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Agenda Item:

## **Integration Joint Board**

**Date of Meeting: 21 September 2022.**

**Subject: Revenue Expenditure Outturn.**

### **1. Purpose**

1.1. The purpose of this report is to advise of the revenue outturn position for financial year 2021/22.

### **2. Recommendations**

The Integration Joint Board is invited to note:

2.1. The revenue expenditure outturn statement in respect of Orkney Health and Care for financial year 2021/22, detailed at section 4.1 of this report, which indicates a balanced position.

2.2. That an additional contribution of £440,700 was received from Orkney Islands Council at the year end to balance.

2.3. The additional contribution from the COVID-19 allocation in regard to unachieved savings of £1,877,000 which is non recurring.

2.4. The revenue expenditure outturn statement in respect of the set aside for financial year 2021/22, detailed at section 6 of this report, which indicates a year end overspend of £177,000.

### **3. Financial Summary**

3.1. 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.

3.2. 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.

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

3.4. 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.

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

3.6. 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.

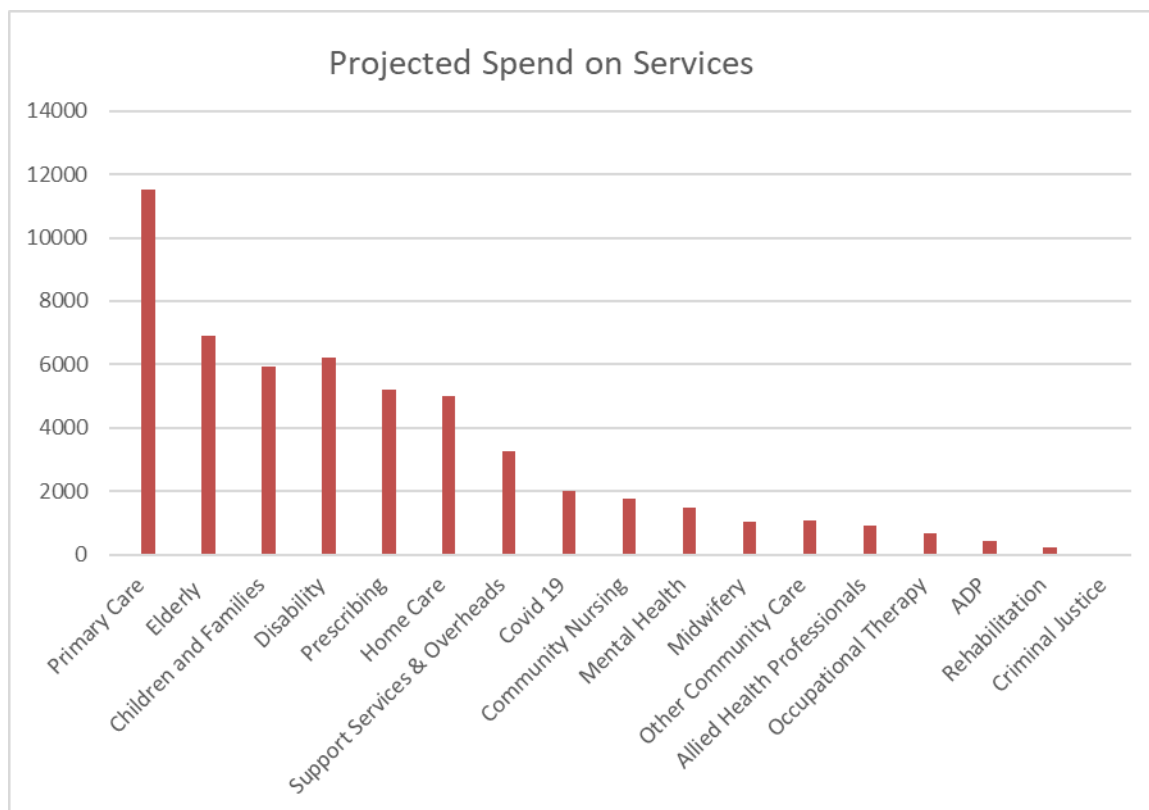
3.7. Where such recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the Board.

## 4. Financial Position

4.1. The following table shows the year end financial position as at 31 March 2022.

IJB Commissioned Services	Year End Spend	Annual Budget	Over/(Under) Spend	
	£000	£000	£000	%
Support Services & Overheads	3,271	3,318	(47)	98.6
ADP	415	471	(56)	88.1
Children and Families	5,917	5,870	47	100.8
Prescribing	5,203	5,123	80	101.6
Elderly	6,915	6,717	198	102.9
Disability	6,207	6,177	30	100.5
Mental Health	1,476	1,283	193	115.0
Other Community Care	1,062	1,217	(155)	87.3
Occupational Therapy	677	688	(11)	98.4
Care At Home	5,003	4,882	121	102.5
Criminal Justice	3	63	(60)	4.8
Community Nursing	1,742	1,681	61	103.6
Primary Care	11,518	11,715	(197)	98.3
Allied Health Professionals	901	981	(80)	91.8
Rehabilitation	215	251	(36)	85.7
Midwifery	1,018	1,106	(88)	92.0
Covid 19	2,010	2,010	0	100.0
<b>Service Totals</b>	<b>53,553</b>	<b>53,553</b>	<b>0</b>	

4.2. The current net spend can be illustrated as follows:



#### 4.2.1. Alcohol and Drug Partnership (£56K underspend).

There were vacancies within the team.

#### 4.2.2. Prescribing (£80K overspend).

There was an overspend within the GP prescribing budget and vaccinations costs were higher.

#### 4.2.3. Elderly (£198K overspend).

There was a continued reliance on agency staffing due to recruitment issues and long-term sickness absence within residential care homes. Recruitment and long-term absence issues continue to be prevalent despite continued effort by managers.

There were also residual costs from the transition from St Peter's House to Hamnavoe House. The handover of the former residential care property (St Peter's) is now complete and therefore no further costs will be incurred in that respect.

#### 4.2.4. Mental Health (£193K overspend).

There were additional costs regarding employing a locum consultant psychiatrist locally as well as agency psychiatric nursing being required to cover vacancies. A permanent Consultant Psychiatrist post has been appointed with a start date of 6 June 2022. This appointment is part time and will comprise service delivery both locally and remotely. Recruitment to the remaining hours will be undertaken.

An agency nurse was backfilling a CAMHS Practitioner vacancy. The substantive post was recruited to, with the postholder commencing employment in January 2022. It was agreed to retain the agency nurse through to 31 March 2022, funded from the CAMHS funding allocation.

#### **4.2.5. Other Community Care** (£155K underspend).

There were vacancies within the service. Posts will be recruited to in the near future following on from the Health and Social Care Partnership senior restructure.

#### **4.2.6. Care at Home** (£121K overspend).

There was a continued reliance on agency staffing due to recruitment issues and increasing demand within the Care at Homes service. Costs in relation to carers' respite were recharged to this function so as to more accurately record these costs.

There is a further recruitment campaign scheduled for Care at Home Staff which will hopefully reduce the reliance of agency staff to some degree in the future.

#### **4.2.7. Criminal Justice** (£60K underspend).

There were some vacancies within the team.

#### **4.2.8. Community Nursing** (£61K overspend).

There was a requirement for bank staff in community nursing in the isles.

#### **4.2.9. Primary Care** (£197K underspend).

There was an underspend within Community Dental Services.

#### **4.2.10. Allied Health Professionals** (£80K underspend).

There were vacancies in both Podiatry and Physiotherapy with posts advertised a number of times with no uptake. Locums were agreed for Physiotherapy and Podiatry as these services urgently required to be covered.

#### **4.2.11. Rehabilitation** (£36K underspend).

There were some vacancies within the team.

#### **4.2.12. Midwifery** (£88K underspend).

There were a number of vacancies within the service specifically in regard to project work (perinatal, infant mental health and breastfeeding).

## **5. COVID-19**

5.1. As a direct consequence of the COVID-19 pandemic, 2021/22 has continued to be a very challenging and complex financial year.

5.2. There are significant costs in relation to COVID-19 for financial year 2021/22. Regular returns were submitted via NHS Orkney within the Mobilisation Plan for financial year 2021/22, which were refunded, in full. The breakdown of spend can be found within Annex 2.

5.3. As at 28 February 2022, it was announced that there was further funding to Integration Authorities to meet COVID-19 costs and to support the continuing impact of the pandemic. The breakdown can be shown as follows:

<b>COVID-19 Funding</b>	<b>£000</b>	<b>£000</b>
Total Funding Received		6,250
Less COVID-19 Spend Within Services	2,010	
Less Unachieved Savings	<u>1,877</u>	
		<u>3,887</u>
<b>Funding Carried Forward</b>		<b>2,363</b>

5.4. Any proposed utilisation of the earmarked reserves (£2,363K) to meet new expenditure that has not been funded in 2021/22 will require agreement from the Scottish Government, and it will remain important that reserves are not used to fund recurring expenditure, given the non-recurring nature of COVID-19 funding.

5.5. Recent communication from the UK Government has indicated that in 2022/23 there will be no further specific consequential to meet the ongoing cost pressures emerging from COVID-19.

5.6. With the introduction of the vaccines, it is anticipated that the likelihood of future spikes in demand for services will decrease. However throughout financial year 2022/23 there will continue to be some additional delivery and financial pressures as well as the constant impacts on the need for more strategic planning, transformation activity and savings plans, which will require ongoing review and realignment.

## 6. Set Aside

6.1. The following table shows the year end position as at 31 March 2022.

	Year End	Annual	Over/(Under)		
	Spend	Budget	Spend		Variance
Set Aside Budgets	£000	£000	£000	%	
Acute Services	1,340	1,352	(12)	99.1	
Medical Team - Junior Doctors	1,242	1,266	(24)	98.1	
Medical Team - Consultants	991	943	48	105.1	
Assessment and Rehab	1,499	1,569	(70)	95.5	Unfunded use of bank staff
Hospital Drugs	1,156	661	495	174.9	Increases in drug prices (and growth) have been greater than inflationary uplift.
Emergency Department	912	711	201	128.3	Some posts are unfunded
Acute Mental Health Placements (Ayr Clinic)	468	739	(271)	63.3	Fewer patients as been moved to community based services
<b>Off Island Acute Services</b>					
Unplanned Activity (UNPACS) other Scottish Boards	457	532	(75)	85.9	Lower than previous year due to restrictions on travel due to COVID-19
SLA Healthcare Purchasing - Grampian Mental Health	699	889	(190)	78.6	Increased activity for 3 year rolling average (up to 19/20)
SLA Healthcare Purchasing - Grampian Block Contract	162	162	0	100.0	
SLA Healthcare Purchasing - Lothian	156	81	75	192.6	Increased activity for rolling 3 years (up to 18/19)
<b>Total Set Aside</b>	<b>9,082</b>	<b>8,905</b>	<b>177</b>		

## 7. Contribution to quality

Please indicate which of the Orkney Community Plan 2021 to 2023 visions are supported in this report adding Yes or No to the relevant area(s):

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

## 8. Resource and financial implications

8.1. The revenue expenditure outturn indicates a balanced position for financial year 2021/22.

8.2. An additional contribution of £440,700 was received from the Council at the year end in regard to Outwith Orkney placements.

8.3. The revenue expenditure outturn statement in respect of the set aside for financial year 2021/22 indicates a year end overspend of £177,000.

## 9. Risk and equality implications

9.1. The Board 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.

9.2. There are no risk or equality implications directly arising from this report.

## 10. Direction required

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

NHS Orkney.	No.
Orkney Islands Council.	No.

## 11. Escalation required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.

## 12. Author and contact information

13.1. Pat Robinson (Chief Finance Officer), Integration Joint Board. Email: [pat.robinson@orkney.gov.uk](mailto:pat.robinson@orkney.gov.uk), telephone: 01856873535 extension 2611.

## 13. Supporting documents

13.1. Annex 1: Reserves.

13.2. Annex 2: Recovery Plan.

13.3. Annex 3: Mobilisation Plan COVID-19 Projected Full Year.



## Annex 1: IJB Reserves / Holding Account

	£000
Primary Care	1,090
COVID-19	2,363
Hospital At Home	318
Integration Support/System Pressures	362
Alcohol and Drugs Prevention	364
Mental Health	892
Children and Family Services	194
Care At Home	271
Interim Care	175
Other*	95
<b>Total Earmarked Reserves</b>	<b>6,124</b>

\* This is in relation to smaller funding streams that gets allocated to cost centre once costs are known.

## Annex 2: Recovery Plan

			£000
<b>NHS Savings Target</b>			<b>2,400</b>
<b>OIC Savings</b>			<b>1,800</b>
<b>Overall Savings Target</b>			<b>4,200</b>
	<b>Recurring</b>	<b>Non- Recurring</b>	<b>Total Savings</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
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		
Reduction in Un-utilised Budget	25		
Increase in Residential Care Income	37		
Increase in Very Sheltered Income	32		
Additional Income to IJB Budget	20		
Unachieved Savings (COVID-19)		1,800	
			<u>2,059</u>
<b>Unidentified Savings</b>			<b><u>2,141</u></b>

### **Annex 3: Mobilisation Plan COVID-19 Full Year Costs**

	<b>£000</b>
Additional PPE	2
Testing	153
Community Hubs	228
Additional Capacity in Community	27
Additional Infection Prevention and Control Costs	466
Additional FHS Prescribing	42
Additional Staffing Costs	931
Loss of Income	11
Social Care Provider Sustainability Payments	21
Other	129
<b>Total</b>	<b>2,010</b>