



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
30 OCTOBER 2018**

REPORT ON: FINANCIAL MONITORING POSITION AS AT AUGUST 2018

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB57-2018

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 31 August 2018.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial monitoring position for Dundee Health and Social Care Partnership based on expenditure to 31 August 2018 shows a net projected overspend position of £1,441k, which is a deterioration from the previously reported overspend of £1,064k. The projected financial positions is primarily as a result of overspends in GP prescribing of £1,010k and the net impact of hosted services of £631k.

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 set out its final budget for delegated services at its meeting of 28 August 2018 following receipt of confirmation of NHS Tayside's budget (Report DIJB30-2018.) Within this report, the risks around the prescribing budget were reiterated after being formally noted in the initial budget report presented to a special meeting of the IJB held on 30 March 2018 (DIJB17-2018) in addition to Report DIJB41-2018 (Dundee Prescribing Management Position) considered by the IJB at its meeting held on 27 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 £1,441k 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. A forecast underspend of £270k is being reported, primarily as a result of staff vacancies in both Physio and OT teams. 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, Psychiatry of Old Age, 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 £1,010k 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). This is a significant deterioration from the June 2018 financial position of a projected overspend of £415k. The main underlying shift in the financial position is as a result of the impact of an in year change to drug tariff benefits passed on to community pharmacists as part of contractual arrangements with the Scottish Government which reduces the benefit of reductions in drug prices to integration authorities prescribing budgets. This position 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 £845k being recharged with the net impact of hosted services to Dundee being an overspend of £631k.

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. 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. However the latest projection from Perth and Kinross shows Dundee's share of this overspend increasing from the £384k previously reported to £540k. This position is driven by undelivered savings carried forward from previous years, medical locum costs and nursing costs in General Adult Psychiatry.

Plans to reduce and offset costs are not yet impacting on the financial position as anticipated. This includes savings anticipated from Mental Health Learning Difficulties Inpatient Transformation Programme against which slippage is now anticipated. Furthermore, hosted services by Angus IJB such as the Out of Hours & Forensic services continue to present areas of financial risk. This has resulted to an increase overspend forecast of Dundee City IJB share to £163k from a £120k projected overspend based on the June 2018 figures. This is as a result of retrospective funding issues from 2017/18 impacting on the 2018/19 position, lack of clarity regarding Scottish Government funding and to date only partial implementation of recovery actions. 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 break even position at this stage of the financial year. This position however consists of a range of overspending and underspending areas noted below.

4.4.2 A significant financial challenge facing the IJB's delegated budget continues to be the provision of home based social care with a projected overspend of £538k anticipated, mainly as a result of increased demand due to demographic factors with the cost of service provision also increasing. In addition, expenditure on care home placements is higher than budget across all client groups again mainly due to levels of demand. A range of underspends within Physical Disabilities, Learning Disability and Management and Support functions mainly arising from staff turnover as well as slippage in the development of new services are currently projected to balance these 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 therefor 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	x
	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: 8 October 2018

	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Projected Overspend / Net Budget	Projected Overspend / (Underspend)	Projected Overspend / Net Budget	Projected Overspend / (Underspend)	Projected Overspend / Net Budget	Projected Overspend / (Underspend)
	£,000	£,000	£,000	£,000	£,000	£,000
Older Peoples Services	38,058	178	15,810	125	53,868	303
Mental Health	4,154	72	3,345	-75	7,499	-3
Learning Disability	22,144	-210	1,279	-50	23,423	-260
Physical Disabilities	8,725	-367	0	0	8,725	-367
Substance Misuse	903	-121	2,669	-28	3,572	-149
Community Nurse Services / AHP / Other Adult	395	546	11,296	-220	11,691	326
Hosted Services	0	0	18,731	-246	18,731	-246
Other Dundee Services / Support / Mgmt	387	-98	26,364	-253	26,751	-350
Centrally Managed Budgets			805	446	805	446
Total Health and Community Care Services	74,767	0	80,298	-300	155,065	-300
Prescribing (FHS)	0	0	32,904	1,010	32,904	1,010
Other FHS Prescribing	0	0	894	0	894	0
General Medical Services	0	0	23,856	130	23,856	130
FHS - Cash Limited & Non Cash Limited	0	0	17,170	-30	17,170	-30
Grand Total	74,767	0	155,122	810	229,889	810
Hosted Services*			5,476	631	5,476	631
Grand Total	74,767	0	160,598	1,441	235,365	1,441

*Hosted Services - Net Impact of Risk Sharing
Adjustment

Dundee City Integration Joint Board – Health and Social Care Partnership – Finance Report August 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)				4,594	25		4,594	25
Older People Serv. – Ecs				0	(500)		0	(500)
Older Peoples Services -Community				239	0		239	0
Continuing Care				1,338	0		1,338	0
Medicine for the Elderly				6,193	670		6,193	670
Medical (POA)				642	(20)		642	(20)
Psychiatry Of Old Age (POA) - Community				1917	(118)		1,917	(118)
Intermediate Care				887	68		887	68
Dundee- Supp People At Home				0	0		0	0
Older People Services	38,058	178					38,058	178
Older Peoples Services	38,058	178		15,810	125		53,868	303
General Adult Psychiatry				3,345	(75)		3,345	(75)
Mental Health Services	4,154	72					4,154	72
Mental Health	4,154	72		3,345	(75)		7,499	(3)
Learning Disability (Dundee)	22,144	(210)		1,279	(50)		23,423	(260)
Learning Disability	22,144	(210)		1,279	(50)		23,423	(260)

	Dundee City Council Delegated Services		NHST Delegated Services		Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000
Physical Disabilities	8,725	(367)			8,725	(367)		
Physical Disabilities	8,725	(367)	0	0	8,725	(367)		
Alcohol Problems Services			0	0	0	0		
Drug Problems Services			2,669	(28)	2,669	(28)		
Substance Misuse	903	(121)			903	(121)		
Substance Misuse	903	(121)	2,669	(28)	3,572	(149)		
A.H.P. Admin			374	(8)	374	(8)		
Physiotherapy			3,478	(188)	3,478	(188)		
Occupational Therapy			1,309	(75)	1,309	(75)		
Nursing Services (Adult)			5,606	100	5,606	100		
Community Supplies - Adult			155	(30)	155	(30)		
Anticoagulation			374	(20)	374	(20)		
Joint Community Loan Store			0	0	0	0		
Intake/Other Adult Services	395	546					395	546
Community Nurse Services / AHP / Intake / Other Adult Services	395	546	11,296	(220)	11,691	326		

	Dundee City Council Delegated Services		NHST Delegated Services		Dundee 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			2,549	80	2,549	80
Palliative Care – Medical			1,084	10	1,084	10
Palliative Care – Angus			324	11	324	11
Palliative Care – Perth			1,609	151	1,609	151
Brain Injury			1,588	110	1,588	110
Dietetics (Tayside)			2,761	(171)	2,761	(171)
Sexual & Reproductive Health			2,051	(25)	2,051	(25)
Medical Advisory Service			152	(48)	152	(48)
Homeopathy			26	3	26	3
Tayside Health Arts Trust			58	0	58	0
Psychology			4,871	(472)	4,871	(472)
Eating Disorders			0	0	0	0
Psychotherapy (Tayside)			888	155	888	155
Learning Disability (Tayside AHP)			769	(50)	769	(50)
Hosted Services	0	0	18,731	(246)	18,731	(246)
Working Health Services			0	0	0	0
The Corner			407	58	407	58
Resource Transfer			0	0	0	0
Grants Voluntary Bodies Dundee			46	0	46	0
IJB Management			753	(50)	753	(50)
Partnership Funding			23,572	0	23,572	0
Carers Strategy			0	0	0	0
Public Health			483	(80)	483	(80)
Keep Well			590	(120)	590	(120)
Primary Care			514	(60)	514	(60)
Support Services/Management Costs	387	(98)			387	(98)
Other Dundee Services / Support / Mgmt	387	(98)	26,364	(253)	26,751	(350)

Centrally Managed Budgets

	805	446	805	446		
	Dundee City Council Delegated Services		NHST Dundee Delegated Services		Partnership Total	
	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000	Annual Budget £,000	Projected Over / (Under) £,000
Total Health and Community Care Services	74,767	0	80,298	(300)	155,065	(300)
Other Contractors						
Prescribing (FHS)			32,904	1,010	32,904	1,010
Other FHS Prescribing			894	0	894	0
General Medical Services			23,856	130	23,856	130
FHS - Cash Limited & Non Cash Limited			17,170	(30)	17,170	(30)
Grand Total H&SCP	74,767	0	155,122	810	229,889	810
Hosted Recharges Out			(10,988)	(214)	(10,988)	(214)
Hosted Recharges In			16,464	845	16,464	845
Hosted Services - Net Impact of Risk Sharing Adjustment			5,476	631	5,476	631
TOTAL	74,767	0	160,598	1,441	235,365	1,441
Large Hospital Set Aside			tbc	tbc	tbc	tbc

**NHS Tayside - Services Hosted by Integrated Joint Boards - Charge to Dundee IJB
Risk Sharing Agreement - August 2018**

Appendix 3

Services Hosted in Angus

	Annual Budget	Forecast (Underspend)	Over Dundee Allocation
Forensic Service	920,160	(25,000)	(9,850)
Out of Hours	7,317,658	375,000	147,750
Tayside Continence Service	1,430,626	(81,000)	(31,914)
Ang-loc Pharmacy	1,200,000	0	0
Speech Therapy (Tayside)	982,650	2,000	788
Hosted Services	11,851,094	271,000	106,774
Balance of Savings Target	(142,365)	142,365	56,092
Grand Total Hosted Services	11,708,729	413,365	162,866

Services Hosted in Perth

Angus Gap Inpatients	2,193,216	325,000	128,050
Dundee Gap Inpatients	5,484,667	525,000	206,850
Dundee Gap Snr Medical	1,916,270	400,000	157,600
P+K Gap Inpatients	5,550,968	150,000	59,100
Learning Disability (Tayside)	5,993,297	(30,000)	(11,820)
T.A.P.S.	653,265	(37,500)	(14,775)
Tayside Drug Problem Services	810,156	(115,000)	(45,310)
Prison Health Services	3,067,766	115,000	45,310
Public Dental Service	1,982,570	(5,000)	(1,970)
Podiatry (Tayside)	2,848,180	(18,000)	(7,092)
Hosted Services	30,500,355	1,309,500	515,943
Balance of Savings Target	43,493	-43,493	(17,136)
Balance of Savings Target - IPMH	(465,546)	465,546	183,425
Grand Total Hosted Services	30,078,302	1,731,553	682,232

Total Hosted Services	41,787,031	2,144,918	845,098
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