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Agenda Item: 9.

Integration Joint Board

Date of Meeting: 30 June 2021.

Subject: Revenue Expenditure Monitoring Report.

1. Summary

1.1. The Integration Joint Board (IJB) has responsibility for strategic planning and commissioning of a range of health and social care services and allocates the financial resources it receives from Orkney Islands Council and NHS Orkney for this purpose in line with the Strategic Plan.

2. Purpose

2.1. The purpose of this report is to advise of the revenue outturn position for financial year 2020/21.

3. Recommendations

The Integration Joint Board is invited to note:

3.1. The revenue expenditure outturn statement in respect of Orkney Health and Care for financial year 2020/21, set out in section 6.1 of this report, which indicates a breakeven position.

3.2. Additional funding of £3.8 million was received in regard to COVID-19 / Social Care sustainability payments.

3.2. That a savings target of £4.2 million has applied for the three year period 2020 to 2023, of which only £0.275 million recurring savings has been identified to date.

4. Financial Summary

4.1. Within the IJB, presentation of the figures is consistent with the Council's approach. Positive figures illustrate an overspend and figures within a bracket show an underspend. This is the opposite way within NHS reports.

4.2. Within the Integration Scheme it states that, throughout the financial year, the Board shall receive comprehensive financial monitoring reports. The reports shall set out information on actual expenditure and budget for the year to date and forecast outturn against annual budget together with explanations of significant variances and details of any action required.

4.3. Any potential deviation from a breakeven position should be reported to the Board, Orkney Islands Council and NHS Orkney at the earliest opportunity.

4.4. Where it is forecast that an overspend shall arise then the Chief Officer and the Chief Finance Officer of the Board, in consultation with NHS Orkney and Orkney Islands Council, shall identify the cause of the forecast overspend and prepare a recovery plan setting out how they propose to address the forecast overspend and return to a breakeven position.

4.5. The IJB may also consider issuing further Directions to NHS Orkney or Orkney Islands Council. The recovery plan shall be approved by the Board.

4.6. A recovery plan shall aim to bring the forecast expenditure of the Board back in line with the budget within the current financial year. Where an in-year recovery cannot be achieved then any recovery plan that extends into later years should ensure that over the period of the strategic plan forecast expenditure does not exceed the resources made available. Any recovery plan extending beyond in year shall require approval of Orkney Islands Council and NHS Orkney in addition to the Board.

4.7. Where such recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the Board.

5. Main Financial Issues

5.1. COVID-19

5.1.1. As a direct consequence of the COVID-19 pandemic, 2020/21 has represented the most challenging and complex financial year in the history of the public sector.

5.1.2. The impact of COVID-19 on services commissioned by the Orkney IJB has been unprecedented. It has required a significant degree of service change within a short period of time, ultimately having a substantial financial impact, which is likely to continue over the medium term.

5.1.3. All frontline staff attended workplaces and undertook front-line duties including seeing all vulnerable people where feasible within the Scottish national COVID-19 regulations. Some services required to change their models of delivery in line with guidance and so, for example, Day Care centres were closed and staff were deployed to deliver outreach support.

5.1.4. With staff capacity already an issue pre pandemic due to an almost full employment market in Orkney, this further exacerbated the need to staff additional emergency services within a small system where staff already have multiple roles and responsibilities. In addition, some staff needed to self-isolate or shield during periods of lockdown. With already small teams, this had a substantial impact and therefore there was a requirement to employ further agency staff to ensure a safe and sustainable service.

5.1.5. Local Mobilisation Plans were submitted by NHS Orkney to Scottish Government to capture the actual and anticipated additional costs of the Health and Social Care Partnership.

5.1.6. Additional funding of £3.8 million in relation to COVID-19 spend across the partnership and ensuring sustainability within Social Care has been received from the Scottish Government for financial year 2021/22.

5.2. Children and Families

5.2.1. Social work services have been experiencing high levels of sickness absence for a considerable length of time, including key leadership and management roles, all of which has had a significant impact on the service's ability to deliver effective and statutory social work services to children, young people and their families. Some of this related to the need for staff members to remain at home due to initial COVID-19 restrictions. However, it is anticipated there is also the likelihood for some sickness absence to be long term. This has resulted in the need to employ agency staff.

5.2.2. Most importantly, this statutory requirement to provide social work services for children and young people ensures the ability to respond to need and to have responsive Child Protection capacity. Temporary arrangements to ensure this capacity have incurred significant, additional, unfunded expenditure.

5.2.3. These additional posts are essential at this time to ensure proper review planning and improvement work is undertaken following the findings of the Joint Inspection Report, from February 2020, of Services for Children and Young People in Need of Care and Protection in Orkney.

5.2.4. The requirement for agency staff has continued while there has been maternity leave within the service. There are some further changes within the service due to a request for reduced hours and there is also long term sickness, which is impacting on current capacity. Additional capacity to address the Speech and Language Paediatric waiting list is currently being addressed through discussions with the Chief Officer, utilising the wider children's health services budget. This additionality will focus on reducing waiting times and progressing service developments. A great deal of work has been undertaken to identify supply and demand and triaging of the caseload has commenced.

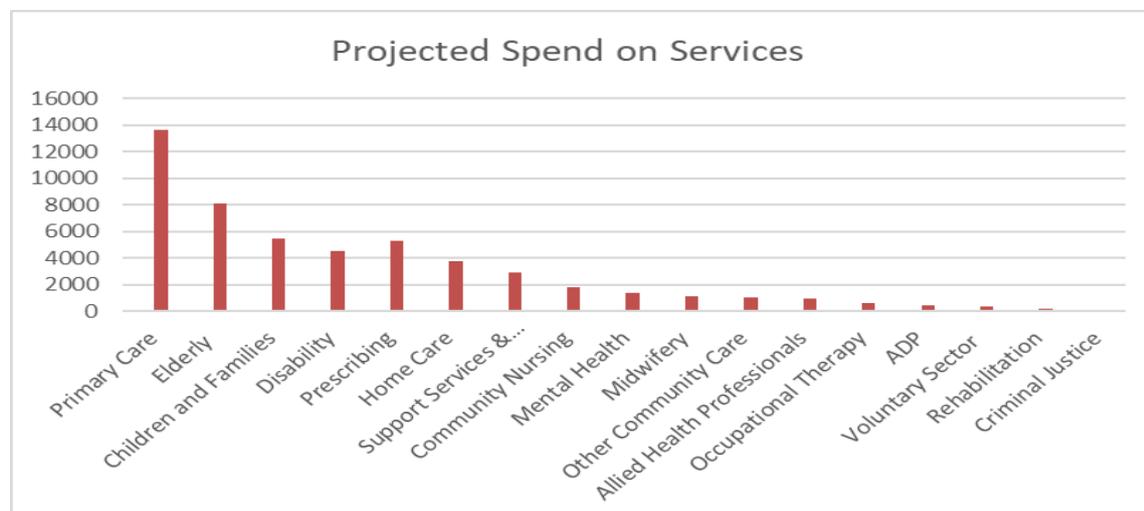
6. Financial Position

6.1. The following table shows the year-end financial position as at 31 March 2021.

IJB Commissioned Services	Year End Projection £000	Annual Budget £000	Over/(Under) Spend	
			£000	%
Support Services & Overheads	2,897	3,146	-249	92.1
ADP	449	463	-14	97.0
Voluntary Sector	405	430	-25	94.2
Children and Families	5,454	4,856	598	112.3
Prescribing	5,287	5,287	0	100.0
Elderly	8,111	8,237	-126	98.5
Disability	4,507	4,859	-352	92.8
Mental Health	1,395	1,421	-26	98.2
Other Community Care	1,029	1,194	-165	86.2
Occupational Therapy	660	679	-19	97.2
Home Care	3,820	3,572	248	106.9
Criminal Justice	3	50	-47	6.0
Community Nursing	1,796	1,689	107	106.3
Primary Care	13,637	13,471	166	101.2
Allied Health Professionals	977	988	-11	98.9
Rehabilitation	228	247	-19	92.3
Midwifery	1,117	1,183	-66	94.4
Savings Applied (NHSO)	0	0	0	n/a
Service Totals	51,772	51,772		
Reserves	2,323	2,323		
Total	54,095	54,095		

6.2. There was additional funding received from the Council of £109K and £1.1 million from NHS Orkney to ensure a balanced year end position.

6.3. The full year spend can be illustrated as follows:



6.4. An analysis of significant projected year end variances is as follows:

Service Explanation.	Proposed Action.	Responsible Officer.	Deadline.	Status.
<p>Support Services and Overheads (Y/E £249K underspend).</p> <p>There have been vacancies within the service.</p>	<p>Some of these posts have been recruited to and will have commenced early within the new financial year.</p>	<p>L Bradford.</p>	<p>31/03/21.</p>	<p>Ongoing.</p>
<p>Children and Families (Y/E Forecast £598K overspend).</p> <p>There are additional staffing requirements within the service due to sickness absence within the Children and Families team and the additional work required for the joint inspection improvement plan. There are also additional costs for residential care within Orkney due to the current children's house being at full capacity.</p> <p>There has been a requirement for agency staff due to vacancies within the Speech and Language service. The successful recruitment process, in both adults and paediatric posts, underway which will see a reduction in projected costs once candidates are in post.</p>	<p>This has been highlighted within the Senior Management Team with both partners and will be closely monitored.</p>	<p>J Lyon.</p>	<p>31/03/21.</p>	<p>Ongoing.</p>
<p>Elderly (Y/E Forecast £126K underspend).</p> <p>All additional costs in regard to COVID-19 have been reimbursed. There was also a significant</p>	<p>A recruitment campaign was launched in the autumn of 2020 promoting roles within Social Care services, pending the usual recruitment checks this</p>	<p>L Bradford.</p>	<p>31/03/21.</p>	<p>Ongoing.</p>

Service Explanation.	Proposed Action.	Responsible Officer.	Deadline.	Status.
<p>reduction in the requirement of high cost packages of care which has enabled this area to stay within balance.</p> <p>However, it should be highlighted that there is a continued reliance on agency staffing due to recruitment issues and long term sickness absence within residential care homes.</p>	<p>should reduce some reliance on agency staff.</p> <p>A further recruitment campaign has launched again in spring 2021 in ongoing efforts to reduce vacancies</p>			
<p>Disability (Y/E £352K underspend).</p> <p>There was some variance in packages of care as families chose to reduce footfall within their own homes.</p> <p>There has been a reduced level of activity due to closure of day services.</p>	<p>Any underspend has aided other areas of service pressure for this financial year only.</p>	L Bradford.	31/03/21.	Ongoing.
<p>Other Community Care (Y/E £165K underspend).</p> <p>There have been various vacancies within the team. Full time salaries were also held against staff on flexible retirement leading to surplus non-recurring budget.</p>	<p>Vacancies will be reviewed in the near future. Any underspend will aid other areas of service pressure this financial year.</p>	L Bradford.	31/03/21.	Ongoing.
<p>Home Care (Y/E £248K overspend).</p> <p>The demand for Home Care continues to grow as the ageing population is continuing to increase. Once an assessed need has been</p>	<p>This has been highlighted within the OHAC Senior Management Team with the Council and will be closely monitored. The adult strategic needs</p>	L Bradford.	31/03/21.	Ongoing.

Service Explanation.	Proposed Action.	Responsible Officer.	Deadline.	Status.
<p>identified and agreed, budget availability cannot be a deciding factor on provision of service due to the current eligibility criteria.</p> <p>There is currently an increase in short term sickness within the team whereby there is a requirement to use agency staffing.</p>	assessment and work on frailty will improve our understanding of demand.			
<p>Criminal Justice (Y/E £47K underspend).</p> <p>There was vacancies within the service throughout the year.</p>	These posts will be recruited to in the near future.	J Lyon.	31/03/21.	Ongoing.
<p>Community Nursing (Y/E £107K overspend).</p> <p>There are additional costs due to sickness and vacancies which is requiring regular locum cover at present. In addition, there are maternity and a social GP costs to be reimbursed to independent practices which is unbudgeted for.</p>	<p>Some posts have been recruited to and others out to advert.</p> <p>Work is ongoing with HR and Occupational Health around supporting some longer terms absences.</p>	M Firth.	31/03/21.	Ongoing.
<p>Primary Care (Y/E £166k overspend).</p> <p>There are a number of sickness and vacancies which is requiring regular locum cover at present.</p>	<p>Some posts have been recruited to and others out to advert.</p> <p>Work is ongoing with HR and Occupational Health around supporting some longer term absences.</p>	M Firth.	31/03/21.	Ongoing.

Service Explanation.	Proposed Action.	Responsible Officer.	Deadline.	Status.
<p>Midwifery (Y/E £66k underspend).</p> <p>This is due to a combination of staffing reasons, such as temporary vacancies from retirements. There has also been a reduction in travel costs due to some appointments being undertaken via Near Me technology.</p> <p>Some of the underspend relates to activity that was paused due to COVID-19, for example fertility treatments like IVF. Some training has moved to virtual platforms or has had Scottish Government agreement to delay the implementation deadline to July 2022, which has caused an underspend in that area. Some new initiatives did not progress as expected, such as breast feeding initiatives, but these are in the process of recommencing.</p>	<p>No action required as vacancies will be recruited to and services will be recommencing within next financial year.</p>	<p>M Swannie.</p>	<p>31/03/21.</p>	<p>Ongoing.</p>

7. Recovery Plan

7.1. Where it is forecast that an overspend shall arise then the Chief Officer and the Chief Finance Officer of the Board shall identify the cause of the forecast overspend and prepare a recovery plan setting out how they propose to address the forecast overspend and return to a breakeven position. The Chief Officer and the Chief Finance Officer of the Board shall consult the Section 95 Officer of Orkney Islands Council and the Director of Finance of NHS Orkney in preparing the recovery plan. The recovery plan shall be approved by the Board.

7.2. Within financial year 2021/22 additional resources was received from both parties to ensure a balanced year end position.

7.3. To be able to ensure a balanced budget moving forward services will need to be streamlined or delivered in a different way.

8. Set Aside

8.1. The following table shows the year end position in regard to services within the Set Aside budget:

	Year End	Annual Budget	Over/(Under) Spend		Variance
	£000	£000	£000	%	
Set Aside Budgets					
Acute Services	1,559	1,421	138	109.7	Some posts are unfunded.
Medical Team - Junior Doctors	1,092	1,092	0	100.0	
Medical Team - Consultants	925	925	0	100.0	
Assessment & Rehab	1,007	988	19	101.9	Unfunded use of bank staff and unachieved savings target.
Hospital Drugs	824	614	210	134.2	Increases in drug prices (and growth) have been greater than inflationary uplift.
Emergency Department	841	717	124	117.3	Some posts are unfunded.
Acute Mental Health Placements (Ayr Clinic)	606	737	-131	82.2	Fewer patients than originally budgeted for.
Sub Total	6,854	6,494	360		
Memorandum Budget - Off Island Acute Services					
Unplanned Activity (UNPACS) other Scottish Boards	524	524	0	100.0	
SLA Healthcare Purchasing - Grampian Mental Health	919	881	38	104.3	Increased activity
SLA Healthcare Purchasing - Grampian Block Contract	160	160	0	100.0	
SLA Healthcare Purchasing - Lothian	115	80	35	143.7	Increased activity
Sub Total	1,718	1,645	73		
Total Set Aside	8,572	8,139	433		

8.2. There was an additional allocation of £433K to ensure a balanced year end position in regard to the set aside budget for financial year 2020/21.

9. Contribution to quality

Please indicate which of the Orkney Community Plan 2019 to 2022 visions are supported in this report adding Yes or No to the relevant area(s):

Resilience: To support and promote our strong communities.	No.
Enterprise: To tackle crosscutting issues such as digital connectivity, transport, housing and fuel poverty.	No.
Equality: To encourage services to provide equal opportunities for everyone.	No.
Fairness: To make sure socio-economic and social factors are balanced.	Yes.
Innovation: To overcome issues more effectively through partnership working.	No.
Leadership: To involve partners such as community councils, community groups, voluntary groups and individuals in the process.	No.
Sustainability: To make sure economic and environmental factors are balanced.	Yes.

10. Resource implications and identified source of funding

10.1. The revenue expenditure outturn indicates a breakeven position for financial year 2020/21.

10.2. Additional contributions were received at the year end, amounting to £109K from the Council and £1.1 million from NHS Orkney.

11. Risk and Equality assessment

11.1. The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded; properly accounted for; and used economically, efficiently and effectively.

12. Direction Required

Please indicate if this report requires a direction to be passed to:

NHS Orkney.	No.
Orkney Islands Council.	No.
Both NHS Orkney and Orkney Islands Council.	No.

13. Escalation Required

Please indicate if this report requires escalation to:

NHS Orkney.	No.
Orkney Islands Council.	No
Both NHS Orkney and Orkney Islands Council.	Yes.

14. Conclusion

14.1. Demand is rising significantly whilst in real terms, available public spending is reducing. Over the next few years, the IJB will require to balance its ambitious commissioning decisions to support change alongside decommissioning decisions that enables NHS Orkney and Orkney Islands Council to deliver year on year efficiencies to sustain priority services.

15. Author

15.1. Pat Robinson (Chief Finance Officer), Integration Joint Board.

16. Contact details

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17. Supporting documents

17.1. Annex 1: Budget Reconciliation.

17.2. Annex 2: IJB Reserves.

17.3. Annex 3: IJB Recovery Plan.

Annex 1: Budget Reconciliation

Budget Summary		£000
NHS Opening Budget 2020/21		26,381
OIC Opening Budget 2020/21		20,343
IJB Opening Budget		46,724
	Recurring	Non Recurring
	£000	£000
NHS		
Savings Target	(800)	
Efficiency Savings Reinstated 19/20		130
Medical Pay Award	7	
Primary Medical Services Pension Uplift	45	
Non Cash Limited Budget Review	89	463
Maternal & Infant Nutrition Budget Transfer	13	
2019/20 Prescribing Advance		(66)
Living Wage Uplift		16
First Responders	6	
Sonographer	28	
Heart Failure Nurse	30	
Vitamins for Infants		2
Primary Care Investment Fund	149	
GP Sub Group Transfer	37	
Alcohol & Drugs Partnership		97
ADP > anticipated	14	
GP Premises		62
Primary Care Rural Fund		39
GMS Uplift	36	
Neurological Care		13
Primary Care Improvement Plan		495
Primary Care Support b/f		17
Primary Care Digital Technology b/f		71
Primary Care Improvement Fund		82
Scottish Trauma Network		4
Tarriff to Global Sum	(94)	
Third Sector Partnership b/f		14
PC Near Me Funding (PC Digital Tech transfer to IT)		(25)
MH Action 15	24	54
District Nurse Post	11	
School Nursing		46
Regrading Band 7 to 8A	5	
BAF Seniority Correction	17	
Maternity Best Start		15
Maternity Breast Feeding		42
Perinatal & Infant Nutrition		29
Digital Improvement		10
Shingles		8
Adult Flu		18
Insulin Pumps	8	2
GP Dispensing		12
Fluenz Vaccine		(3)
Covid Recogniton Payments		102
Reduce Drugs Deaths		22
Covid Thank You		58
Social Care Winter Planning		234
Community Living		81
Further Integration Support		406
Pay Award 4%		108
Nurse Director		60
Commissioning Uplift (Infertility)	2	
Covid 19 / Sustainability Payments		3,813
OIC		109
Overspending Budgets		1,104
	(373)	7,744
	Revised Budget	54,095

Annex 2: IJB Reserves / Holding Account

	Balance £000
Primary Care Improvement Fund	641
Alcohol and Drugs Prevention	145
Reduce Drug Deaths	22
Primary Care Digital Technology	55
Primary Care Rural Fund	27
Improvements to GP Premises	22
Primary Care Support	17
GP Dispensing	12
Community Living Change	81
School Nursing	12
Mental Health Action 15	54
Scottish Trauma Network	4
District Nursing	71
Integration Support	489
COVID-19	671
	<hr/> 2,323 <hr/>

Annex 3: Recovery Plan

	£000
NHS Savings Target	2,400
OIC Savings Target	1,800
Overall Savings Target	4,200

	Recurring £000	Non- Recurring £000	Total Savings £000
Underspend from 2019/20		130	
Reduction in Photocopying Costs	1		
Removal of grants paid to Lunch Clubs	37		
Removal of Sleep-ins within Local Authority Care Homes	77		
Staffing Restructure	30		
	<hr/> 145	130	<hr/> 275
			<hr/> 3,925 <hr/>
		Unidentified Savings	