



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

REPORT ON: FINANCIAL RECOVERY PLAN UPDATE 2024/25

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB70-2024

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide the Integration Joint Board with an update of the financial recovery plan 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 ongoing financial challenges currently faced by Dundee IJB.
- 2.2 Notes the content of this report detailing progress and implications as result of actions by Officers and Senior Management to address the projected financial overspend position for 2024/25.
- 2.3 Requests a further update on the financial impact of the recovery plan from the Chief Finance Officer at the February 2025 IJB.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The latest 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 based on expenditure to 31 October 2024 (as detailed in report DIJB68-2024) - previously reported projected overspend of £9,005k (DIJB61-2024) - 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 (DIJB10-2024 Article IV of minute of meeting 27 March 2024 refers), whereby up to £4m of IJB reserves has been identified to support the IJB's financial position at the year end.

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 27 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.

- 4.1.3 The principal reasons for the projected financial variance are detailed in the latest Financial Monitoring Report (DIJB68-2024)
- 4.1.4 It should be noted that the challenges faced by Dundee IJB are similar to those of other IJBs across Scotland, as highlighted in the key messages of the Audit Scotland report on IJBs Finance and Performance 2024, published on 25 July 2024 (report DIJB59-2024).
- 4.1.5 Under the IJB Scheme of Integration (DIJB88-2022, Article VI of the minute of meeting of 14 December 2022 refers), the Financial Recovery plan process is as follows -
- Where an unplanned year end overspend is projected, the Chief Officer and Chief Finance Officer to present a Recovery Plan to IJB and Partner Bodies to address the in-year overspend
 - In the event the recovery plan is unsuccessful and an overspend is evident at year end, uncommitted reserves must firstly be used to address this
 - If after the application of Reserves an overspend is still evident, a revised Strategic Plan must be developed to enable the overspend to be managed in subsequent years.
 - Where an in-year overspend remains, this will be shared in proportion to the spending Direction for each Partner body for that financial year – these additional payments may be recoverable from the IJB over future years.

4.2 Actions to resolve Projected Financial Gap

- 4.2.1 With a projected unplanned overspend of £4,773k, the IJB's remaining General Reserves funding would be almost fully exhausted cover this.
- 4.2.2 A number of actions and options have been introduced across the services with actions being progressed to ensure both a robust understanding of financial drivers and improve the projected financial position and return this back towards Financial Plan. These actions include –
- Enhanced control of Discretionary spend to remove non-essential and non-critical expenditure
 - Minimise Supplementary staffing spend
 - Enhanced Control of Recruitment and Vacancy Management, including review of long-term vacant posts
 - Support efforts to address staff absence levels – Return to Work policies and Wellbeing supports
 - Maximise Income recovery for chargeable services
 - Enhanced monitoring information and increased efficiency in Care at Home
 - Review of low-cost and high-cost Packages of Care
 - Use of equipment or technology to efficiently utilise in-person support
 - Review of Commissioned service contracts to minimise duplication and prioritise investment across the city to match strategic priorities
 - Timely closure of ward 'surge' beds
 - Actively support Transition planning (from Children's Services and LD In-Patient)
 - Continue progress to delivery current year savings plans and transformation plans to deliver a sustainable annual financial position
 - Ongoing review of earmarked Reserves and other non-recurring funding to maximise the benefit to 2024/5 position
- 4.2.3 Spend on Care at Home continues to be in excess of budget, however the growth trend during the recent months is showing signs of slowing. Underlying demand continues to be managed within this resource with delayed discharge from hospital performance continuing to be strong and unmet need for services users awaiting packages of care in line with assessment continuing to be low, indicating improvements in efficiencies. New monitoring processes through enhanced provider returns commenced from October which is ensuring robust and timely information is available to support decision-making and allocation of packages of care. These efforts are beginning to show early signs of improving the position.
- 4.2.4 Work has commenced with colleagues from within the Partnership and wider Council teams to maximise income receipts from all chargeable services and also ensuring that bills are affordable within an individual's eligible income where they have taken up the opportunity to complete a financial assessment (through benefit claim maximisation). While opportunities has been identified and being explored, it is too early for the impact to be seen in the financial position.
- 4.2.5 Enhanced recruitment and vacancy management controls have been implemented to ensure critical and / or patient/service user-facing posts are prioritised. A review of long-term vacant posts has also been undertaken to understand if these remain relevant and required within the staffing establishments.

- 4.2.6 A review of Third Party Commissioned services has commenced to understand where there may be duplication of services across the city or across demographic groups in an effort to ensure best value and that investment is prioritised to ensure the IJB's Strategic Priorities are being appropriately met.
- 4.2.7 While efforts to date are showing signs of stabilising and improving the projected position, there has also been some areas that have experienced further detrimental impact which has partially offset the improvements. This includes a recent notification from Scottish Government that specific in-year funding allocations are being reduced due to financial constraints at national levels. These funding allocations are generally fully committed and therefore the relevant gap is now incorporated into the latest position. Efforts are ongoing to minimise the effect of unexpected deteriorating movements.
- 4.2.8 Further opportunities and efforts continued to be explored by Officers and the Management teams and these will be progressed where appropriate.
- 4.2.9 To support both the 2024/25 position and manage future year pressures, there is a continued focus to ensuring 24/25 recurring savings plans are delivered as anticipated, as well as progressing with Transformation projects and budget planning for 2025/26
- 4.2.10 Within Tayside-wide Lead Partner services, it is noted that GP Out of Hours service is projecting a significant overspend for 24/25. This service is operationally and strategically managed by Angus IJB and is currently progressing a service review. While this is ongoing, Angus IJB have recently agreed to invest some bridging funding support the Angus managed Lead Partner services' financial position specifically during this period of review and the development of models of care.
- 4.2.11 Progress against these actions, along with any further evolving opportunities will continue to be monitored and reported at future IJB meetings.
- 4.2.12 It should be noted that the Financial Recovery Plan has been shared with both Dundee City Council and NHS Tayside, as per Recommendation 2.4 in the previous paper (DIJB54-2024), and updates will continue to be shared with partner bodies.

4.3 Reserves Position

- 4.3.1 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), the Reserves breakdown has been restated. The current reserves position is noted in Table 2 below:

Table 2

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

- 4.3.2 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.
- 4.3.3 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.
- 4.3.4 Ring-fenced Reserves balances continue to be reviewed with budget holders and officers to identify opportunities to ensure these continue to be used in-line with the original allocation letter but also to maximum benefit of the IJB's strategic and financial positions.

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
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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Date: 27 November 2024

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