



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
19 FEBRUARY 2025

REPORT ON: FINANCIAL MONITORING POSITION AS AT DECEMBER 2024

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB7-2025

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the Integration Joint Board with an update of the projected 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 projected operational financial position for delegated services for the 2024/25 financial year end as at 31st December 2024 as outlined in Appendices 1, 2, and 3 of this report.
- 2.2 Note the ongoing actions being taken by Officers and Senior Management to address the current projected financial overspend position through the Financial Recovery Plan, as detailed in 4.5.
- 2.3 Note the deterioration in Risk profile assessment (as detailed in section 6.0) due to the worsening financial position.

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 projected operational overspend of £8,762k (£8,773k projected overspend detailed in previous report DIJB68-2024 Article IX of the minute of meeting of 11th December 2024 refers) – of which £4,000k was anticipated as part of the 2024/25 financial plan however the additional £4,762k 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 currently holds a further £4,789k in General Reserves, which can be utilised to fund the unplanned and unanticipated projected overspend, however this would still leave a small residual reserves balance of £27k at 31st March 2025.
- 3.4 In addition, it should continue to be recognised that if the majority of Reserves are 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 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 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 (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 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 £4,442k for the financial year.
- 4.3.2 Older People Services contribute a significant portion of this, with a projected overspend of £3,565k (improvement from £4,088k). The majority of this is due to Care at Home demands and costs of care packages. It should continue to be noted 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. 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 continues to be highlighted to colleagues in Scottish Government.
- 4.3.3 Learning Disabilities services contribute a further £1,171k overspend to the position (deterioration from £840k), predominantly linked to staffing related spend across packages of care, day care and residential care.
- 4.3.4 Community Nurse Services / AHP / Other Adult Services are showing a projected overspend of £419k (small deterioration from £399k), predominantly linked to planned interim over-recruitment in Community Nursing Teams (£620k projected overspend) to help address demand and alleviate pressures on staff, which is also anticipated to reduce reliance of bank staff to fill gaps. Community Nursing team managers are being tasked with managing down the overspend.
- 4.3.5 Lead Partner Services managed by Dundee has a projected overspend of £494k (previous £615k) and includes overspends within Specialist Palliative Care Services of £378k and Psychological Therapies of £425k. 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.
- 4.3.6 Other Contractors includes GP Prescribing, General Medical Services and Family Health Services and is currently projecting a combined overspend of £727k (previous £582k). The main change from previous month is in GP Prescribing, which has been impacted by further volume and pricing increases. A significant portion of this is linked to the costs of operating the 2C GP Practices (£217k). Work is ongoing with service leads to address 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 Following national decisions regarding 24/25 Pay Award, the projected spend has been updated to incorporate anticipated implications. Agreed backdated pay awards were paid to the majority of staff in November 2024, and the anticipated increased cost along with assumed increased funding has been incorporated into the projected position for both Council employed staff and NHS Agenda for Change staff. An offer of 10.5% uplift has been agreed by NHS Consultants and we also continue to assume this will be fully funded, and an offer has been made to other Career Grade Medical, which we also continue to assume will be fully funded.
- 4.3.10 Supplementary spend during the first 9 months of 2024/25 totals £5,553k. This includes £1,122k on additional part-time hours and overtime, £1,293k on agency, and £3,137k on bank nursing / sessional staffing. Absence rates for NHS employed staff within HSCP have averaged at 7.39% during the first 9 months of 24/25. The working days lost for DCC employed staff within the HSCP during the 9 months to December 2024 was 10.55%.
- 4.3.11 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 latest projections are based on 7 months actual data to October 24 and show an anticipated projected overspend of £360k 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 £408k – 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. Currently, there is 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 is 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.

4.5 Actions to resolve Projected Financial Gap

- 4.5.1 A number of actions and options 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. An update on these actions are detailed in the separate report – Financial Recovery Plan 2024/25 (DIJB8-2025 on this agenda).
- 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.

4.6 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. Based on known and anticipated spend during the current financial year, the projected year-end reserves position is also noted in Table 1 below:

Table 1

Reserve Purpose	Closing Reserves @ 31/3/24 (restated)	Projected Closing Reserves @ 31/3/25
	£k	£k
Mental Health	1,036	198
Primary Care	1,859	1,787
Drug & Alcohol	559	559
Strategic Developments	3,756	3,000
Revenue Budget Support	4,000	0
Service Specific	1,452	251
Other Staffing	362	156
Total committed	13,024	5,952
General	4,789	27
TOTAL RESERVES	17,813	5,979

- 4.6.2 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.
- 4.6.3 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.

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: 22 January 2025

		Appendix 1
DUNDEE INTEGRATED JOINT BOARD		
HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2024/25		Dec-24
	Partnership Total	
	Net Budget £,000	Projected Overspend / (Underspend) £,000
Older Peoples Services	78,392	3,565
Mental Health	13,687	203
Learning Disability	36,816	1,171
Physical Disabilities	8,719	(355)
Drug and Alcohol Recovery Service	6,404	25
Community Nurse Services/AHP/Other Adult	18,601	419
Lead Partner Services	28,255	494
Other Dundee Services / Support / Mgmt	39,413	68
Centrally Managed Budgets	4,543	(1,147)
Total Health and Community Care Services	234,830	4,442
Prescribing & Other FHS Prescribing	35,082	360
General Medical Services	31,476	479
FHS - Cash Limited & Non Cash Limited	23,922	(112)
Large Hospital Set Aside	21,711	0
In-Patient Mental Health	0	0
Total	347,020	5,169
Net Effect of Lead Partner Services*	(5,388)	(408)
Financial Plan Gap (integrated budget)	(4,000)	4,000
Grand Total	337,633	8,762
*Lead Partner Services (formerly known as 'Hosted Services') - Net Impact of Risk Sharing Adjustment		

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DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2024/25		Appendix 2	
		Dec-24	
		Partnership Total	
		Annual Budget	Projected Overspend / (Underspend)
		£,000	£,000
1			
	Psych Of Old Age (In Pat)	5,846	-625
	Older People Serv. - Ecs	287	-30
	Older Peoples Serv. -Community	1,209	60
	Ijb Medicine for Elderly	7,122	-100
	Medical (P.O.A)	910	300
	Psy Of Old Age - Community	2,958	-235
	Medical (MFE)	2,591	-80
	Care at Home	29,508	5,125
	Care Homes	29,743	507
	Day Services	1,300	-232
	Respite	540	-203
	Accommodation with Support	1,194	-40
	Other	-4,817	-882
	Older Peoples Services	78,392	3,565
2			
	Community Mental Health Team	4,770	-5
	Tayside Adult Autism Consultancy Team	385	0
	Care at Home	1,152	44
	Care Homes	643	450
	Day Services	65	1
	Respite	-3	56
	Accommodation with Support	5,818	184
	Other	857	-527
	Mental Health	13,687	203
3			
	Learning Disability (Dundee)	1,727	-30
	Care at Home	-320	509
	Care Homes	3,321	396
	Day Services	9,802	592
	Respite	480	-112
	Accommodation with Support	23,975	-266
	Other	-2,169	82
	Learning Disability	36,816	1,171
4			
	Care at Home	1,101	149
	Care Homes	2,238	-755
	Day Services	76	-61
	Respite	-43	121
	Accommodation with Support	813	-75
	Other	4,535	266
	Physical Disabilities	8,719	-355
5			
	Dundee Drug Alcohol Recovery	4,909	93
	Care at Home	0	0
	Care Homes	380	250
	Day Services	70	1
	Respite	0	0
	Accommodation with Support	350	-134
	Other	696	-185
	Drug and Alcohol Recovery Service	6,404	25

		Partnership Total	
		Annual Budget £,000	Projected Overspend / (Underspend) £,000
6			
	A.H.P.S Admin	535	-3
	Physio + Occupational Therapy	8,086	-175
	Nursing Services (Adult)	9,225	620
	Community Supplies - Adult	344	88
	Anticoagulation	504	-43
	Other Adult Services	-93	-68
	Community Nurse Services / AHP / Other Adult Services	18,601	419
7			
	Palliative Care - Dundee	3,752	285
	Palliative Care - Medical	1,804	115
	Palliative Care - Angus	468	33
	Palliative Care - Perth	2,211	-55
	Brain Injury	2,126	105
	Dietetics (Tayside)	4,567	35
	Sexual & Reproductive Health	2,730	-125
	Medical Advisory Service	83	-11
	Homeopathy	40	8
	Tayside Health Arts Trust	85	0
	Psychological Therapies	7,580	425
	Psychotherapy (Tayside)	1,242	-160
	Perinatal Infant Mental Health	654	0
	Learning Disability (Tay Ahp)	912	-160
	Lead Partner Services	28,255	494
8			
	Working Health Services	1	30
	The Corner	728	-80
	Ijb Management	923	-100
	Partnership Funding	28,375	0
	Urgent Care	2,108	-128
	Community Health Team	198	-25
	Health Inclusion	1,368	-150
	Primary Care	1,278	-35
	Support Services / Management Costs	4,435	555
	Other Dundee Services / Support / Mgmt	39,413	68
	Centrally Managed Budget	4,543	-1,147
	Total Health and Community Care Services	234,830	4,442
	Other Contractors		
	FHS Drugs Prescribing	34,686	1,299
	FHS Drugs Prescribing Cost Pressure Investment	1,052	-1,052
	Other FHS Prescribing	-657	113
	General Medical Services	31,001	262
	Dundee 2c (gms) Services	475	217
	FHS - Cash Limited & Non Cash Limited	23,922	-112
	Large Hospital Set Aside	21,711	0
	Grand H&SCP	347,020	5,169
	Lead Partner Services Recharges Out	-17,231	-259
	Lead Partner Services Recharges In	11,743	-49
	Hosted Recharge Cost Pressure Investment	100	-100
	Hosted Services - Net Impact of Risk Sharing Adjustment	-5,388	-408
	Financial Plan Gap (integrated budget)	-4,000	4,000
	Grand Total	337,633	8,762

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - December 24			
	Annual Budget £000s	Forecast Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,276	99	39
Out of Hours	9,794	2,038	803
Tayside Continence Service	1,555	294	116
Locality Pharmacy	3,180	0	0
Speech Therapy (Tayside)	1,628	12	5
Sub-total	17,433	2,443	962
Apprenticeship Levy & Balance of Savings Target	57	(1,235)	(486)
Total Lead Partner Services - Angus	17,490	1,208	476
Lead Partner Services - Perth & Kinross			
Prison Health Services	5,475	(358)	(141)
Public Dental Service	2,936	(656)	(258)
Podiatry (Tayside)	3,844	(314)	(124)
Sub-total	12,255	(1,328)	(523)
Apprenticeship Levy & Balance of Savings Target	60	(4)	(1)
Total Lead Partner Services - Perth&Kinross	12,315	(1,331)	(524)
Total Lead Partner Services from Angus and P&K	11,743		(49)

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

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