



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
14 DECEMBER 2022

REPORT ON: FINANCIAL MONITORING POSITION AS AT OCTOBER 2022

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB85-2022

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 2022/23 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 2022/23 financial year end as at 31st October 2022 as outlined in Appendices 1, 2, and 3 of this report.
- 2.2 Notes the costs and financial risks associated with Dundee Health and Social Care Partnership's continued 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 throughout the remainder of the financial year.

3.0 FINANCIAL IMPLICATIONS

3.1 The underlying financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 31st October 2022 (excluding any implications of additional COVID-19 spend) shows a net projected underspend position for 2022/23 of (£2,006k).

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 25th March 2022 (Article IV of the minute of the 25 March refers). This set out the cost pressures and funding available to ensure the IJB had a balanced budget position going into the 2022/23 financial year. The 2022/23 budget did not require to stipulate any additional savings plan to achieve a balanced budget position, therefore the financial monitoring reports

will not need to include an updated assessment of the status of the savings plan during this year.

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 (£1,566k) by the end of the financial year. Throughout the year, the figures have assumed all additional Covid-19 costs will be covered by additional funding, community-based health services managed directly by Dundee Health and Social Care Partnership are projected to be underspent by approximately (£1,534k), impact of Lead Partner Service (formerly referred to as Hosted Services) risk sharing adjustment is indicating an additional cost of £650k, prescribing is projected to be underspent by (£1,003k) and other Primary Care services are expected to be overspent by £321k.

4.3.2 Key drivers of underspends across various services continues to be staffing vacancies, with ongoing challenges to recruit staff. This is similar across a number of medical, nursing, AHP and other staffing groups and across various bands.

4.3.3 Key drivers of overspends tends to be as a result of reliance on bank, agency or locum staff (with premium costs) to fill vacancies where patient acuity and / or safe-staffing levels necessitate the use of these additional staff.

4.3.4 GP and Other FHS Prescribing continues to contribute a projected underspend position to the overall financial position. This is predominantly as a result of prescription volumes being lower than Plan, with pricing also being marginally lower than expected. Ongoing regular monitoring of the local and regional Prescribing financial position is undertaken within multi-disciplinary meetings. Nationally, a change in pricing and volume activity was identified in August figures which has reduced the latest projected underspend, and this will be closely monitored to understand any longer-term implications.

4.3.5 Other Primary Care Service projected overspend is mainly driven by the share of cost pressure relating to GP 2C practices.

4.3.6 National discussions in relation to NHS-employed staff pay award for 2022/23 are continuing. The baseline budget uplift received from NHS Tayside was set at 2%, however it is acknowledged that an offer to staff has been made which is higher than this. As in previous years, it is assumed that additional funding will be received from Scottish Government should the pay award be higher than budget uplift to offset the increased cost.

4.3.7 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 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. The report shows net impact of these services to Dundee being an increased cost implication of £650k which mainly relates to higher spend within Out of Hours and Forensic Medical Services led by Angus IJB.

4.3.8 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. Discussions continue with NHS Tayside around financial risk sharing arrangements for these services however there is unlikely to be any additional resultant financial risk to Dundee IJB in 2022/23.

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 underspend of (£440k).

4.4.2 Key drivers of underspend include vacancies across various teams and grades, and also lower activity in some areas as services continue to return pre-pandemic levels.

4.4.3 The current year forecast also includes £1400k of returned unspent 21/22 funding from providers contractual obligations. This is a non-recurring financial benefit this year and will not be received in future years.

4.4.4 Key drivers of overspend includes ongoing lower income levels (due to lower activity levels), and an additional cost pressure against increased pay award agreement.

4.4.5 The IJB's 2022/23 Budget included an assumption of 2% pay award against a flat-cash settlement from Dundee City Council, with this cost pressure being incorporated into the overall financial plan. Following national negotiations, the pay award has been settled at a rate above the 2% provision and Council-employed staff have now received uplifted and back-dated salaries. This additional cost has been incorporated into the October financial monitoring position. Local Authorities have received some additional funding from the Scottish Government to support implementation of the pay award. The Scottish Government has written to Local Authorities to advise that the additional funding allocation provided is based on the total local government workforce and would expect IJBs to receive their proportionate share of this funding in respect of those delegated staff. Therefore funding for this is expected to be shared with Dundee IJB to partially offset the increased cost pressure.

4.5 Financial Impact of the COVID-19 Response

4.5.1 Dundee Health and Social Care Partnership continues to incur additional expenditure associated with the response to the Covid19 pandemic and the Scottish Government provided additional funding throughout 2020/21 and 2021/22 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 for Covid-19 in IJB's reserve balances. Dundee IJB currently has a total of £15.6m of Covid19 reserves, which must be drawn down to meet additional ongoing Covid19 related demands on delegated services in 2022/23. The Scottish Government has confirmed that no further additional funding will be made available.

4.5.2 The latest financial summary as submitted to the Scottish Government in November 2022 (after Month 7 2022/23) is as follows:

Table 1

Mobilisation Expenditure Area	2022/23 Projected COVID-19 Additional Spend (As at Oct – M7) £000	2021/22 COVID-19 Additional Expenditure £000	2020/21 COVID-19 Additional Expenditure £000
Additional Care Home Placements	0	0	336
PPE	74	192	157
Additional Staff Cover / Temporary Staff	2,990*	2,659	2,817

Provider Sustainability Payments	1,361	2,538	4,379
IT / Telephony	34	0	50
Additional Family Health Services Contractor Costs	0	143	678
Additional Family Health Services Prescribing Costs	0	226	0
Loss of Charging Income	0	1,028	1,350
Additional Equipment and Maintenance	47	336	189
Primary Care	565	197	0
Additional Services within Remobilisation Plan	0	484	0
Other Costs	192	119	114
Anticipated Underachievement of Savings	0	0	200
Total Mobilisation Costs	5,263	7,922	10,271

*Includes share of additional Covid19 costs for regional In-Patient Mental Health (£1,063k)

- 4.5.3 Based on the current financial information and projected spend profile, the available Covid-19 Reserves balance will be sufficient to fully cover the anticipated additional expenditure during 2022/23
- 4.5.4 The Scottish Government ended the full financial support offered to social care providers throughout the pandemic funded through IJB remobilisation funding on 30 June 2022. However, some ongoing support under the Social Care Staff Support fund remains in place along with financial support arrangements for testing and vaccinations until 31 March 2023 and these costs continue to be factored into financial projections.
- 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 Any future year or ongoing financial implications relating to additional Covid-19 costs continues to be reviewed and funding options considered. Where expenditure relates to new ways of working or other strategic priorities, this will be considered during the annual financial planning and budget setting process with a view to identifying recurring funding. Any appropriate reports will be presented to the IJB.
- 4.5.7 There have been a number of significant changes to Public Health policies in relation to Covid19 over the summer, which has resulted in the profile of Covid19 spend reducing significantly compared to when funding was provided to IJBs for Covid19 purposes. In response to this, the Scottish Government has recently written to IJB Chief Officers and Chief Finance Officers to intimate their intention to reclaim surplus Covid19 reserves to be redistributed across the sector to meet current Covid19 priorities. At this stage, the details in relation to process, values and timescale have not yet been confirmed.

4.6 Reserves Position

- 4.6.1 The IJB's reserves position significantly improved at the year ended 31st March 2022 as a result of the IJB generating an operational surplus of £7,839k during 2021/22 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 resulted in the IJB having total committed reserves of £29,065k and uncommitted reserves of £9,933k. These values are currently subject to annual external Audit processes. 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 @ 31/3/22	Revised Reserves Balance
	£k	£k
Mental Health	1,825	1,825
Primary Care	4,995	4,995
Service specific	1,947	1,947
Community Living Change Fund	613	613
NHST - shifting balance of care	1,600	1,600
ADP	1,220	1,220
Covid-19	15,595	15,595
Analogue to Digital Grant	876	876
Other Staffing	394	394
Additional GP Capacity*		132
GP Premises Programme Manager**		150
Total Committed Reserves	29,065	29,347
General Reserves (Uncommitted)	9,933	9,651
TOTAL RESERVES	38,998	38,998

*Per DIJB62-2022

**Per DIJB76-2022

- 4.6.2 As agreed at IJB meeting on 26 August 2022, per Agenda Note DIJB62-2022, an additional Committed Reserve has now been created to fund additional GP capacity during the next 2 years.
- 4.6.3 As agreed at IJB meeting on 26 October 2022, per Report DIJB76-2022, an additional Committed Reserve has been created to fund GP Premises Programme Manager during the next 2 years.
- 4.6.4 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.
- 4.6.5 In relation to Primary Care Improvement funding, the Scottish Government has recently confirmed that the total value of the earmarked reserves for this purpose held by IJBs across the country has now been taken into account as part of the overall available funding and therefore IJBs must use their reserves and will only receive additional funding for their investment programme once this has been fully utilised. Overall funding will therefore be restricted to the reserves plus the difference between the original annual funding allocation and those reserve balances, nb an overall reduction in this years assumed available funding. This has had an impact on the IJB's ability to fully implement the Primary Care Improvement Plan.
- 4.6.6 Given the potential reclaim of Covid19 reserves, the Scottish Government's funding changes to Primary Care Improvement Funding and anticipated restrictions in Mental Health Action 15 and Alcohol and Drug Partnership funding, a significant portion of Committed Reserves will be utilised during 2022/23. Plans to ensure the IJB benefits from utilising some of its available reserves through short term targeted investment in supporting transformation, supporting necessary infrastructure and to reduce waiting times which will support the delivery of the IJB's Strategic and Commissioning Plan will be brought to the IJB for approval to the December 2022 IJB meeting.

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 2 x Impact 4 = Risk Scoring 8 (which is a High Risk Level)
Mitigating Actions (including timescales and resources)	Regular financial monitoring reports to the IJB will highlight issues raised.
Residual Risk Level	Likelihood 2 x Impact 3 = Risk Scoring 6 (which is a Moderate Risk Level)
Planned Risk Level	Likelihood 2 x Impact 3 = Risk Scoring 6 (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.

Dave Berry
Chief Finance Officer

Date: 23 November 2022

Christine Jones, Partnership Finance Manager

	Dundee City Council Delegated Services		NHST Dundee Delegated		Partnership Total	
	Net Budget £,000	Forecast Overspend / (Underspend) £,000	Net Budget £,000	Forecast Overspend / (Underspend) £,000	Net Budget £,000	Forecast Overspend / (Underspend) £,000
Older Peoples Services	45,866	12	17,305	289	63,171	301
Mental Health	5,701	240	4,155	246	9,856	486
Learning Disability	30,971	47	1,526	(93)	32,497	(46)
Physical Disabilities	7,873	(632)	0	0	7,873	(632)
Drug and Alcohol Recovery Service	1,372	(398)	4,129	178	5,500	(220)
Community Nurse Services/AHP/Other Adult	22	(98)	15,961	(388)	15,984	(486)
Lead Partner Services			22,934	(1,117)	22,934	(1,117)
Other Dundee Services / Support / Mgmt	7,546	390	30,788	(764)	38,334	(374)
Centrally Managed Budgets			-2,528	114	(2,528)	114
Total Health and Community Care Services	99,352	(440)	94,270	(1,534)	193,622	(1,974)
Prescribing (FHS)			33,245	(747)	33,245	(747)
Other FHS Prescribing			-811	(256)	(811)	(256)
General Medical Services			27,955	321	27,955	321
FHS - Cash Limited & Non Cash Limited			23,753	0	23,753	0
Large Hospital Set Aside			18,200	0	18,200	0
Total	99,352	(440)	196,612	(2,216)	295,963	(2,656)
Net Effect of Lead Partner Services*			(3,981)	650	(3,981)	650
Grand Total	99,352	(440)	192,630	(1,566)	291,982	(2,006)

*Lead Partner Services (formerly known as 'Hosted Services') - Net Impact of Risk Sharing Adjustment

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2022/23

Oct-22

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000
1						
Psych Of Old Age (In Pat)			4,611	373	4,611	373
Older People Serv. - Ecs			272	-5	272	-5
Older Peoples Serv. -Community			786	95	786	95
Ijb Medicine for Elderly			6,069	71	6,069	71
Medical (P.O.A)			775	160	775	160
Psy Of Old Age - Community			2,404	-330	2,404	-330
Medical (MFE)			2,387	-75	2,387	-75
Care at Home	22,377	1,387			22,377	1,387
Care Homes	27,708	-368			27,708	-368
Day Services	1,243	48			1,243	48
Respite	562	-206			562	-206
Accommodation with Support	307	75			307	75
Other	-6,331	-925			-6,331	-925
Older Peoples Services	45,866	12	17,305	289	63,171	301
2						
Community Mental Health Team			4,155	246	4,155	246
Care at Home	922	-6			922	-6
Care Homes	411	306			411	306
Day Services	63	-12			63	-12
Respite	0	41			0	41
Accommodation with Support	4,515	211			4,515	211
Other	-209	-300			-209	-300
Mental Health	5,701	240	4,155	246	9,856	486
3						
Learning Disability (Dundee)			1,526	-93	1,526	-93
Care at Home	-551	39			-551	39
Care Homes	3,092	-191			3,092	-191
Day Services	8,444	1,078			8,444	1,078
Respite	570	224			570	224
Accommodation with Support	22,162	-292			22,162	-292
Other	-2,745	-811			-2,745	-811
Learning Disability	30,971	47	1,526	-93	32,497	-46
4						
Care at Home	855	-129			855	-129
Care Homes	2,107	-116			2,107	-116
Day Services	1,058	27			1,058	27
Respite	-17	-20			-17	-20
Accommodation with Support	740	-47			740	-47
Other	3,129	-347			3,129	-347
Physical Disabilities	7,873	-632	0	0	7,873	-632
5						
Dundee Drug Alcohol Recovery			4,129	178	4,129	178
Care at Home	0	0			0	0
Care Homes	271	37			271	37
Day Services	62	1			62	1
Respite	387	0			387	0
Accommodation with Support	0	-110			0	-110
Other	652	-327			652	-327
Drug and Alcohol Recovery Service	1,372	-398	4,129	178	5,500	-220

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000	Annual Budget £,000	Forecast Overspend / (Underspend) £,000
6						
A.H.P.S Admin			458	20	458	20
Physio + Occupational Therapy			6,743	-248	6,743	-248
Nursing Services (Adult)			7,955	-65	7,955	-65
Community Supplies - Adult			344	28	344	28
Anticoagulation			461	-123	461	-123
Other Adult Services	22	-98			22	-98
Adult Services	22	-98	15,961	-388	15,984	-486
7						
Palliative Care - Dundee			3,156	-64	3,156	-64
Palliative Care - Medical			1,518	30	1,518	30
Palliative Care - Angus			400	25	400	25
Palliative Care - Perth			1,875	-54	1,875	-54
Brain Injury			1,671	-113	1,671	-113
Dietetics (Tayside)			3,590	8	3,590	8
Sexual & Reproductive Health			2,386	-230	2,386	-230
Medical Advisory Service			173	-100	173	-100
Homeopathy			31	8	31	8
Tayside Health Arts Trust			75	0	75	0
Psychological Therapies			5,728	-338	5,728	-338
Psychotherapy (Tayside)			1,107	-123	1,107	-123
Perinatal Infant Mental Health			374	0	374	0
Learning Disability (Tay Ahp)			849	-168	849	-168
Lead Partner Services	0	0	22,934	-1,117	22,934	-1,117
8						
Working Health Services			0	20	0	20
The Corner			543	-13	543	-13
Ijb Management			795	-130	795	-130
Partnership Funding			25,542	0	25,542	0
Urgent Care			1,513	-121	1,513	-121
Health Inequalities			831	-130	831	-130
Keep Well			613	-205	613	-205
Primary Care			952	-185	952	-185
Support Services / Management Costs	7,546	390			7,546	390
Other Dundee Services / Support / Mgmt	7,546	390	30,788	-764	38,334	-374
Centrally Managed Budget			-2,528	114	-2,528	114
Total Health and Community Care Services	99,352	-440	94,270	-1,534	193,622	-1,974
Other Contractors						
FHS Drugs Prescribing			33,245	-747	33,245	-747
Other FHS Prescribing			-811	-256	-811	-256
General Medical Services			27,955	321	27,955	321
FHS - Cash Limited & Non Cash Limited			23,753	0	23,753	0
Large Hospital Set Aside			18,200	0	18,200	0
Grand H&SCP	99,352	-440	196,612	-2,216	295,963	-2,656
Lead Partner Services Recharges Out			-13,794	248	-13,794	248
Lead Partner Services Recharges In			9,812	402	9,812	402
Adjustment			-3,981	650	-3,981	650
Grand Total	99,352	-440	192,630	-1,566	291,982	-2,006

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - October 2022			
	Annual Budget £000s	Forecast Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,075	240	95
Out of Hours	8,693	1,000	394
Locality Pharmacy	2,652	0	0
Tayside Continence Service	1,546	71	28
Speech Therapy (Tayside)	1,250	(49)	(19)
Sub-total	15,215	1,262	498
Apprenticeship Levy & Balance of Savings Target	(356)	(32)	(13)
Total Lead Partner Services - Angus	14,859	1,230	485
Lead Partner Services - Perth & Kinross			
Prison Health Services	4,408	(169)	(67)
Public Dental Service	2,384	120	47
Podiatry (Tayside)	3,340	(409)	(161)
Sub-total	10,133	(458)	(181)
Apprenticeship Levy & Balance of Savings Target	(87)	248	98
Total Lead Partner Services - Perth&Kinross	10,045	(210)	(83)
Total Lead Partner Services from Angus and P&K	9,812		402