



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
28 AUGUST 2018**

REPORT ON: FINANCIAL MONITORING POSITION AS AT JUNE 2018

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB47-2018

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 30 June 2018.

3.0 FINANCIAL IMPLICATIONS

3.1 The financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 30th June 2018 shows a net projected overspend position of £1,064k. This is the first projection made for the financial year. The overspend is primarily as a result of overspends in GP prescribing of £415k, General Medical Services of £175k and the net impact of hosted services of £473k.

3.2 The budgets against which the financial projections are monitored against are subject to final approval by the IJB as noted in item 13 of this agenda.

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 considered the overall budgeted resources for delegated services at its meeting in March 2018 following receipt of confirmation of Dundee City Council's budget. The NHS budget was noted as being indicative at this time with the NHS budget proposal to be considered by the IJB as a separate item on this meeting agenda. Members of the IJB will recall that risks around the prescribing budget were noted within the paper presented in March in addition to Report DIJB41-2018 (Dundee Prescribing Management Position) considered by the IJB at its meeting held on 27th June 2018.

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 IJB members will note that as we move into year 3 of the IJB formally taking over responsibility for the strategic planning and operational management of delegated services, 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 will be ongoing throughout the financial year with both parties to consider the implications of this should this situation arise. Officers within the partnership will however 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 £1,064k by the end of the financial year.

4.3.2 A number of service underspends are noted within the development of Enhanced Community Services due to timing delays in recruiting to new posts, Allied Health Professionals (AHP) primarily as a result of staff vacancies and Community Based Psychiatry of Old Age. This is additional to the staff efficiency savings incorporated into the base budget for these services and therefore provides a further contribution to achieving the overall savings target.

4.3.3 Staff cost pressures exist in a number of other services such as the Medicine for the Elderly budget, Palliative Care and Nursing Services. Additional staffing pressures have contributed to the adverse position within these services. Overall, directly managed operational services are anticipated to be in financial balance by the end of the financial year.

4.3.4 The Family Health Services prescribing budget currently projects a shortfall totalling £415k 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). These figures do not however at this stage reflect the risk assessed intervention plan as outlined in the June report which noted that the prescribing overspend could increase to around £700k. This 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 £659k being recharged with the net impact of hosted services to Dundee being an overspend of £473k.

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. Notably 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. This has resulted in Dundee City IJB reducing its share of the estimated overspend to £384k (previously reported £500k). Other hosted services previously highlighted as areas of financial risk such as the Out of Hours & Forensic services hosted by Angus have also seen reductions in the projected overspend for the year through a range of interventions. These will continue to be monitored closely over the remainder of the financial year.

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 financial position at this stage of the financial year. Within this however there are a number of budget pressures which reflect a continuation of recent demographic trends, particularly within Older People's Services and Learning Disability Services. Continued increasing demand for home care packages to support people in their own homes and reduce delays in hospital is the main contributing factor to the projected overspend in Older People's Services. Similarly, the demand for accommodation with support for people with a Learning Disability continues to grow.
- 4.4.2 A range of underspends within Mental Health Services, Physical Disabilities and Management and Support functions mainly arising from staff turnover are currently projected to balance the 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 therefore 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: 27 July 2018

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

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Net Budget £,000	Projected Overspend / (Underspend) £,000	Net Budget £,000	Projected Overspend / (Underspend) £,000	Net Budget £,000	Projected Overspend / (Underspend) £,000
Older Peoples Services	37,155	215	15,483	3	52,638	218
Mental Health	4,140	-120	3,260	50	7,400	-70
Learning Disability	22,003	370	1,244	-30	23,247	340
Physical Disabilities	8,777	-335	0	0	8,777	-335
Substance Misuse	836	0	2,614	-20	3,450	-20
Community Nurse Services / AHP / Other Adult	395	0	10,898	-42	11,294	-42
Hosted Services	0	0	18,092	-291	18,092	-291
Other Dundee Services / Support / Mgmt	333	-130	25,982	-203	26,315	-333
Centrally Managed Budgets			1,767	532	1,767	532
Total Health and Community Care Services	73,638	0	79,341	0	152,979	0
Prescribing (FHS)	0	0	32,423	415	32,423	415
Other FHS Prescribing	0	0	894	0	894	0
General Medical Services	0	0	23,758	175	23,758	175
FHS - Cash Limited & Non Cash Limited	0	0	17,161	1	17,161	1
Grand Total	73,638	0	153,577	591	227,215	591
Hosted Services*			4,853	473	4,853	473
Grand Total	73,638	0	158,430	1,064	232,068	1,064
*Hosted Services - Net Impact of Risk Sharing Adjustment						

Dundee City Integration Joint Board – Health & Social Care Partnership – Finance Report June 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)			4,417	88	4,417	88
Older People Serv. – Ecs			0	(500)	0	(500)
Older Peoples Services -Community			501	25	501	25
Continuing Care			1,338	0	1,338	0
Medicine for the Elderly			5,732	525	5,732	525
Medical (POA)			643	(20)	643	(20)
Psychiatry Of Old Age (POA) - Community			1908	(175)	1,908	(175)
Intermediate Care			944	61	944	61
Dundee- Supp People At Home			0	0	0	0
Older People Services	37,155	215			37,155	215
Older Peoples Services	37,155	215	15,483	3	52,638	218
General Adult Psychiatry			3,260	50	3,260	50
Mental Health Services	4,140	(120)			4,140	(120)
Mental Health	4,140	(120)	3,260	50	7,400	(70)
Learning Disability (Dundee)	22,003	370	1,244	(30)	23,247	340
Learning Disability	22,003	370	1,244	(30)	23,247	340

	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	8,777	(335)			8,777	(335)
Physical Disabilities	8,777	(335)	0	0	8,777	(335)
Alcohol Problems Services			690	(60)	690	(60)
Drug Problems Services			1,924	40	1,924	40
Substance Misuse	836	0			836	0
Substance Misuse	836	0	2,614	(20)	3,450	(20)
A.H.P. Admin			363	0	363	0
Physiotherapy			3,262	(75)	3,262	(75)
Occupational Therapy			1,302	(73)	1,302	(73)
Nursing Services (Adult)			5,450	150	5,450	150
Community Supplies - Adult			155	(20)	155	(20)
Anticoagulation			366	(24)	366	(24)
Joint Community Loan Store			0	0	0	0
Intake/Other Adult Services	395	0			395	0
Community Nurse Services / AHP / Intake / Other Adult Services	395	0	10,898	(42)	11,294	(42)

	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			2,481	83	2,481	83
Palliative Care – Medical			1,085	0	1,085	0
Palliative Care – Angus			315	9	315	9
Palliative Care – Perth			1,567	149	1,567	149
Brain Injury			1,552	90	1,552	90
Dietetics (Tayside)			2,684	(245)	2,684	(245)
Sexual & Reproductive Health			1,991	(25)	1,991	(25)
Medical Advisory Service			151	(48)	151	(48)
Homeopathy			26	3	26	3
Tayside Health Arts Trust			57	0	57	0
Psychology			4,641	(417)	4,641	(417)
Eating Disorders			0	0	0	0
Psychotherapy (Tayside)			794	140	794	140
Learning Disability (Tayside AHP)			749	(30)	749	(30)
Hosted Services	0	0	18,092	(291)	18,092	(291)
Working Health Services			0	0	0	0
The Corner			394	25	394	25
Resource Transfer			0	0	0	0
Grants Voluntary Bodies Dundee			46	0	46	0
IJB Management			734	(35)	734	(35)
Partnership Funding			23,233	0	23,233	0
Carers Strategy			0	0	0	0
Public Health			473	0	473	0
Keep Well			576	(120)	576	(120)
Primary Care			526	(73)	526	(73)
Support Services/Management Costs	333	(130)			333	(130)
Other Dundee Services / Support / Mgmt	333	(130)	25,982	(203)	26,315	(333)

Centrally Managed Budgets

	1,767	532	1,767	532		
	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	73,638	0	79,341	0	152,979	0
Other Contractors						
Prescribing (FHS)			32,423	415	32,423	415
Other FHS Prescribing			894	0	894	0
General Medical Services			23,758	175	23,758	175
FHS - Cash Limited & Non Cash Limited			17,161	1	17,161	1
Grand Total H&SCP	73,638	0	153,577	591	227,215	591
Hosted Recharges Out			(10,601)	(186)	(10,601)	(186)
Hosted Recharges In			15,454	659	15,454	659
Hosted Services - Net Impact of Risk Sharing Adjustment			4,853	473	4,853	473
TOTAL			158,430	1,064	232,068	1,064
Large Hospital Set Aside			tbc	tbc	tbc	tbc

