



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
18 DECEMBER 2018

REPORT ON: FINANCIAL MONITORING POSITION AS AT OCTOBER 2018

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB65-2018

1.0 PURPOSE OF REPORT

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 2018/19.

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 2018/19 financial year end as at 31 October 2018 as set out in the attached appendices.
- 2.2 Instruct the Chief Finance Officer to report back to the next IJB with the outcome of the responses from Perth & Kinross/Angus Chief Finance Officers in relation to recovery plans for hosted services as noted in section 4.3.7.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 31 October 2018 shows a net projected overspend position of £1,681k after effecting the planned draw down of reserves to support the 2018/19 financial position as agreed by the IJB as part of the budget setting process. This position is a deterioration from the previously reported overspend of £1,441k. The projected financial position is primarily as a result of overspends in GP prescribing of £914k and the net impact of hosted services of £662k.

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 set out its final budget for delegated services at its meeting of 28 August 2018 following receipt of confirmation of NHS Tayside's budget (Article XIII of the minute, report DIJB30-2018 refers). Within this report, the risks around the prescribing budget were reiterated after being formally noted in the initial budget report presented to a special meeting of the IJB held on 30 March 2018 (DIJB17-2018) in addition to Report DIJB41-2018 (Dundee Prescribing Management Position) considered by the IJB at its meeting held on 27 June 2018 (Article X of the minute refers).

4.1.3 The financial information presented has been provided by the finance functions of NHS Tayside and Dundee City Council as set out within the Integration Scheme.

4.1.4 The IJB is in year 3 of formally taking over responsibility for the strategic planning and operational management of delegated services, therefore the risk sharing arrangements as outlined in the Integration Scheme change with any residual overspends incurred by the end of the financial year to be met proportionately by the Council and NHS Tayside following a number of actions to be taken by the IJB. Discussions continue with both parties in relation to the projected overspend position as set out in this and previous reports with a request made to present a recovery plan to mitigate some or all of the overspend projected. Details of recovery actions will be presented to the February IJB. Officers within the partnership continue to explore areas to control expenditure and to mitigate overspends.

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.

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 overspend of around £1,681k by the end of the financial year. Of the overspend £662k relates to the net effect of hosted services risk sharing arrangements with a further £98k in relation to General Medical /Family Health services. Overall prescribing is £881k overspent while community based health services managed directly by Dundee Health and Social Care Partnership is projected to be overspent by approximately £40k.

4.3.2 Service underspends are reported within Allied Health Professionals (£335k), Community Mental Health (£175k), Keep Well (£150k) and hosted services such as Psychology (£401k) and Dietetics (£243k) mainly as a result of staff vacancies.

4.3.3 Staff cost pressures continue to exist in a number of other services such as the Medicine for the Elderly (+£655k), Palliative Care (+£205k) and Nursing Services (+£120k). Additional staffing pressures have contributed to the adverse position within these services through a combination of ensuring appropriate staff cover and nursing directorate minimum staffing requirements.

4.3.4 The Family Health Services prescribing budget currently projects a shortfall totalling £914k based on the expenditure trends to date and the impact of a range of interventions as part of the Tayside wide Prescribing Management Group's action plan as noted in the Dundee Prescribing Management Position report presented to the June 2018 IJB meeting (Report DIJB41-2018). This position will continue to be monitored closely throughout the financial year.

4.3.5 Members of the IJB will also be aware that Angus and Perth & 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 & Kinross IJBs to Dundee IJB are noted in Appendix 3. This shows net overspends to the value of £797k being recharged with the net impact of hosted services to Dundee being an overspend of £662k.

- 4.3.6 As with 2017/18, the financial position of Dundee City IJB continues to be impacted upon by the significant overspend in the Mental Health Inpatient service which is hosted by Perth & Kinross IJB. Perth & Kinross IJB has continued to utilise cost pressure funding and apply other interventions to reduce the overspend position in respect of this service provision. However the latest projection from Perth and Kinross shows Dundee's share of this overspend increased slightly from the £540k previously reported to £576k. This position is driven by undelivered savings carried forward from previous years, medical locum costs and nursing costs in General Adult Psychiatry. Plans to reduce and offset costs are not yet impacting on the financial position as anticipated. This includes savings anticipated from Mental Health, Learning Difficulties, Inpatient, Transformation Programme against which slippage is now anticipated. Furthermore, the Out of Hours service hosted by Angus IJB continues to present a financial risk with a projected overspend of £128k.
- 4.3.7 The Chief Finance Officer formally wrote to the Chief Finance Officers of Angus and Perth and Kinross IJB's on behalf of Dundee Integration Joint Board in November to request information on the reasons for the scale of the overspends and details of the recovery plan they are working to in order to deliver a reduction or removal of the overspend position. As at this time, no formal response has been received and the Chief Finance Officer will report back to the next IJB meeting with the outcome of their responses.

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 a balanced budget position at this stage of the financial year after application of £1,983k of reserve balances as agreed by the IJB as part of the 2018/19 budget setting process. This net position however consists of a range of overspending and underspending areas noted below.
- 4.4.2 A significant financial challenge facing the IJB's delegated budget continues to be the provision of home based social care with a projected overspend of £438k anticipated, mainly as a result of increased demand due to demographic factors with the underlying cost of service provision also increasing. In addition, expenditure on respite care is higher than budget by around £187k again mainly due to high levels of demand. In line with the IJB's strategic vision, the range of service developments around multi-disciplinary models of care primarily through the Enhanced Community Support Acute Model have started to impact positively through a reduction in care home placements with an underspend of around £500k anticipated in the current financial year for older people care home placements. The resultant underspend however will be required to support the Enhanced Community Support Acute Model on a permanent basis as set out within the Proposed Model of Care for Older People Report agreed by the IJB at its meeting of 31 October 2017 (Article VII of the minute of the meeting, report DIJB37-2017 refers).
- 4.4.3 A range of underspends within Physical Disabilities, Learning Disability and Management and Support functions mainly arising from staff turnover as well as slippage in the development of new services are currently projected to balance these budget pressure areas.

5.0 POLICY IMPLICATIONS

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 including the use of reserves 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 therefor the risk should be accepted.

7.0 CONSULTATIONS

The Chief Officer, Executive Director of Corporate Services (Dundee City Council), Director of Finance of NHS Tayside and the Clerk were consulted in the preparation of this report.

8.0 DIRECTIONS

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

None.

Dave Berry
Chief Finance Officer

DATE: 5 December 2018

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2018/19 AS AT October 2018

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		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	38,112	-25	15,982	183	54,095	157
Mental Health	4,354	-13	3,345	-160	7,699	-173
Learning Disability	22,598	-157	1,279	-35	23,876	-192
Physical Disabilities	6,659	-254	0	0	6,659	-254
Substance Misuse	847	-152	2,670	20	3,517	-132
Community Nurse Services / AHP / Other Adult	251	642	11,296	-260	11,547	382
Hosted Services	0	0	18,851	-375	18,851	-375
Other Dundee Services / Support / Mgmt	873	-41	26,382	-285	27,255	-326
Centrally Managed Budgets	0	1,983	1,933	953	1,933	2,936
Total Health and Community Care Services	73,694	1,983	81,739	40	155,433	2,023
Prescribing (FHS)	0	0	33,258	914	33,258	914
Other FHS Prescribing	0	0	900	-33	900	-33
General Medical Services	0	0	25,036	132	25,036	132
FHS - Cash Limited & Non Cash Limited	0	0	17,937	-34	17,937	-34
Grand Total	73,694	1,983	158,870	1,019	232,564	3,002
Net Effect of Hosted Services*			5,491	662	5,491	662
Grand Total	73,694	1,983	164,361	1,681	238,055	3,664
Less: Planned Draw Down From Reserve Balances		-1,983				-1,983
Grand Total	73,694	0	164,361	1,681	238,055	1,681
*Hosted Services - Net Impact of Risk Sharing Adjustment						

Dundee City Integration Joint Board – Health & Social Care Partnership – Finance Report October 2018

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Psychiatry Of Old Age (POA) (In Patient)			4,594	25	4,594	25
Older People Serv. – Ecs			0	(500)	0	(500)
Older Peoples Services -Community			239	0	239	0
Continuing Care			1,338	0	1,338	0
Medicine for the Elderly			4,871	655	4,871	655
Medical (POA)			641	(10)	641	(10)
Psychiatry Of Old Age (POA) - Community			1,930	(118)	1,930	(118)
Intermediate Care			865	98	865	98
Dundee- Supp People At Home			0	0	0	0
Medical (MFE)			1,504	33	1,504	33
Older People Services	38,112	(25)			38,112	(25)
Older Peoples Services	38,112	(25)	15,982	183	54,095	157
General Adult Psychiatry			3,345	(160)	3,345	(160)
Mental Health Services	4,354	(13)			4,354	(13)
Mental Health	4,354	(13)	3,345	(160)	7,499	(173)
Learning Disability (Dundee)	22,598	(157)	1,279	(35)	23,876	(192)
Learning Disability	22,598	(157)	1,279	(35)	23,876	(192)

		Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
		Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
		£,000	£,000	£,000	£,000	£,000	£,000
Physical Disabilities		6,659	(254)			6,659	(254)
	Physical Disabilities	6,659	(254)	0	0	6,659	(254)
Drug Problems Services Substance Misuse		847	(152)	2,670	20	2,670	20
	Substance Misuse	847	(152)	2,670	20	3,517	(132)
A.H.P. Admin				374	(8)	374	(8)
Physiotherapy				3,478	(225)	3,478	(255)
Occupational Therapy				1,309	(103)	1,309	(103)
Nursing Services (Adult)				5,606	120	5,606	120
Community Supplies - Adult				155	(25)	155	(25)
Anticoagulation				374	(20)	374	(20)
Joint Community Loan Store				0	0	0	0
Intake/Other Adult Services		251	642			251	642
	Community Nurse Services / AHP / Intake / Other Adult Services	251	642	11,296	(260)	11,547	382

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Palliative Care – Dundee			2,577	78	2,577	78
Palliative Care – Medical			1,106	(2)	1,106	(2)
Palliative Care – Angus			324	17	324	17
Palliative Care – Perth			1,609	112	1,609	112
Brain Injury			1,596	105	1,596	105
Dietetics (Tayside)			2,766	(243)	2,766	(243)
Sexual & Reproductive Health			2,065	(25)	2,065	(25)
Medical Advisory Service			154	(48)	154	(48)
Homeopathy			27	3	27	3
Tayside Health Arts Trust			58	0	58	0
Psychology			4,906	(481)	4,906	(481)
Eating Disorders			0	0	0	0
Psychotherapy (Tayside)			894	158	894	158
Learning Disability (Tayside AHP)			769	(50)	769	(50)
Hosted Services	0	0	18,851	(375)	18,851	(375)
Working Health Services			0	0	0	0
The Corner			407	60	407	60
Resource Transfer			0	0	0	0
Grants Voluntary Bodies Dundee			46	0	46	0
IJB Management			804	(55)	804	(55)
Partnership Funding			23,572	0	23,572	0
Carers Strategy			0	0	0	0
Public Health			450	(80)	450	(80)
Keep Well			590	(150)	590	(150)
Primary Care			514	(60)	514	(60)
Support Services/Management Costs	873	(41)			873	(41)
Other Dundee Services / Support / Mgmt	873	(41)	26,382	(285)	27,255	(326)

Centrally Managed Budgets

	0	1,983	1,933	953	1,933	2,936
	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Total Health and Community Care Services	73,694	1,983	81,739	40	155,433	2,023
Other Contractors						
Prescribing (FHS)			33,258	914	33,258	914
Other FHS Prescribing			900	(33)	900	(33)
General Medical Services			25,036	132	25,036	132
FHS - Cash Limited & Non Cash Limited			17,937	(34)	17,937	(34)
Grand Total H&SCP	73,694	1,983	158,870	1,019	232,564	3,002
Hosted Recharges Out			(11,062)	(136)	(11,062)	(136)
Hosted Recharges In			16,553	798	16,553	798
Hosted Services - Net Impact of Risk Sharing Adjustment			5,491	662	5,491	662
TOTAL	73,694	0	164,361	1,681	238,055	3,664
Less: Planned Draw Down from Reserves		-1,983				-1,983
NET POSITION	73,694	0	164,361	1,681	238,055	1,681
Large Hospital Set Aside			tbc	tbc	tbc	tbc

**NHS Tayside - Services Hosted by Integrated Joint Boards - Charge to Dundee IJB
Risk Sharing Agreement - October 2018**

Services Hosted in Angus	Annual Budget	Forecast Over (Underspend)	Dundee Allocation
Forensic Service	913,533	(27,500)	(10,835)
Out of Hours	7,406,275	325,000	128,050
Tayside Continence Service	1,430,626	(89,000)	(35,066)
Ang-loc Pharmacy	1,200,000	0	0
Speech Therapy (Tayside)	982,650	(2,000)	(788)
Hosted Services	11,933,084	206,500	81,361
Balance of Savings Target	(122,365)	122,365	48,212
Grand Total Hosted Services	11,810,719	328,865	129,573

Services Hosted in Perth	Annual Budget	Forecast Over (Underspend)	Dundee Allocation
Angus Gap Inpatients	2,204,370	325,000	128,050
Dundee Gap Inpatients	5,486,001	425,000	167,450
Dundee Gap Snr Medical	1,950,746	412,500	162,525
P+K Gap Inpatients	5,417,211	275,000	108,350
Learning Disability (Tayside)	6,008,166	25,000	9,850
T.A.P.S.	653,265	(45,000)	(17,730)
Tayside Drug Problem Services	823,652	(127,500)	(50,235)
Prison Health Services	3,237,317	10,000	3,940
Public Dental Service	2,026,894	12,500	4,925
Podiatry (Tayside)	2,833,180	(45,000)	(17,730)
Hosted Services	30,640,802	1,267,500	499,395
Balance of Savings Target	(99,507)	89,507	35,266
Balance of Savings Target - IPMH	(337,546)	337,546	132,993
Grand Total Hosted Services	30,203,749	1,694,553	667,654
Total Hosted Services	42,014,468	2,023,418	797,227

