



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
18 JUNE 2025

REPORT ON: FINANCIAL MONITORING POSITION AS AT MARCH 2025

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB38-2025

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the Integration Joint Board with an update of the year-end 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 year-end operational financial position for delegated services for the 2024/25 financial year end as at 31st March 2025 as outlined in Appendices 1, 2, and 3 of this report.
- 2.2 Notes the receipt of additional funding from NHS Tayside (from Scottish Government allocations) during 2024/25 to support whole system pressures and sustainability, and notes approval has been sought as part of earlier report on Unaudited Annual Accounts 2024-25 (DIJB41-2025) to earmark this within IJB Reserves to support whole-system and financial pressures in 2025/26.

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 year end operational overspend of £7,216k (£7,892k projected overspend detailed in previous report DIJB26-2025 Article XI of the minute of meeting of 16th April 2025 refers) – of which £4,000k was anticipated as part of the 2024/25 financial plan however the additional £3,216k 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 held a further £4,789k in General Reserves, which have partially been utilised to fund the unplanned and unanticipated projected overspend, leaving a balance of £1,573k at 31st March 2025.
- 3.4 It should continue to be recognised that as the majority of Reserves have been 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 2024 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 Final 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.

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 £3,366k for the financial year, an improvement from £4,140k projected overspend in the previously reported position.
- 4.3.2 Older People Services contribute a significant portion of this, with an overspend of £3,391k (deterioration from £3,243k). The majority of this continues to be due to Care at Home demands and costs of care packages. It should continue to be recognised 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 unmet social care need in the community, which has been a strategic national priority of Scottish Government. Dundee has continued to be amongst the best performing Integration Authorities in Scotland for Delayed Discharge performance, while at the same time sustaining a low level of unmet assessed need in the community. Work is ongoing to achieve a balanced position between meeting the whole-system demands and ongoing financial sustainability. The unsustainable financial impact of this ongoing cost pressure continued to be highlighted to colleagues in Scottish Government. Actions were taken through the year to manage and reduce the level of overspend with efforts to ensure maximum efficiency through the autumn and winter to limit any detrimental impact on whole-system pathways, and the focus subsequently switching to reduce the spend in a controlled and managed way through effective use of resources (including technology), assessment processes, turnover of packages and increased waiting times as needed.
- 4.3.3 Learning Disabilities services contribute a further £1,680k overspend to the position (improvement from £1,706k), predominantly linked to staffing related spend (both internal and commissioned services) across complex packages of care, day care and residential care. The overspend is partially due to additional agency staffing spend for some particularly complex packages.
- 4.3.4 Community Nurse Services / AHP / Other Adult Services are showing an overspend of £374k (deterioration from £238k), predominantly linked to planned interim over-recruitment in Community Nursing Teams (£636k overspend) to help address demand and alleviate pressures on staff while progressing an internal restructuring of the service, which is also anticipated to reduce reliance of bank staff to fill gaps. Community Nursing team managers have been tasked with managing down the overspend, with plans in place to restructure their teams to maximise operational efficiencies as well as utilise more mobile and agile technologies and ways of working.

- 4.3.5 Lead Partner Services managed by Dundee has an overspend of £127k (previous £406k) and includes overspends within Specialist Palliative Care Services of £446k and Psychological Therapies of £87k. 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, with this being offset in the year end position through inclusion of additional in-year funding allocations within the service.
- 4.3.6 Other Contractors includes GP Prescribing, General Medical Services and Family Health Services and is showing a combined overspend of £96k (previous £210k). The main change from previous month is in GP Prescribing, which has benefitted from year-end adjustments relating to rebates. A significant portion of this is linked to the costs of operating the 2C GP Practices (£197k). Work is ongoing with service leads to mitigate 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 Supplementary spend during the 12 months of 2024/25 totals £7,189k. This includes £1,381k on additional part-time hours and overtime, £1,744k on agency, and £4,064k on bank nursing / sessional staffing. Absence rates for NHS employed staff within HSCP have averaged at 7.27% during the 12 months of 24/25. The working days lost for DCC employed staff within the HSCP during the 12 months was 10.50%.
- 4.3.10 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 offset this gap. The year end position is based on 10 months actual data to January 25 and show an anticipated projected underspend of (£280k) 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 £247k – 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. During the year, there was 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 has been a separation between strategic planning and operational delivery of the service, ongoing discussions are taking place to finalise financial risk sharing arrangements amongst the 3 IJB's and NHS Tayside for the current financial year.
- 4.4.3 The Dundee IJB share of Tayside In-Patient Mental Health Service delegated budget for 2024/25 is £14,500k. The Dundee share of operational overspend was £1,558k and has been funded from resources in Health and Community Care Services. The key drivers of the overspend continues to be reliance on locum medical staff (with associated high cost) and additional staffing costs in both Learning Disability and Mental Health wards associated with staff absence and complexity of patients.

4.5 Actions to resolve Financial Gap

- 4.5.1 Through the year a number of actions, options and controls 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.
- 4.5.2 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.
- 4.5.3 Improvements have been seen across a number of areas with projected spend either capped or gradually reducing as a result of ongoing efforts. However there also continues to be some areas that have struggled to deliver the required actions due to complexity and / or demand. Officers and senior managers will continue to support these areas to take appropriate action.
- 4.5.4 Given the nature of services provided by IJB's delegated budgets, it is recognised that the majority of the 2024/25 financial pressures will continue to be experienced into future years, unless significant levels of prioritisation, transformation and efficiencies are progressed to return to a financially sustainable position.
- 4.5.5 As a result of actions taken, the 2024/25 Financial position improved from the peak projected overspend of £9,005k as at August 2024 (report DIJB61-2024, Article IX of the minute of meeting of 23 October 2024 refers), to the reported full year position of £7,216k overspend as at March 2025.

4.6 Reserves Position

- 4.6.1 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 refers), the Reserves breakdown has been restated.
- 4.6.2 Following year-end movements to Reserves based on relevant expenditure and movements during 2024/25, the breakdown of Closing Reserves for the financial year is noted below in Table 1 :

Table 1

Reserve Purpose	Closing Reserves @ 31/3/24 (restated)	Closing Reserves* @ 31/3/25
	£k	£k
Mental Health	1,036	241

Primary Care	1,859	1,933
Drug & Alcohol	559	926
Strategic Developments	3,756	1,998
Revenue Budget Support	4,000	2,050
Service Specific	1,452	450
NHST – system pressures**	0	2,959
Other Staffing	362	156
Total committed	13,024	10,713
General	4,789	1,022
TOTAL RESERVES	17,813	11,735

* Includes adjustments following decisions made at IJB meeting on 26th March 2025.

** Subject to IJB agreement as detailed in recommendation 2.2 of this report

- 4.6.3 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.
- 4.6.4 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.
- 4.6.5 IJB Reserves have been bolstered at the financial year end following receipt from NHS Tayside of a pass-through of additional Scottish Government funding in recognition of system and financial pressures. This funding totals £2,959k and is proposed to be set aside in an Earmarked Reserve to support the 2025/26 financial plan (as detailed in separate Unaudited Annual Accounts 2024-25 report DIJB41-2025).

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.

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: 26 May 2025

		Appendix 1
DUNDEE INTEGRATED JOINT BOARD		
HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2024/25		Mar-25
	Partnership Total	
	Net Budget £,000	Year End Overspend / (Underspend) £,000
Older Peoples Services	78,637	3,391
Mental Health	13,795	274
Learning Disability	36,859	1,680
Physical Disabilities	8,733	(515)
Drug and Alcohol Recovery Service	6,686	(196)
Community Nurse Services/AHP/Other Adult	19,324	374
Lead Partner Services	29,826	127
Other Dundee Services / Support / Mgmt	40,667	(443)
Centrally Managed Budgets	665	(1,324)
Total Health and Community Care Services	235,192	3,366
Prescribing & Other FHS Prescribing	35,267	(280)
General Medical Services	33,564	470
FHS - Cash Limited & Non Cash Limited	25,384	(93)
Large Hospital Set Aside	21,850	0
In-Patient Mental Health	14,500	0
Total	365,757	3,462
Net Effect of Lead Partner Services*	(5,478)	(247)
Financial Plan Gap (integrated budget)	(4,000)	4,000
Grand Total	356,279	7,216
*Lead Partner Services (formerly known as 'Hosted Services') - Net Impact of Risk Sharing Adjustment		

DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2024/25		Appendix 2
		Mar-25
	Partnership Total	
	Annual Budget £,000	Year End Overspend / (Underspend) £,000
1		
Psych Of Old Age (In Pat)	5,846	-711
Older People Serv. - Ecs	287	-28
Older Peoples Serv. -Community	1,267	22
Ijb Medicine for Elderly	7,124	-55
Medical (P.O.A)	916	230
Psy Of Old Age - Community	3,078	-236
Medical (MFE)	2,653	-145
Care at Home	29,508	4,733
Care Homes	29,743	597
Day Services	1,300	-194
Respite	540	-412
Accommodation with Support	1,194	5
Other	-4,818	-415
Older Peoples Services	78,637	3,391
2		
Community Mental Health Team	4,891	-13
Tayside Adult Autism Consultancy Team	385	-8
Care at Home	1,152	9
Care Homes	643	415
Day Services	65	0
Respite	-3	50
Accommodation with Support	5,818	197
Other	844	-376
Mental Health	13,795	274
3		
Learning Disability (Dundee)	1,770	-76
Care at Home	-320	497
Care Homes	3,321	428
Day Services	9,802	654
Respite	480	-100
Accommodation with Support	23,975	482
Other	-2,169	-206
Learning Disability	36,859	1,680
4		
Care at Home	1,101	254
Care Homes	2,238	-739
Day Services	76	-3
Respite	-43	41
Accommodation with Support	813	65
Other	4,548	-133
Physical Disabilities	8,733	-515
5		
Dundee Drug Alcohol Recovery	5,190	12
Care at Home	0	0
Care Homes	380	291
Day Services	70	1
Respite	0	0
Accommodation with Support	350	-134
Other	696	-367
Drug and Alcohol Recovery Service	6,686	-196

		Partnership Total	
		Annual Budget £,000	Year End Overspend / (Underspend) £,000
6			
	A.H.P.S Admin	541	-24
	Physio + Occupational Therapy	8,305	-306
	Nursing Services (Adult)	9,723	636
	Community Supplies - Adult	344	72
	Anticoagulation	504	-62
	Other Adult Services	-93	58
	Community Nurse Services / AHP / Other Adult Services	19,324	374
7			
	Palliative Care - Dundee	3,758	291
	Palliative Care - Medical	1,868	141
	Palliative Care - Angus	468	30
	Palliative Care - Perth	2,212	-16
	Brain Injury	2,127	15
	Dietetics (Tayside)	5,125	30
	Sexual & Reproductive Health	2,754	-104
	Medical Advisory Service	83	-12
	Homeopathy	43	8
	Tayside Health Arts Trust	85	0
	Psychological Therapies	8,140	87
	Psychotherapy (Tayside)	1,371	-174
	Perinatal Infant Mental Health	879	0
	Learning Disability (Tay Ahp)	912	-168
	Lead Partner Services	29,826	127
8			
	Working Health Services	1	39
	The Corner	708	-47
	Ijb Management	932	-118
	Partnership Funding	28,990	0
	Urgent Care	2,306	-147
	Community Health Team	63	-63
	Health Inclusion	1,498	-189
	Primary Care	1,536	-45
	Support Services / Management Costs	4,634	126
	Other Dundee Services / Support / Mgmt	40,667	-443
	Centrally Managed Budget	665	-1,324
	Total Health and Community Care Services	235,192	3,366
	Other Contractors		
	FHS Drugs Prescribing	34,738	861
	FHS Drugs Prescribing Cost Pressure Investment	1,052	-1,052
	Other FHS Prescribing	-523	-89
	General Medical Services	33,089	273
	Dundee 2c (gms) Services	475	197
	FHS - Cash Limited & Non Cash Limited	25,384	-93
	Large Hospital Set Aside	21,850	0
	Grand H&SCP	351,257	3,462
	Lead Partner Services Recharges Out	-18,183	-38
	Lead Partner Services Recharges In	12,605	-108
	Hosted Recharge Cost Pressure Investment	100	-100
	Hosted Services - Net Impact of Risk Sharing Adjustment	-5,478	-247
	Financial Plan Gap (integrated budget)	-4,000	4,000
	Grand Total	341,779	7,216

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - March 25			
	Annual Budget £000s	Year End Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,278	100	39
Out of Hours	9,830	2,043	805
Tayside Continence Service	1,565	413	163
Locality Pharmacy	3,578	0	0
Speech Therapy (Tayside)	1,710	(76)	(30)
Sub-total	17,961	2,480	977
Apprenticeship Levy & Balance of Savings Target	1,397	(1,332)	(525)
Total Lead Partner Services - Angus	19,358	1,149	453
Lead Partner Services - Perth & Kinross			
Prison Health Services	5,706	(343)	(135)
Public Dental Service	2,984	(725)	(286)
Podiatry (Tayside)	3,844	(303)	(119)
Sub-total	12,534	(1,371)	(540)
Apprenticeship Levy & Balance of Savings Target	100	(53)	(21)
Total Lead Partner Services - Perth&Kinross	12,634	(1,423)	(561)
Total Lead Partner Services from Angus and P&K	12,605		(108)

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	Medium
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	Low
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	Low
16) Return of additional investment from Prescribing	493	Low
Total Non Recurring Savings / Initiatives	5,793	
Total Savings / Initiatives	10,687	

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