



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
11 DECEMBER 2024**

REPORT ON: FINANCIAL MONITORING POSITION AS AT OCTOBER 2024

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB68-2024

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 October 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 £8,773k (£9,005k projected overspend detailed in previous report DIJB61-2024) Article IX of the minute of meeting of 23rd October 2024 – of which £4,000k was anticipated as part of the 2024/25 financial plan however the additional £4,773k 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 small residual reserves balance of £16k.
- 3.4 In addition, it should continue to 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 £4,552k for the financial year.
- 4.3.2 Older People Services contribute a significant portion of this, with a projected overspend of £4,088k. The majority of this is due to Care at Home demands and costs of care packages. It should continue to 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. However the unsustainable financial impact of this ongoing cost pressure continues to be highlighted to colleagues in Scottish Government.
- 4.3.3 Learning Disabilities services contribute a further £840k 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 £399k, partially linked to planned interim 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. Community Nursing team managers are being tasked with managing down the overspend.
- 4.3.5 Lead Partner Services managed by Dundee includes overspends within Specialist Palliative Care Services of £363k and Psychological Therapies of £400k. Both are linked mainly to staffing costs and budget holders continue to review options to resolve these positions. Some additional recruitment in targeted priority areas in Psychological Therapies has been agreed to support the waiting list backlog which has recently resulted in Scottish Government implementing an enhanced support arrangement with the service.
- 4.3.6 Other Contractors includes GP Prescribing, General Medical Services and Family Health Services and is currently projecting a combined overspend of £582k. 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 national decisions regarding 24/25 Pay Award, the projected spend has been updated to incorporate anticipated implications. Agreed backdated pay awards are being paid to the majority of staff in November 2024, and the anticipated increased cost along with assumed increased funding has been incorporated into the projected position for both Council employed staff and NHS Agenda for Change staff. An offer of 10.5% uplift has been agreed by NHS Consultants and we also continue to assume this will be fully funded.
- 4.3.10 Supplementary spend during the first 7 months of 2024/25 totals £4,419k. This includes £937k on additional part-time hours and overtime, £990k on agency, and £2,491k on bank nursing / sessional staffing. Absence rates for NHS employed staff within HSCP have averaged at 7.42% during the first 7 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 5 months actual data to August 24 and show an anticipated projected overspend of £213k 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 a benefit of £361k – this now includes some bridging funds to support the Angus managed Lead Partner services' financial position specifically during this period of review and the development of models of care. 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 In-Year reductions to Anticipated Funding Allocations

4.5.1 The Health and Social Care Partnership receives significant additional in-year funding allocations from Scottish Government, with specific instructions detailing how the funding is to be utilised to support national directives or strategic direction. Examples of this funding over the years has included Primary Care Improvement Fund, National Mission and Medication-Assisted Treatment via Alcohol and Drug Partnership and Action 15 of Mental Health Strategy.

4.5.2 While these allocations are issued each year, there is usually a general understanding about the longevity (or end date) of funding in advance to allow time to plan accordingly. For a number of years, the funding allocations would often remain static, meaning any pay uplift or inflation pressures would need to be managed within the flat-cash funding. In more recent years, where annual pay uplift and inflation rates have been more significant, Scottish Government have recognised the increased cost base and allocations had been increased accordingly.

4.5.3 Recently, 2 specific allocation letters have been received for 24/25 funding, both of which are advising of a cut in funding compared to 2023/24 funding

- Multi-Disciplinary Team funding was first announced in 2021/22 “to support and strengthen multi-disciplinary working, to support timely discharge from hospital and prevent avoidable admissions to hospital, ensuring people can be cared for at home or as close to home as possible”. Nationally the allocation was set at £40m in 22/23 and increased to £45.7m in 23/24 to reflect pay award cost pressures. The 24/25 letter has advised the total funding is to be reduced back to £40m. This represents a c.14% cut in cash-terms, or £152k for Dundee IJB.
- Enhanced Mental Health Outcome Framework funding reflects a number of previous funding streams that have been bundled together to allow some flexibility and collaboration across Tayside Mental Health services. The range of priorities encompassed in the letter are varied across NHS Acute services and the 3 Tayside IJB's, including CAMHS, Psychological Therapies, Learning Disability Annual Healthchecks, Perinatal MH and MH Action 15. Due to national funding reduction of 5.48%, and a revision of distribution formula, the impact for Tayside is a cut of 10.19% (or £1,118k) with Dundee IJB share being c.£130k.

4.5.4 Further communication with Scottish Government representatives has taken place during recent months to highlight the service and operational impact these cuts will have on services in Dundee and across Tayside.

4.5.5 The impact of these unanticipated cuts is included in the reported financial position.

4.6 Actions to resolve Projected Financial Gap

4.6.1 A number of actions and options have been introduced or enhanced to address the current year financial position and ensure both a robust understanding of financial drivers as well as implementing actions to improve the projected financial position. An updated on these actions are detailed in the separate report – Financial Recovery Plan 2024/25 (DIJB70-2024).

4.6.2 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.

4.7 Reserves Position

4.7.1 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 of 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

4.7.2 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.

4.7.3 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.
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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.

Christine Jones
Acting Chief Finance Officer

Date: 18 November 2024

		Appendix 1
DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT		Oct-24
	Partnership Total	
	Net Budget £,000	Projected Overspend / (Underspend) £,000
Older Peoples Services	77,655	4,088
Mental Health	13,559	86
Learning Disability	36,730	840
Physical Disabilities	8,680	(343)
Drug and Alcohol Recovery Service	6,273	14
Community Nurse Services/AHP/Other Adult	18,087	399
Lead Partner Services	27,668	615
Other Dundee Services / Support / Mgmt	39,063	21
Centrally Managed Budgets	(1,918)	(1,168)
Total Health and Community Care Services	225,796	4,552
Prescribing & Other FHS Prescribing	35,019	213
General Medical Services	31,402	451
FHS - Cash Limited & Non Cash Limited	23,843	(82)
Large Hospital Set Aside	21,711	0
In-Patient Mental Health	0	0
Total	337,771	5,134
Net Effect of Lead Partner Services*	(4,782)	(361)
Financial Plan Gap (integrated budget)	(4,000)	4,000
Grand Total	328,990	8,773
*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		Oct-24	
		Partnership Total	
		Annual Budget £,000	Projected Overspend / (Underspend) £,000
1			
	Psych Of Old Age (In Pat)	5,828	-645
	Older People Serv. - Ecs	287	-25
	Older Peoples Serv. -Community	1,180	65
	Ijb Medicine for Elderly	7,109	-80
	Medical (P.O.A)	828	200
	Psy Of Old Age - Community	2,945	-235
	Medical (MFE)	2,461	0
	Care at Home	29,656	5,376
	Care Homes	29,674	406
	Day Services	1,298	-248
	Respite	520	-122
	Accommodation with Support	1,207	-72
	Other	-5,339	-532
	Older Peoples Services	77,655	4,088
2			
	Community Mental Health Team	4,674	25
	Tayside Adult Autism Consultancy Team	383	10
	Care at Home	1,127	-11
	Care Homes	643	423
	Day Services	65	-4
	Respite	-3	68
	Accommodation with Support	5,818	162
	Other	852	-588
	Mental Health	13,559	86
3			
	Learning Disability (Dundee)	1,720	-30
	Care at Home	-320	518
	Care Homes	3,321	95
	Day Services	9,777	603
	Respite	480	-109
	Accommodation with Support	23,954	-907
	Other	-2,202	670
	Learning Disability	36,730	840
4			
	Care at Home	1,101	151
	Care Homes	2,238	-796
	Day Services	76	-24
	Respite	-25	115
	Accommodation with Support	813	-72
	Other	4,477	283
	Physical Disabilities	8,680	-343
5			
	Dundee Drug Alcohol Recovery	4,778	118
	Care at Home	0	0
	Care Homes	380	224
	Day Services	70	-5
	Respite	0	0
	Accommodation with Support	350	-134
	Other	695	-188
	Drug and Alcohol Recovery Service	6,273	14

	Partnership Total	
	Annual Budget £,000	Projected Overspend / (Underspend) £,000
6		
A.H.P.S Admin	531	-7
Physio + Occupational Therapy	7,990	-125
Nursing Services (Adult)	8,829	530
Community Supplies - Adult	344	90
Anticoagulation	504	-40
Other Adult Services	-112	-49
Community Nurse Services / AHP / Other Adult Services	18,087	399
7		
Palliative Care - Dundee	3,751	260
Palliative Care - Medical	1,691	90
Palliative Care - Angus	469	33
Palliative Care - Perth	2,209	-20
Brain Injury	2,123	75
Dietetics (Tayside)	4,522	75
Sexual & Reproductive Health	2,671	-75
Medical Advisory Service	83	-10
Homeopathy	40	8
Tayside Health Arts Trust	84	0
Psychological Therapies	7,424	400
Psychotherapy (Tayside)	1,187	-135
Perinatal Infant Mental Health	503	70
Learning Disability (Tay Ahp)	910	-155
Lead Partner Services	27,668	615
8		
Working Health Services	2	30
The Corner	682	-45
ljb Management	905	-90
Partnership Funding	28,340	0
Urgent Care	1,949	-115
Community Health Team	198	-20
Health Inclusion	1,275	-150
Primary Care	1,223	-40
Support Services / Management Costs	4,488	451
Other Dundee Services / Support / Mgmt	39,063	21
Centrally Managed Budget	-1,918	-1,168
Total Health and Community Care Services	225,796	4,552
Other Contractors		
FHS Drugs Prescribing	34,624	1,084
FHS Drugs Prescribing Cost Pressure Investment	1,052	-1,052
Other FHS Prescribing	-657	181
General Medical Services	30,927	264
Dundee 2c (gms) Services	475	187
FHS - Cash Limited & Non Cash Limited	23,843	-82
Large Hospital Set Aside	21,711	0
Grand H&SCP	337,771	5,134
Lead Partner Services Recharges Out	-16,173	-352
Lead Partner Services Recharges In	11,292	91
Hosted Recharge Cost Pressure Investment	100	-100
Hosted Services - Net Impact of Risk Sharing Adjustment	-4,782	-361
Financial Plan Gap (integrated budget)	-4,000	4,000
Grand Total	328,990	8,773

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - October 24			
	Annual Budget £000s	Forecast Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,226	107	42
Out of Hours	9,470	1,874	738
Tayside Continence Service	1,555	299	118
Locality Pharmacy	2,873	0	0
Speech Therapy (Tayside)	1,601	10	4
Sub-total	16,726	2,290	902
Apprenticeship Levy & Balance of Savings Target	(277)	(890)	(351)
Total Lead Partner Services - Angus	16,449	1,400	552
Lead Partner Services - Perth & Kinross			
Prison Health Services	5,249	4	1
Public Dental Service	2,855	(597)	(235)
Podiatry (Tayside)	3,844	(347)	(137)
Sub-total	11,949	(940)	(370)
Apprenticeship Levy & Balance of Savings Target	261	(229)	(90)
Total Lead Partner Services - Perth&Kinross	12,210	(1,169)	(460)
Total Lead Partner Services from Angus and P&K	11,292		91

Dundee IJB - Budget Savings List 2024-25			Appendix 4
Agreed Savings Programme			
Savings / Initiative	2024/25 Value £000	Risk of non-delivery	
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	High	
6) Review of Direct Payment Commitments	100	Medium	
7) Care at Home Contract Efficiency review	447	Medium	
8) Review of Transport	150	High	
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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