19,200	1,688			19,200	1,688
Care Homes	25,238	-109			25,238	-109
Day Services	1,009	-74			1,009	-74
Respite	590	-379			590	-379
Accommodation with Support	276	36			276	36
Other	-5,100	-220			-5,100	-220
Older Peoples Services	41,213	942	16,984	392	58,197	1,334
2						
General Adult Psychiatry			3,934	275	3,934	275
Care at Home	39	-21			39	-21
Care Homes	372	412			372	412
Day Services	63	-34			63	-34
Respite	0	35			0	35
Accommodation with Support	4,109	353			4,109	353
Other	398	-409			398	-409
Mental Health	4,982	336	3,934	275	8,916	611
3						
Learning Disability (Dundee)			1,509	-51	1,509	-51
Care at Home	42	-8			42	-8
Care Homes	2,801	-145			2,801	-145
Day Services	7,883	497			7,883	497
Respite	549	-122			549	-122
Accommodation with Support	20,281	-324			20,281	-324
Other	-3,529	154			-3,529	154
Learning Disability	28,027	52	1,509	-51	29,536	1

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected	Annual Budget	Projected	Annual Budget	Projected
	£,000	Over / (Under) £,000	£,000	Over / (Under) £,000	£,000	Over / (Under) £,000
4						
Care at Home	807	-58			807	-58
Care Homes	1,856	-202			1,856	-202
Day Services	1,226	-245			1,226	-245
Respite	16	-56			16	-56
Accommodation with Support	572	-282			572	-282
Other	535	452			535	452
Physical Disabilities	5,012	-391	0	0	5,012	-391
5						
Dundee Drug Alcohol Recovery			2,925	-70	2,925	-70
Care at Home	0	0			0	0
Care Homes	324	-126			324	-126
Day Services	60	1			60	1
Respite	0	0			0	0
Accommodation with Support	287	-2			287	-2
Other	543	-125			543	-125
Drug and Alcohol Recovery Service	1,213	-252	2,925	-70	4,138	-322
6						
A.H.P.S Admin			453	0	453	0
Physiotherapy			4,430	-340	4,430	-340
Occupational Therapy			1,562	668	1,562	668
Nursing Services (Adult)			7,433	337	7,433	337
Community Supplies - Adult			310	30	310	30
Anticoagulation			440	-48	440	-48
Other Adult Services	484	-100			484	-100
Adult Services	484	-100	14,629	647	15,113	547
7						
Palliative Care - Dundee			2,955	12	2,955	12
Palliative Care - Medical			1,324	33	1,324	33
Palliative Care - Angus			372	10	372	10
Palliative Care - Perth			1,872	-61	1,872	-61
Brain Injury			1,857	-61	1,857	-61
Dietetics (Tayside)			3,215	-52	3,215	-52
Sexual & Reproductive Health			2,331	-275	2,331	-275
Medical Advisory Service			108	-50	108	-50
Homeopathy			30	6	30	6
Tayside Health Arts Trust			75	0	75	0
Psychology			5,471	-201	5,471	-201
Psychotherapy (Tayside)			929	0	929	0
Learning Disability (Tay Ahp)			879	-147	879	-147
Hosted Services	0	0	21,418	-786	21,418	-786

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected	Annual Budget	Projected	Annual Budget	Projected
	£,000	Over / (Under) £,000	£,000	Over / (Under) £,000	£,000	Over / (Under) £,000
8						
Working Health Services			0	20	0	20
The Corner			445	-17	445	-17
Grants Voluntary Bodies Dundee			0	0	0	0
Ijb Management			599	118	599	118
Partnership Funding			26,628	0	26,628	0
Urgent Care			209	-2	209	-2
Public Health			643	-100	643	-100
Keep Well			603	-122	603	-122
Primary Care			639	-154	639	-154
Support Services / Management Costs	2,568	-193			2,568	-193
Other Dundee Services / Support / Mgmt	2,568	-193	29,766	-257	32,334	-450
Centrally Managed Budget			1,442	-488	1,442	-488
Total Health and Community Care Services	83,498	395	92,607	-339	176,105	56
Other Contractors						
FHS Drugs Prescribing			32,909	-1,052	32,909	-1,052
Other FHS Prescribing			128	-77	128	-77
General Medical Services			28,036	276	28,036	276
FHS - Cash Limited & Non Cash Limited			22,535	5	22,535	5
Large Hospital Set Aside			0	0	0	0
Grand H&SCP	83,498	395	176,215	-1,187	259,713	-792
Hosted Recharges Out			-12,651	-7	-12,651	-7
Hosted Recharges In			9,558	223	9,558	223
Adjustment			-3,093	216	-3,093	216
Grand Total	83,498	395	173,122	-971	256,620	-576

NHS Tayside - Services Hosted by Integrated Joint Boards - Charge to Dundee IJB			Appendix 3
Risk Sharing Agreement - October 2021			
Services Hosted in Angus	Annual Budget	Forecast Over (Underspend)	Dundee Allocation
Forensic Service	1,075,310	(235,000)	(92,600)
Out of Hours	8,225,897	(420,000)	(165,500)
Locality Pharmacy	2,511,906	0	0
Tayside Continence Service	1,517,184	13,500	5,300
Speech Therapy (Tayside)	1,241,323	11,500	4,500
Hosted Services	14,571,620	(630,000)	(248,300)
Apprenticeship Levy	46,000	(2,500)	(1,000)
Baseline Uplift surplus / (gap)	(74,639)	0	0
Balance of Savings Target	(24,734)	(24,734)	(9,700)
Grand Total Hosted Services	14,518,247	(657,234)	(259,000)
Services Hosted in Perth & Kinross			
Prison Health Services	4,068,931	(10,000)	(3,900)
Public Dental Service	2,555,276	188,000	74,100
Podiatry (Tayside)	3,303,887	219,000	86,300
Hosted Services	9,928,095	397,000	156,500
Apprenticeship Levy - Others	41,700	338	100
Baseline Uplift surplus / (gap) - Others	75,851	0	0
Balance of Savings Target	(306,208)	(306,208)	(120,600)
Grand Total Hosted Services	9,739,438	91,130	36,000
Total Hosted Services	24,257,685	(566,104)	(223,000)

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	