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Agenda Item: 10.

Integration Joint Board

Date of Meeting: 21 September 2022.

Subject: Revenue Expenditure Monitoring.

1. Purpose

1.1. To present the Revenue Expenditure Monitoring report for the period to 31 July 2022 for scrutiny.

2. Recommendations

The Integration Joint Board is invited to note:

2.1. The financial position of the Orkney Health and Social Care Partnership as at 31 July 2022 as follows:

- A current overspend of £89K on services delegated and an overspend of £230K on the set aside.
- A forecast year end overspend of £1,151K on services delegated and an overspend of £970K on set aside, based on current activity and spending patterns.

2.2. That NHS Orkney has applied a savings target of £2.4M for 2022/23 (£1.8M carried forward from 2021/22) of which they anticipate £750K can be achieved within the current financial year.

2.3. The balance within the earmarked reserves/holding account of £7,901K, as detailed in Annex 1.

2.4. Recurring full year cash savings of £455K that have been identified, as detailed in Annex 2.

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. Main Financial Issues

4.1. COVID-19

4.1.1. Local Mobilisation Plans are submitted by NHS Orkney to Scottish Government to capture the actual and anticipated additional costs of the Health and Social Care Partnership. The last submission for the end of June, shows a projected spend within services across the partnership of £0.973M.

4.2. Children and Families

4.2.1. There are additional costs for residential care within Orkney due to increasing demands in addition to the current children's house being at full capacity. The projected cost of this additional facility is £400K.

4.2.2. The requirement for Outwith Orkney placements continues to be higher than the budget due to demands. However, there are reductions within the number of specialist placements required throughout this financial year. The estimated shortfall based on information available for current and projected placements is £346K.

4.3. Disability

4.3.1. There has been a requirement for a specialist placement required outwith Orkney which has an estimated cost of £306K.

5. Financial Position

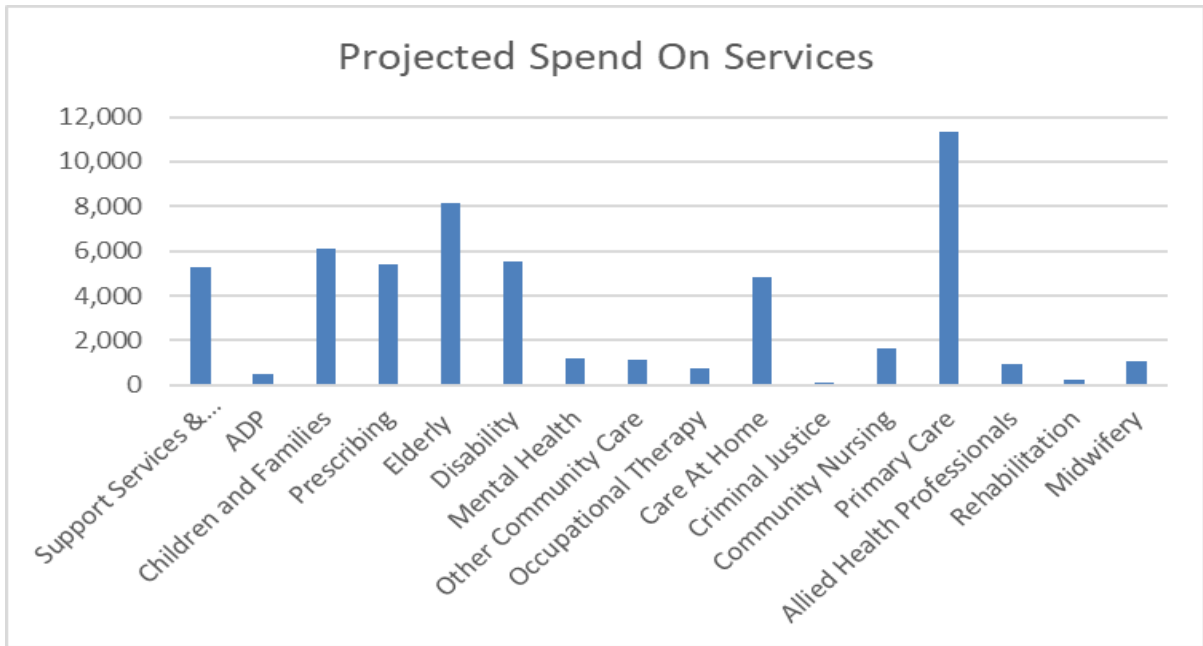
5.1. The following table shows the current financial position as at 31 July 2022 for services commissioned and forecast year end position, based on current activity and expenditure, and includes anticipated future commitments to 31 March 2023. The year-end projection will be reviewed on a regular basis throughout the year.

IJB Commissioned Services	Spend	Budget	Variance	Year End	Annual	Over/(Under)	
	YTD	YTD	YTD	Projection	Budget	Spend	
	£000	£000	£000	£000	£000	£000	%
Support Services & Overheads	928	940	(12)	5,272	5,301	(29)	99.5
ADP	136	163	(27)	456	456	0	100.0
Children and Families	1,845	1,730	115	6,119	5,252	867	116.5
Prescribing	1,759	1,784	(25)	5,374	5,344	30	100.6
Elderly	2,999	3,002	(3)	8,151	8,078	73	100.9
Disability	1,701	1,623	78	5,498	4,986	512	110.3
Mental Health	349	338	11	1,169	1,084	85	107.8
Other Community Care	269	344	(75)	1,153	1,253	(100)	92.0
Occupational Therapy	267	240	27	732	709	23	103.2
Care At Home	1,788	1,700	88	4,840	4,829	11	100.2
Criminal Justice	10	25	(15)	101	121	(20)	83.5
Community Nursing	549	562	(13)	1,644	1,686	(42)	97.5
Primary Care	3,844	3,841	3	11,339	11,440	(101)	99.1
Allied Health Professionals	306	322	(16)	920	967	(47)	95.1
Rehabilitation	76	84	(8)	227	251	(24)	90.4
Midwifery	353	392	(39)	1,087	1,174	(87)	92.6
Service Totals	17,179	17,090	89	54,082	52,931	1,151	

5.2. With the approval of the integration scheme, midwifery services will be delegated back to NHS Orkney. The work on this delegation has commenced and is hoped to be completed before the next reporting period.

5.3. Further work has commenced to ensure funding is transferred from the reserves to accommodate costs that have been agreed via the appropriate funding streams.

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



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

Service Explanation	Proposed Action	Responsible Officer	Review	Status
<p>Children and Families. (Y/E Forecast £867K overspend).</p> <p>There are additional costs for residential care within Orkney due to increasing demands in addition to the current children's house being at full capacity. The projected cost of this additional facility is £400K.</p> <p>The requirement for outwith Orkney placements continues to be higher than the budget due to demands. However, there are reductions within the number of specialist placements required throughout this financial year. The estimated shortfall based on information available for current and projected placements is £346K.</p> <p>The cost of fostering placements is also projecting higher than previous years with an anticipated shortfall of £230K based on current spend.</p>	<p>This has been highlighted within the Health and Social Care Partnership's Senior Management Team and will be closely monitored.</p>	<p>J Lyon.</p>	<p>31 October 2022.</p>	<p>Ongoing.</p>
<p>Elderly. (Y/E Forecast £73K overspend).</p> <p>The demand for direct payments in lieu of day care services continues to grow as the</p>	<p>This will be highlighted within the Health and Social Care Partnership's Senior Management Team and will be closely monitored.</p>	<p>L Bradford.</p>	<p>31 October 2022.</p>	<p>Ongoing.</p>

Service Explanation	Proposed Action	Responsible Officer	Review	Status
ageing population is continuing to increase. Once an assessed need has been identified and agreed, budget availability cannot be a deciding factor on provision of service due to the current eligibility criteria.				
<p>Disability (Y/E Forecast £512K overspend).</p> <p>A high cost package has commenced at an estimated cost of £300K per year. There is a continued reliance on agency staffing due to sickness absence within supported accommodation.</p>	This will be highlighted within the Health and Social Care Partnership's Senior Management and will be closely monitored.	L Bradford.	31 October 2022.	Ongoing.
<p>Mental Health (Y/E Forecast £85K overspend).</p> <p>There are additional costs regarding employing a locum consultant psychiatrist locally as well as agency psychiatric nursing being required to cover vacancies.</p>	NHS Orkney is having ongoing discussions in regard to a reduction in Service Level Agreement costs as NHS Orkney now has a permanent Consultant Psychiatrist. The postholder commenced on 6 June 2022 and is part time and will deliver services remotely. There will be further consideration as to how to utilise the remaining budget.	L Bradford.	31 October 2022.	Ongoing.
Other Community Care	Posts will be recruited to in the near future following on from the Health and	L Bradford.	31 October 2022.	Ongoing.

Service Explanation	Proposed Action	Responsible Officer	Review	Status
(Y/E Forecast £100K underspend). There have been vacancies within the service.	Social Care Partnership senior restructure.			
Criminal Justice (Y/E Forecast £20K underspend). There is additional funding received in regard to staffing for Public Protection.	These will be recruited to within the near future.	J Lyon.	31 October 2022.	Ongoing.
Primary Care (Y/E Forecast £101K underspend). There is a forecast underspend on Community Dental Services.	Monitor the situation.	M Firth.	31 October 2022.	Ongoing.
Midwifery (Y/E Forecast £87K underspend). There are a number of vacancies within the service.	There is currently a recruitment process in place.	M Mackie.	31 October 2022.	Ongoing.

6. Set Aside

6.1. The following table shows the current financial position as at 31 July 2022 and forecast year end position, based on current activity and expenditure, and includes anticipated future commitments to 31 March 2023. The year-end projection will be reviewed on a regular basis throughout the year.

	Spend	Budget	Variance	Year End	Annual	Over/(Under)		
	YTD	YTD	YTD	Projection	Budget	Spend		Variance
Set Aside Budgets	£000	£000	£000	£000	£000	£000	%	
Acute Services	516	437	79	1,518	1,311	207	115.8	
Medical Team - Junior Doctors	378	377	1	1,118	1,118	0	100.0	
Medical Team - Consultants	346	346	0	1,022	1,022	0	100.0	
Assessment and Rehab	501	525	(24)	1,497	1,575	(78)	95.0	
Hospital Drugs	421	221	200	1,361	664	697	205.0	Increases in drug prices (and growth) have been greater than inflationary uplift.
Emergency Department	319	232	87	958	697	261	137.4	Some posts are unfunded
Acute Mental Health Placements (Ayr Clinic)	68	114	(46)	205	342	(137)	59.9	Fewer patients as been moved to community based services
Off Island Acute Services								
Unplanned Activity (UNPACS) other Scottish Boards	81	181	(100)	461	542	(81)	85.1	Reduction in travel. As its unplanned activity this is subject to change
SLA Healthcare Purchasing - Grampian Mental Health	240	236	4	721	708	13	101.8	Increased activity for 3 year rolling average (up to 19/20)
SLA Healthcare Purchasing - Grampian Block Contract	55	55	0	166	166	0	100.0	
SLA Healthcare Purchasing - Lothian	57	28	29	171	83	88	206.0	This is based on a 3 year average to 19/20 (using last 3 years prior to COVID-19)
Total Set Aside	2,982	2,752	230	9,198	8,228	970		

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):

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.

8. Resource and financial implications

8.1. The projected outturn position is showing an anticipated overspend in services delegated of £1,151K and an anticipated overspend of £970K for the set aside for financial year 2022/23. However, this is based on the current commitments known to the end of the financial year.

8.2. NHS Orkney has stated a savings target of £2,400K for 2022/23 which comprises a carry forward of £1,800K from 2021/22 of which they hope £750K can be achieved within this financial year. This has not been included within the projected year end position highlighted at 8.1.

8.3. There are recurring full year cash savings of £455K that have been identified which is further detailed within Annex 2.

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

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

13. Supporting documents

13.1. Annex 1: Reserves/ Holding Account.

13.2. Annex 2: Savings Achieved.

Annex 1: IJB Reserves / Holding Account

	Balance at Period 4 £000
Alcohol and Drugs Prevention	432
PCIF 21/22	863
PCIF 22/23	337
Primary Care	229
Nurse Director Care Homes	60
Mental Health Action 15	152
Mental Health	892
Children and Adolescent Mental Health	52
Children and Family Services	194
Multi-Disciplinary Teams	88
Hospital At Home	304
Additional Band 2's and 4's	75
Value and Change Management	77
Care At Home	382
Interim Care	265
Additional Investment	645
Social Work Capacity	99
Covid Funding (As at April 2022)	2,363
Pay Uplifts and Inflation and Other*	392
	<hr/> 7,901 <hr/>

Annex 2: Savings Achieved

	Recurring	Non- Recurring	Total Savings
	£000	£000	£000
Locum Staffing to Recruited Staffing	54		
Reduction in High Cost Placements (Set Aside)	401		
Total Savings			<u>455</u>